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Annual Report

of the

Secretary of the Treasury

on the

State of the Finances

For the Fiscal Year Ended June 30, 1962

TREASURY DEPARTMENT

DOCUMENT NO. 3226

Secretary

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CONTENTS

Guaranteed Obligations Called

Regulations

Legislation

FINANCIAL POLICY

PUBLIC DEBT MANAGEMENT

TAXATION DEVELOPMENTS

ORGANIZATION AND PROCEDURE

ADVISORY COMMITTEES

TABLES

SUMMARY OF FISCAL OPERATIONS

RECEIPTS AND EXPENDITURES

PUBLIC DEBT, GUARANTEED OBLIGATIONS, ETC.

I.—Outstanding

VI.—Ownership of governmental securities

II.—Certain other accounts

CORPORATIONS AND CERTAIN OTHER BUSINESS-TYPE ACTIVITIES OF THE UNITED STATES GOVERNMENT

GOVERNMENT LOSSES IN SHIPMENT

PERSONNEL

NOTE.—Details of figures may not add to totals because of rounding.

SECRETARY, UNDER SECRETARIES, GENERAL COUNSEL, AND ASSISTANT SECRETARIES OF THE TREASURY DEPARTMENT FROM JANUARY 21, 1961, TO JANUARY 1, 1963 [1]

Term of service		Official
From	To	
		Secretary of the Treasury
Jan. 21, 1961	--------------	Douglas Dillon, New Jersey.
		Under Secretary
Feb. 3, 1961	--------------	Henry H. Fowler, Virginia.
		Under Secretary of the Treasury for Monetary Affairs
Jan. 31, 1961	--------------	Robert V. Roosa, New York.
		General Counsel
Apr. 5, 1961	Oct. 6, 1962	Robert H. Knight, Virginia.
Nov. 16, 1962	--------------	G. d'Andelot Belin, Massachusetts
		Assistant Secretaries
Dec. 20, 1957	Dec. 19, 1961	A. Gilmore Flues, Ohio.
Apr. 5, 1961	Oct. 31, 1962	John M. Leddy, Virginia.
Apr. 24, 1961	--------------	Stanley S. Surrey, Massachusetts.
Dec. 20, 1961	--------------	James A. Reed, Massachusetts.
Dec. 18, 1962	--------------	John C. Bullitt, New Jersey.
		Fiscal Assistant Secretary
June 19, 1955	Mar. 31, 1962	William T. Heffelfinger, District of Columbia.
June 15, 1962	--------------	John K. Carlock, Arizona.
		Administrative Assistant Secretary
Sept. 14, 1959	--------------	A. E. Weatherbee, Maine.

[1] For officials from September 11, 1789, through January 20, 1961, see the 1961 annual report exhibit 32, pp. 389–392.

PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF JANUARY 1, 1963

SECRETARY

DOUGLAS DILLON

Henry H. Fowler	Under Secretary of the Treasury.
Douglass Hunt	Special Assistant to the Under Secretary.
Robert V. Roosa	Under Secretary for Monetary Affairs.
J. Dewey Daane	Deputy Under Secretary for Monetary Affairs.
Leland Howard	Director, Office of Domestic Gold and Silver Operations.
Paul A. Volcker	Director, Office of Financial Analysis.
Frank E. Morris	Assistant to the Secretary (Debt Management).
R. Duane Saunders	Director, Office of Debt Analysis.
G. d'Andelot Belin	General Counsel.
Fred B. Smith	Deputy General Counsel.
Roy T. Englert	Assistant General Counsel.
Edwin F. Rains	Assistant General Counsel.
Hugo A. Ranta	Assistant General Counsel.
George F. Reeves	Assistant General Counsel.
Harold R. Pollak	Chief Counsel, Foreign Assets Control.
Stanley S. Surrey	Assistant Secretary.
Harvey E. Brazer	Deputy Assistant Secretary and Director, Office of Tax Analysis.
David R. Tillinghast	Special Assistant to Assistant Secretary.
Donald C. Lubick	Tax Legislative Counsel.
Nathan N. Gordon	Director, Office of International Tax Affairs.
James A. Reed	Assistant Secretary.
James P. Hendrick	Deputy Assistant Secretary.
Commander Robert D. Johnson, U.S.C.G.	Aide to the Assistant Secretary.
Arnold Sagalyn	Director, Office of Law Enforcement Coordination.
John C. Bullitt	Assistant Secretary.
Vacancy	Deputy Assistant Secretary.
Ralph Hirschtritt	Special Assistant to Assistant Secretary.
George H. Willis	Director, Office of International Affairs.
Philip P. Schaffner	Assistant Director, Office of International Affairs.
Charles R. Harley	Assistant Director, Office of International Affairs.
John K. Carlock	Fiscal Assistant Secretary.
George F. Stickney	Deputy Fiscal Assistant Secretary.
Hampton A. Rabon, Jr.	Assistant Fiscal Assistant Secretary.
Boyd A. Evans	Assistant to Fiscal Assistant Secretary.
Frank F. Dietrich	Assistant to Fiscal Assistant Secretary.
Robert M. Seabury	Director, Office of Defense Lending.
A. E. Weatherbee	Administrative Assistant Secretary.
Carl W. Clewlow	Deputy Administrative Assistant Secretary and Director, Office of Management and Organization.
Paul McDonald	Director, Office of Administrative Services.
Ernest C. Betts, Jr.	Director, Office of Budget (Designate).
Amos N. Latham, Jr.	Director, Office of Personnel.
Thomas M. Hughes	Director, Office of Security.
Joseph W. Barr	Assistant to the Secretary (Congressional Relations).

Dixon Donnelley	Assistant to the Secretary (Public Affairs).
Stephen C. Manning, Jr.	Deputy Assistant to the Secretary (Public Affairs).
Robert A. Wallace	Assistant to the Secretary.
Thomas W. Wolfe	Deputy Assistant to the Secretary.
Charles A. Sullivan	Assistant to the Secretary.
Bradley H. Patterson, Jr.	National Security Affairs Adviser.
Margaret W. Schwartz	Director, Office of Foreign Assets Control.
Seymour E. Harris	Senior Consultant to the Secretary.
William N. Turpin	Special Assistant to the Secretary.
Edward L. Killham	Director, Executive Secretariat.

BUREAU OF ACCOUNTS

Harold R. Gearhart	Commissioner of Accounts.
Sidney S. Sokol	Assistant Commissioner.
John H. Henriksen	Assistant Commissioner for Administration.
George Friedman	Staff Assistant to the Commissioner.
Julian F. Cannon	Chief Disbursing Officer.
Harold A. Ball	Chief Auditor.
Ray T. Bath	Deputy Commissioner—Accounting Systems.
Sidney Cox	Deputy Commissioner—Deposits and Investments.
Howard A. Turner	Deputy Commissioner—Central Accounts.
Samuel J. Elson	Deputy Commissioner—Central Reports.

BUREAU OF CUSTOMS

Philip Nichols, Jr.	Commissioner of Customs.
David B. Strubinger	Assistant Commissioner of Customs.
Alfred F. Beiter	Deputy Commissioner for Policy Planning.
N. G. Strub	Deputy Commissioner of Management and Controls.
C. A. Emerick	Deputy Commissioner, Division of Investigations and Enforcement.
Walter G. Roy	Deputy Commissioner, Division of Appraisement Administration.
William E. Higman	Deputy Commissioner, Division of Classification and Drawbacks.
Robert Chambers	Chief Counsel.
R. V. McIntyre	Deputy Commissioner, Division of Marine Administration.
Burke H. Flinn	Deputy Commissioner, Division of Entry, Value, and Penalties.
George Vlases, Jr.	Deputy Commissioner, Division of Technical Services.

BUREAU OF ENGRAVING AND PRINTING

Henry J. Holtzclaw	Director, Bureau of Engraving and Printing.
Frank G. Uhler	Assistant Director.

BUREAU OF THE MINT

Eva Adams	Director of the Mint.
Frederick W. Tate	Assistant Director.

BUREAU OF NARCOTICS

Henry L. Giordano	Commissioner of Narcotics.
Charles Siragusa	Deputy Commissioner.
George H. Gaffney	Assistant to the Commissioner.

BUREAU OF THE PUBLIC DEBT

Donald M. Merritt	Commissioner of the Public Debt.
Ross A. Heffelfinger, Jr.	Assistant Commissioner.

Michael E. McGeoghegan	Deputy Commissioner.
Jack P. Thompson	Deputy Commissioner in Charge, Chicago Office.

INTERNAL REVENUE SERVICE

Mortimer M. Caplin	Commissioner of Internal Revenue.
Bertrand M. Harding	Deputy Commissioner.
Edward F. Preston	Assistant Commissioner (Administration).
Vernon D. Acree	Assistant Commissioner (Inspection).
Donald W. Bacon	Assistant Commissioner (Compliance).
Harold T. Swartz	Assistant Commissioner (Technical).
William H. Smith	Assistant Commissioner (Planning and Research).
Robert L. Jack	Assistant Commissioner (Data Processing).
Crane C. Hauser	Chief Counsel.
Thomas J. Reilly	Director of Practice.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

James J. Saxon	Comptroller of the Currency.
A. J. Faulstich	Administrative Assistant to the Comptroller.
Clarence B. Redman	First Deputy Comptroller.
Thomas G. DeShazo	Deputy Comptroller.
William B. Camp	Deputy Comptroller.
Justin T. Watson	Deputy Comptroller.
Dean Miller	Deputy Comptroller (Trusts).
R. Coleman Egertson	Chief National Bank Examiner.
Robert Bloom	Chief Counsel.

OFFICE OF THE TREASURER OF THE UNITED STATES

Kathryn O'Hay Granahan	Treasurer of the United States (Designate).
William T. Howell	Deputy Treasurer.
Willard E. Scott	Assistant Deputy Treasurer.

UNITED STATES COAST GUARD

Admiral Edwin J. Roland	Commandant, U.S. Coast Guard.
Vice Admiral Donald McG. Morrison	Assistant Commandant.
Rear Admiral Theodore J. Fabik	Chief, Office of Engineering.
Rear Admiral Oscar C. Rohnke	Chief, Office of Merchant Marine Safety.

UNITED STATES SAVINGS BONDS DIVISION

William H. Neal	National Director.
Bill McDonald	Assistant National Director.

UNITED STATES SECRET SERVICE

James J. Rowley	Chief, U.S. Secret Service.
Paul J. Paterni	Deputy Chief.
E. A. Wildy	Assistant Chief.

COMMITTEES AND BOARDS

A. E. Weatherbee	Chairman, Treasury Management Committee.
Amos N. Latham, Jr	Chairman, Treasury Awards Committee.
Amos N. Latham, Jr	Chairman, Treasury Wage Board.
Robert A. Wallace	Employment Policy Officer.
Robert A. Wallace	Principal Compliance Officer.

ORGANIZATION OF THE DEPARTMENT OF THE TREASURY

November 1, 1962

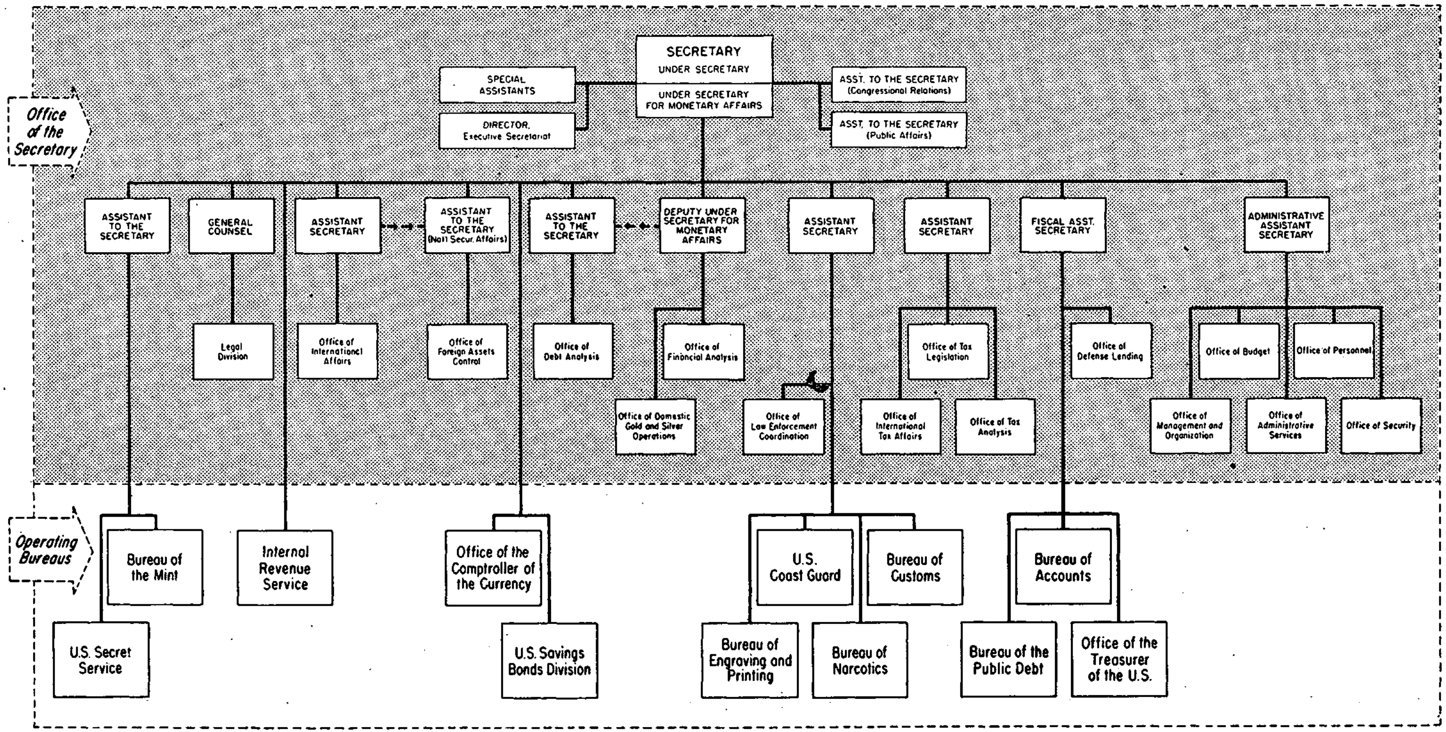

CHART 1

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, March 29, 1963.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year 1962.

The economy continued to advance throughout 1962 from the recession low of February 1961, and further economic gains extended into 1963. The Revenue Act of 1962 and appropriate tax administrative measures—including revision of the guidelines for depreciation—are stimulating the growth of the economy. The President's tax proposals for 1963 are designed not only to add further impetus to that trend but to stimulate long-term growth in the years ahead. Debt management in 1962 substantially improved the maturity structure of the debt and financed the deficit without producing inflationary pressures. Confidence in the international payments system was strengthened by the International Monetary Fund's borrowing arrangements, greater international cooperation among monetary authorities, and Treasury and Federal Reserve operations in foreign exchange markets.

Fiscal Policy

Federal Government fiscal policy is reflected in administration recommendations and policies and congressional enactments affecting expenditures and taxation. Together with monetary and debt management policy, fiscal policy is a key means of fulfilling our national economic objectives, including the attainment of high employment and production, a rapid rate of economic growth, maintenance of price stability, and equilibrium in our international balance of payments.

Neither expenditure nor tax policy can be formulated solely on the basis of its immediate contribution to one or another of these broad objectives, for the level and distribution of expenditures must reflect a national judgment concerning the activities that properly should be undertaken by the Government, and the tax system must be geared to the needs for equity, efficiency, and simplicity. Used flexibly, however, in coordination with other Federal economic policies, fiscal policies can contribute to establishing a financial environment that will support and release forces for economic progress.

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The overall fiscal plans of the Government must fulfill a number of basic requirements.

National security and urgent nondefense needs must be provided.

The need of the economy for appropriate stimulation or restraint must be considered, as well as the means of encouraging balanced longer range growth.

International financial consequences of domestic economic developments and policy actions must be taken into account and the various policy alternatives balanced to serve both domestic and international goals.

Tax policy must be founded on an adequate revenue base, and the laws designed to meet the tests of equity, neutrality, and simplicity, while contributing to the encouragement of private initiative.

Federal expenditures must be controlled to assure that outlays are justified by current needs, and are held to levels permitting the application of a substantial part of revenue increases generated by satisfactory growth to eliminating current deficits or, under boom conditions, to producing surpluses.

The budgetary process requires the testing of all programs against a scale of priorities. Every expenditure program, military or civilian, must be subjected to a continuous, searching examination of needs, costs, and alternatives. This process permits reduction of expenditures for programs whose relative urgency has declined and makes room for new and expanded activities urgent and essential to the well-being and progress of the Nation. Intensive and continuous efforts must be made to effect savings by substituting private for public credit; extending the principle of user charges where appropriate; and increasing efficiency and cost reductions throughout the Government. An across-the-board, standstill order on expenditures would be the negation of responsible budgetary policy and would hinder the Nation in meeting the challenge of its unresolved domestic and international problems.

Fiscal 1963

The fiscal 1963 budget was in preparation during the final months of the calendar year 1961, when it appeared that the economic recovery was well established and would continue at a satisfactory pace without need for additional stimulus from Federal fiscal policies. Although nearly every measure of economic activity had reached new records by the end of calendar 1961 and prospects for further vigorous expansion appeared favorable, unemployment and underutilization of productive capacity were continuing problems. Moreover, balance-of-payments problems were again causing concern.

For these reasons it appeared that new measures were required to deal with the more complex situation that was developing. While avoidance of the degree of restraint which would choke off expansion short of full recovery continued to be important, it was desirable also to guard against excesses which might impede an orderly expansion at stable prices. Moreover, it was desirable to stimulate a higher level of private investment to increase the competitiveness of American products at home, thus providing a sound basis for eventual solution of the balance-of-payments problems as well as helping to achieve faster economic growth.

Under these conditions a balanced budget was presented for the fiscal year 1963, with expenditures held slightly below estimated receipts. It was believed that only a moderate surplus should be provided in the administrative budget to avoid a repetition of the pattern in the previous recovery period when the Federal budget moved from an administrative budget deficit of $12.4 billion in fiscal 1959 to a surplus of $1.2 billion in fiscal 1960. This shift of more than $13½ billion was generally considered one of the more important factors in the premature termination of the expansionary phase of the business cycle in the calendar year 1960. In contrast, it was expected that the budgetary swing from the deficit in fiscal 1962 to a balance in fiscal 1963 would have totaled only about $7 billion. At the same time it was hoped that early enactment of the investment credit and administrative depreciation reform, along with continued monetary ease to the degree compatible with balance-of-payments requirements, would contribute to a more rapid rate of private capital formation. If private investment could be stimulated, this would provide added support to the recovery, leading to a substantial reduction in the unemployment rate and to a more complete utilization of the Nation's productive potential.

By early June 1962, however, there were some indications that the pace of the recovery movement had slowed and achievement of the projected level of GNP in calendar 1962, on which a balanced budget was predicated, seemed less probable. The economic outlook, however, was blurred by developments related to an anticipated steel strike, particularly by the rapid build-up in steel inventories in the first two quarters of calendar 1962 followed by a rapid reduction in these inventories beginning in the third quarter. This undoubtedly contributed to the unsatisfactory behavior of some of the leading economic indicators, which caused widespread concern in the summer about the possibility of a recession.

Early in the fiscal year 1963, therefore, serious consideration was given to an immediate tax cut. The final decision was delayed for several months, for a clearer indication of the immediate prospects; and when signs of further moderate strengthening in the economy were observed, the decision was made to delay any tax recommendation until a program for general tax reduction and reform could be thoroughly reviewed by the next Congress.

This decision not to seek an anti-recessionary tax cut, but to recommend a major program of basic tax reduction and reform to the new Congress early in calendar 1963, reflected confidence that an early recession was unlikely. It reflected also belief that fundamental changes in the tax system are required to increase incentives to investment, risk taking, creative effort, and initiative, as well as to release private purchasing power to overcome the drag on the economy evidenced during five years of slow growth, high unemployment, and lagging Federal revenues. At the same time, a vigorous program of expenditure control was carried through to minimize the initial impact of tax reduction on the budget, and to assure that a substantial part of the revenue increases which would result from the economic expansion induced by tax reduction would go toward eliminating budget deficits. This would help to establish a better financial environment for private investment and allow full advantage to be taken of the forces for economic progress at home and abroad. Fiscal policy, therefore, was directed along lines that would resolve the interlocking goals of domestic growth and external stability, reduce unemployment and provide new opportunities for our expanding labor force, and eliminate the balance-of-payments deficit.

Administrative budget.—Administrative budget receipts in fiscal 1963 are now estimated at $85.5 billion and expenditures at $94.3 billion, resulting in an estimated deficit of $8.8 billion.

Budget expenditures are estimated to rise $6.5 billion over expenditures in fiscal 1962 to $94.3 billion. Increased expenditures for defense, space, and interest accounted for $3.7 billion of the total rise. Expenditures for agricultural programs, mainly price support, are estimated to rise $0.8 billion; for commerce and transportation, $0.6 billion, of which one-half is for area redevelopment; and for health, labor, and welfare, $0.4 billion, mainly for public assistance.

Accounting for the $4.1 billion rise in budget receipts, individual income taxes are estimated to rise $1.7 billion to $47.3 billion; corporate income taxes, $0.7 billion to $21.2 billion; excise taxes, $0.3 billion to $9.9 billion; and other budget receipts, $1.4 billion to $7.1 billion.

Cash budget.—Payments to the public are estimated at $116.8 billion in fiscal 1963, receipts from the public at $108.4 billion, resulting in an expected deficit in the cash budget of $8.3 billion, substantially equal to the deficit in the administrative budget.

National income accounts.—Federal receipts on the national income accounts basis are estimated at $108.8 billion, expenditures at $113.2 billion, resulting in a deficit of $4.3 billion.

Debt Management

The debt management problem in calendar 1962 was to finance a sizable budget deficit in a year of economic expansion, while substantially improving the maturity structure of the existing debt; and to accomplish this in consistence with the Nation's broad economic goals and to contribute to their realization.

Fundamentally, the primary aim of debt management policy was to assure that the 1962 deficit did not produce undesirable monetary consequences; specifically, that it did not foster an excessive growth in the money supply, the bank credit base, or the total volume of liquid assets. As the economy grows, it is essential that the money supply and the volume of liquid assets should grow at a rate fast enough to sustain a satisfactory rate of economic expansion; but it is equally essential that the rate of growth in liquidity be held to levels compatible with a stable price level.

A large deficit can be financed, even during a period of expanding economic activity, without producing monetary effects which sow the seed for inflationary pressures in the future. If such consequences are to be avoided, however, a major portion of the deficit must be financed by tapping real savings rather than through the expansion of bank credit. That requirement, in turn, necessitates that a substantial portion of the deficit be financed through the issuance of longer term securities. The basic purpose of the debt managers of the Treasury was so to finance the deficit in 1962.

This goal was realized in 1962, and the Treasury is attempting to finance the even larger deficit of 1963 in the same manner. Our national need for price stability is clear; and that need is now also a key factor in the program to restore our balance-of-payments position to equilibrium. Both debt management and monetary policy must be directed toward assuring that monetary forces do not threaten price stability, now or in the future.

The deficit of calendar 1962 was financed entirely outside the Nation's commercial banks. The Federal Reserve, in pursuing its objective of supplying an adequate volume of reserves to the commercial banking system and providing needed currency, added $1.9 billion to its holdings of Government securities, an increase that was in line with customary growth patterns in reserves to be expected year by year. These additional Federal Reserve holdings were partially offset by a decline of $700 million in the Government security holdings of commercial banks. The balance of the $6.3 billion increase in the debt in the year ending December 31, 1962, was financed out of savings and other sources. About $1.0 billion was taken by Government investment accounts. The remaining $5.3

billion was divided among foreign and international accounts ($1.9 billion), corporate pension funds and individuals ($0.9 billion), State and local governments ($0.8 billion), business corporations ($0.7 billion), and other investors ($0.9 billion).

Estimated ownership of Federal securities

[In billions]

	Dec. 31		Increase, or decrease(−)
	1961	1962	
Banking sector:			
Federal Reserve Banks	$28.9	$30.8	$1.9
Commercial	67.2	66.5	−0.7
Subtotal	96.1	97.3	1.2
Nonbank sector:			
Government investment accounts	54.5	55.6	1.0
Foreign and international accounts	13.4	15.3	1.9
Individuals and corporate pension funds	67.8	68.6	0.9
State and local governments	18.7	19.5	0.8
Nonfinancial corporations	19.4	20.1	0.7
Insurance companies	11.4	11.5	0.1
Mutual savings banks	6.1	6.1	−0.1
Savings and loan associations	5.2	5.5	0.3
All other	3.8	4.4	0.6
Subtotal	200.4	206.7	6.3
Total	296.5	304.0	7.5

In calendar 1961 the increase in the very liquid, under-one-year debt substantially exceeded the increase in the total debt. The 1962 experience was radically different. The increase in the under-one-year debt in 1962 amounted to only $1.4 billion, or 20 percent of the increase in the total debt. In 1962, the debt maturing beyond five years increased by about $9 billion, substantially more than the increase in the total debt. The debt in the critical one-to-five year maturity sector was reduced by more than $3 billion. Thus, not only was the deficit itself financed in a noninflationary manner, but a substantial improvement was produced in the overall maturity structure of the existing debt. This improvement is symbolized by the 7 percent increase in the average length of the debt during the calendar year, from four years and seven months at the end of 1961 to four years and eleven months at the end of 1962. (By the end of March 1963, the average length had increased still further to five years and one month, the highest level since September 1958.)

Maturity distribution of the marketable debt

[Dollar amounts in billions]

Maturity	Dec. 31 1961	Dec. 31 1962	Increase, or decrease(−)
Under-one-year			
Weekly and one-year bills	$37.4	$45.2	$7.8
Tax anticipation bills	6.0	3.0	−3.0
Other	42.5	39.0	−3.4
Total under one-year	85.9	87.3	1.4
1–5 years	64.9	61.6	−3.2
5 years and over			
5–10 years	19.8	34.0	14.2
10–20 years	12.0	4.6	−7.4
20 years and over	13.4	15.5	2.1
Total 5 years and over	45.2	54.1	8.9
Total marketable debt	196.0	203.0	7.0
Average length (years-months)	4–7	4–11	4 mos.

Although the monetary impact of debt management policy is the most fundamental concern of the Federal debt managers, it is only one of many factors which must be weighed in every debt management decision. The Treasury must always be concerned with the present and future interest costs of carrying the debt. To the extent consistent with its other objectives, debt management policy must be oriented toward minimizing interest costs on the debt.

The Treasury also has a responsibility to promote an active and broadly based market in Government securities. Such a market is not only in the interest of the Treasury as an issuer of securities, but also is in the interests of investors in marketable Treasury securities and in the interests of the Federal Reserve System. Since the day-to-day operations of monetary policy are conducted in Government securities, a Government securities market with a tradeable volume of issues outstanding across a broad maturity range contributes to an effective Federal Reserve policy. The monetary authorities need an ample range of alternatives for use in exerting those influences on the credit and capital markets which will best meet their objectives.

Moreover, in placing new issues of longer term securities, the Treasury must weigh carefully the impact of its operations on the markets for other long-term securities: corporate bonds, municipal bonds, and mortgages. It is particularly important in a period when the economy is expanding at a less than desired rate that the Treasury give consideration to this impact, so that Treasury financing in the longer term area does not disrupt or reduce the flow of funds into these other markets. In making judgments, the Treasury must not only decide upon the amounts of longer term funds that can appropriately be placed in Government securities, but must also give consideration to the timing of offerings and the techniques to be used.

In 1962, while the volume of other forms of long-term borrowing was also increasing by a record amount, the Treasury increased the total of outstanding Government securities maturing beyond five years by almost $9 billion and the total maturing beyond twenty years by more than $2 billion, as shown in the preceding table. Much of this was accomplished through the March and September advance refundings, a technique which minimizes the strain on other markets (see the following table). That this very substantial volume of longer term Government securities was placed in the hands of investors without disrupting or slowing down the flow of funds into corporate bonds, municipal bonds, and mortgages, is demonstrated also by the downward movement of interest rates on these securities throughout the year and which at the yearend were generally lower than the rates prevailing at the bottom of the recession in February 1961.

Effect of calendar 1962 advance refundings on the maturity structure of the marketable debt

[In billions]

Maturity	Removed	Added	Increase, or decrease (−)
Under-1-year	$7.9		−$7.9
1 to 3 years	3.4		−3.4
3 to 5 years		$5.3	5.3
5 to 20 years	1.8	5.9	4.1
20 years and over		1.8	1.8
Total	13.1	13.1	

If we are to have a cohesive national financial policy, Treasury debt management operations must be closely coordinated with the monetary policy and operations of the Federal Reserve. In 1962, monetary policy actions, as independently determined by the Federal Reserve, and the debt management decisions of the Treasury were closely and significantly integrated toward the achievement of common goals. This coordination of policies reached a highly developed state in the continuing effort to achieve the important policy goal of maintaining short-term interest rates in the United States at levels which would reduce incentives for short-term funds to flow abroad in response to interest rate differentials. Such flows, of course, weaken our balance-of-payments position and tend to lead, ultimately, to drains on our gold stock.

The role of the Treasury in this common effort was so to plan its debt operations that appropriate amounts of new short-term securities were placed in the market at times when upward supply pressures on Treasury bill yields were needed to keep our short-term rate structure in appropriate relationship with rates abroad. Such actions were undertaken on a substantial scale in the spring and in the fall of 1962 through raising needed cash by adding to the weekly bill auctions and by the issuance of a $1 billion strip of bills.

Partly because of these timely actions by the Treasury in adding to the supply of Treasury bills, the Federal Reserve was able to continue its policy of fostering bank credit expansion without producing undue downward pressure on Treasury bill rates. Such large additions to the supply of Treasury bills, however, if not offset in some manner, could lead over time to an excessive growth in the volume of short-term Treasury obligations and defeat a fundamental debt management objective of helping to limit the rate of growth of liquid assets to the real needs of the economy. The necessary offsetting factor was provided by the introduction of the device of "prerefunding", that is, the application of the technique of advance refunding to securities maturing within one year.

The prerefunding device was first used in September 1962, when almost $8 billion in securities maturing in eight months or less was exchanged for securities maturing in approximately five years and ten years. It was because of the substantial reduction in the under-one-year debt produced by the September prerefunding that the Treasury was able to add almost $8 billion to the supply of Treasury bills during the year and still end the year with a net increase in the total under-one-year debt of only $1.4 billion.

The prerefunding was one of two new debt management tools introduced in 1962. The second newly developed technique was the offering of long-term Treasury bonds at competitive bidding. The decision to try out the competitive bidding technique for marketing long-term bonds was announced in September 1962. The first offering of bonds using this technique was made on January 8, 1963, and was highly successful. The winning syndicate submitted its bid based on a 4 percent coupon rate and acquired the $250 million issue of 30-year bonds at 99.85111, resulting in an interest cost to the Treasury of 4.008 percent. The bonds were reoffered at par to yield 4 percent.

The experience of the postwar years had demonstrated a clear need to develop new approaches for marketing long-term Treasury bonds if continued progress toward a more balanced maturity structure for the Federal debt is to be made in 1963 and in the years beyond. As a technique, competitive bidding offers the great advantage of employing in a new way the energies of the financial community in selling long-term Treasury obligations. Only further experience can test, however, whether it will prove to be a way of selling long-term Treasury bonds at lower interest costs and with less disturbance to other sectors of the capital markets than the traditional procedures. Certainly in the first offering, the Treasury succeeded in placing $250 million in thirty-year bonds at a rate of interest lower than the traditional marketing procedure would have required.

It is only through a willingness to seek out and to experiment with new methods and new procedures, such as these, that the problems of managing a debt in excess of $300 billion can successfully be met in a continuously changing economic environment.

Tax Policy

The first step toward a needed reform of our Federal tax system was taken during 1962 with the enactment of the Revenue Act of 1962. This act, which was based on the President's recommendations to the 87th Congress, was designed to stimulate the growth of our economy and to improve the U.S. balance-of-payments position. It also contains many provisions to make our tax laws fairer and to eliminate unwarranted special tax treatment.

The 1962 act encourages business expenditures on productive facilities by granting a 7 percent tax credit—3 percent for public utilities—for investment in depreciable machinery and equipment used in the United States. Another major stimulus to our continued economic growth was provided in 1962 by the announcement of new guidelines and procedures for determining depreciation of equipment for tax purposes. The suggested new asset lives automatically permit a more rapid writeoff for approximately 70 to 80 percent of the machinery and equipment presently in use for manufacturing. They are 32 percent shorter on the average than the old guidelines. For 1962 alone the new liberalized depreciation allowances, combined with the tax reduction from the investment credit, provided over $2 billion of tax benefits to industry. Together, these measures raise the rate of return on investment, provide more incentives to cost-cutting and increases in productivity, and augment the flow of internal funds available for modernization and expansion.

The investment credit and the depreciation reform give U.S. industry tax treatment on new investment in machinery and equipment approximating that of its chief foreign competitors in domestic and foreign markets.

The 1962 Revenue Act also stimulates domestic investment by removing unwarranted tax inducements to investment in industrialized countries abroad. U.S. shareholders are made taxable currently on tax haven earnings of foreign corporations controlled by them. Dividends distributed by foreign subsidiaries of U.S. corporations in industrialized countries are made taxable at the full domestic corporation income tax rates less a credit for foreign taxes. Profits from sales of U.S. patents to foreign subsidiaries are made taxable at ordinary rates rather than at capital gains rates. The tax advantages previously granted to investment companies created abroad are removed. The exemption from U.S. tax of earned income of citizens establishing their residence abroad is restricted.

The 1962 act extends the reporting requirements on dividend and interest payments to aid in disclosing income not reported for tax purposes.

It provides a basis for greatly curtailing abuses in the expense account area.

It prevents the conversion of ordinary income into capital gain through the sale of depreciable personal property.

The tax advantages previously possessed by mutual thrift associations over competing financial institutions are substantially reduced with regard to the tax-free accumulation of earnings as bad debt reserves.

Earnings of cooperatives are taxed currently either at the cooperative level or the patron level.

Disputes between taxpayers and tax administrators are reduced by permitting salvage value up to 10 percent of the cost of the original asset to be disregarded in determining allowable depreciation deductions.

Mutual fire and casualty insurance companies are made taxable on their underwriting income as well as on their investment income.

The substantial tax changes adopted in 1962 set the stage for the major tax reduction and reform program proposed by the administration in 1963. The primary objectives of this program are to restore the Nation's economy to maximum use of its human and physical resources and to achieve a more rapid rate of growth, These aims would be attained by easing the unrealistically heavy burden now imposed by war-born Federal income taxes. Proposed lower tax rates for both individuals and corporations would enlarge the market for consumer goods and services and substantially improve incentives for risk-taking and investment. In addition, the program would minimize the diversion of energy and resources from more productive activities to tax avoidance, make the economy more responsive to essential market forces, achieve greater equity and relieve the low-income and older taxpayers of hardships imposed by the present tax system.

Tax rates for individuals would be lowered by an across-the-board average of more than 20 percent, from the present range of 20 to 91 percent to a new level of 14 to 65 percent. To lighten the tax burden of the one-third of all taxpayers whose entire taxable income falls in the lower half of the present first bracket, it is recommended that this bracket be split, with a 14 percent rate for the first half and a 16 percent rate for the second half. When in effect for a full calendar year, lowered tax rates would reduce individual income tax liabilities by $11 billion (at 1963 levels of income).

Corporate tax rates would also be reduced. A reduction of 5 percentage points in the tax rate applying to large corporations would supplement the investment tax credit and depreciation reform in providing greater incentives to increased productivity, modernization, and expansion. It is further recommended that the first $25,000 of corporate taxable income be subject to a tax rate of 22 percent rather than the present 30 percent, a reduction of almost 27 percent. This change would be particularly helpful to small corporations which must depend on internally generated funds for their capital. These reductions would reduce corporate tax liabilities by $2.6 billion per year.

Reductions in tax rates recommended for individuals and corporations, if unaccompanied by structural reforms, would reduce tax liabilities by $13.6 billion. It is proposed that this substantial reduction be approached in three stages. For individuals, one-quarter of the full reduction would become effective in 1963, three-quarters in 1964, and the full program in 1965. The withholding rate would be reduced twice. In 1963, following enactment of the proposals, the rate would drop to 15.5 percent. The permanent withholding rate of 13.5 percent would become effective on July 1, 1964. There would be a three-stage reduction in corporate income tax rates. For 1963 the tax rate on the first $25,000 of corporate income would drop to 22 percent, while the rate applicable to income in excess of $25,000 would remain at 52 percent. In 1964 the latter rate would be reduced to 50 percent, and in 1965 to 47 percent.

A number of structural reforms are proposed for the relief of individuals and families at the lowest levels of income. These reforms include a minimum standard deduction of $300 for single persons, $400 for a married couple, plus $100 for each dependent up to a maximum of $1,000. This provision affords relief exclusively to low-income persons at a revenue cost far lower than that which would be entailed if the personal exemption were increased.

It is also recommended that the deduction for the care of children and disabled dependents be liberalized to give recognition to present day income levels and costs.

The $300 tax credit proposed for older persons would reduce the tax burdens of low-income older persons, provide more equitable taxation of income from different sources and particularly of wage income, and simplify the preparation of tax returns.

The proposal which would permit averaging of income over a five-year period in cases where a marked fluctuation in income occurred would provide fairer tax treatment for authors, professional artists, actors, athletes, and all others whose incomes may vary widely from one year to another.

The program would permit a deduction for the moving expenses of all employees and would thereby increase labor mobility and achieve greater fairness to taxpayers.

Other proposals would simplify the upper limit of the deduction for charitable contributions and the computation of the floor under medical expenses.

The following base broadening proposals would recoup revenue, making it possible to achieve the rate reductions recommended by the President and still keep overall tax reduction within the limits of prudent fiscal policy. The base broadening reforms would also achieve important equity objectives. The most important of the reforms in this category is the proposed 5 percent floor under itemized deductions. A separate floor equal to 4 percent of adjusted gross income is proposed for the casualty loss deduction to restrict its use to cases that involve hardship. The unlimited deduction for charitable contributions, which affects only a small handful of high-income taxpayers, would be repealed.

Repeal of the exclusion applied to wage continuation payments, known as the "sick pay" exclusion, is recommended except in cases of disability.

Repeal of the dividend credit and exclusion is proposed. They fail either to encourage equity investment or to provide a satisfactory partial offset to the so-called double taxation of dividend income, and currently involve an annual loss of $485 million of tax revenue. Other proposals would require taxation to the employee of the current annual value of employer financed group term life insurance, with the exception of the first $5,000 of coverage, and would correct deficiencies in the taxation of personal holding companies.

The reduction in corporate tax rates would be accompanied by revisions to limit related corporations subject to 80 percent common ownership and control to a single surtax exemption.

Proposals relating to the taxation of income from natural resources would limit serious defects which now arise in connection with the 50 percent net income limitation on percentage depletion, the grouping of oil and gas properties for tax purposes, the deduction from ordinary income of amounts later recovered and taxed at capital gains rates, and the use of tax concessions on foreign mineral production to reduce the tax liability that would otherwise be due on income from domestic and nonmineral foreign sources.

Revenue recouped by these structural reforms would be offset in part by repeal of the 2 percent tax on consolidated returns and a current expense deduction for capital expenditures for machinery and equipment used directly and specifically for research and development activities.

Another measure, which would affect neither the tax liabilities imposed upon corporations nor the method of computing those liabilities, is the acceleration of corporate tax payments for large corporations to a more current basis over a five-year transition period. This measure would yield about $1.5 billion in revenue during each of the years of transition.

Proposed changes in the taxation of capital gains and losses are designed to release growth stimulating investment. The present capital gains provisions, which have not undergone basic revision since 1942, are both inequitable in essential respects and a deterrent to the mobility of investment capital and liquidity in capital markets. The President recommended that the 50 percent inclusion ratio for capital gains be reduced to 30 percent and that unabsorbed capital losses be carried forward indefinitely until exhausted. These changes will increase taxpayer willingness to realize capital gains and stimulate a larger turnover of capital assets. The lower inclusion ratio combined with reduced tax rates will establish capital gains tax rates ranging from 4.2 percent to a maximum of 19.5 percent, compared with an existing range of 10 percent to 25 percent. The holding period which defines long-term capital gains would be lengthened from 6 months to one year to permit the more liberal treatment of bona fide investment gains without applying unjustified reductions to speculative profits. It is also proposed that net gains accrued on capital assets at the time of their transfer by reason of death or gift be taxed at capital gains rates. This would not apply to assets transferred as charitable gifts or bequests. The proposal, which would be accompanied by several features that would effectively eliminate hardships that might otherwise arise, would encourage investors to turn over their assets during their lifetime rather than hold them for eventual tax-free transfer at death. Proposed changes in the definition of capital gains would restrict the use of stock options, sales of mineral interests, sales of timber, and lump-sum pension and profit-sharing distributions, as means of converting ordinary income into capital gains.

Structural reforms for the relief of hardship and the encouragement of growth would reduce individual income tax liabilities by $740 million and corporate tax liabilities by $50 million. Reforms to broaden the tax base and improve equity, on the other hand, would recoup $3.1 billion from individuals and $250 million from corporations. The capital gains provisions would increase revenues by an estimated $750 million, largely by inducing the more rapid turnover of capital assets. Structural revisions combined with tax rate reductions would result in net annual tax reductions aggregating $10.3 billion by 1965 when the program would be fully effective.

Under the three-stage approach to the implementation of the program, structural revisions would not become effective until 1964. The rate reductions effected in 1963 would result in a $3.1 billion decrease in tax liabilities. In 1964, structural revisions would be linked with three-quarters of the full tax rate reduction. The effect would be a reduction in tax liabilities of $6.3 billion. In 1965 tax reductions would total $10.3 billion.

International Finance

Steps taken during 1962 built upon the financial framework set up during 1961 and buttressed still further the free world's international payments system. During 1961 the Treasury undertook a more active role in the foreign exchange markets while the Federal Reserve was deeply involved in establishing increasingly close relationships among the various central banks. During 1962 the Treasury pushed further its operations in the foreign exchange markets and expanded its borrowings of foreign currencies, enlarging the total and extending the maturities. The Federal Reserve undertook in February 1962 to operate in the exchange market for its own account and established a circle of currency swap arrangements with central banks abroad. These various measures were instrumental in strengthening confidence both in the payments system and in the system's key currency, the U.S. dollar, by providing a strong bulwark against speculative and other pressures that might otherwise prove highly disruptive. The establishment of the Special Borrowing Arrangement added substantially to the resources of the International Monetary Fund available to deal with pressures threatening the international payments system.

At the same time, the U.S. balance of payments—the position of which in a final sense shapes longer run market developments—showed some further improvement over 1961. Reinforced U.S. governmental effort was pointed toward trimming the balance-of-payments deficit, both directly, in so far as the deficit reflected transactions on governmental account, and indirectly, in the sense of encouraging the private sector to push imaginatively and aggressively into foreign markets. Moreover, coordinated Treasury-Federal Reserve policies were directed toward sustaining short-term interest rates in the United States in order to alleviate pressures which might otherwise be induced by flows of capital triggered by significant spreads between short-term domestic and foreign interest rates. Early in 1963 the President sent to Congress a tax program designed to improve fundamentally and significantly the investment climate at home and thus to restrain outward flows of capital.

The combined impact of this tax program and the depreciation reform and investment tax credit of 1962 should foster the greater modernization and efficiency vital to meeting international competition. The overall program is designed to stimulate economic growth in the United States in an atmosphere of continued price stability and enhanced competitiveness in relation to foreign products, both at home and abroad. In this way, the United States can reach and maintain its goal of reasonable equilibrium in its balance of payments and thus contribute to the enduring strength of the dollar.

Export expansion

In more specific terms, the goal of eliminating the remaining deficit in U.S. international payments depends importantly on increasing the U.S. commercial trade surplus. Central to this task is the need for a continued and accelerated expansion of commercial exports. Although export expansion depends primarily on the competitive vigor of the private sector, the Government, in addition to its measures to improve the basic economic framework, gives impetus to the export drive through assistance in export financing and through export promotion.

In the field of export financing the United States has now developed export credit facilities which are the equal of those anywhere in the world. The Export-Import Bank has improved its existing facilities and in cooperation with a large group of private insurance companies has formed the Foreign Credit Insurance Association (FCIA). The FCIA inaugurated in February 1962 a comprehensive program of short-term export credit insurance. In mid-July 1962 it also began to issue medium-term export credit insurance. The Export-Import Bank offers direct exporter credits and provides medium-term Bank guarantees for exports in addition to its other financial assistance to U.S. exports. In January 1963 further significant improvements were made in the FCIA-Export-Import Bank program, and work is going forward on continued improvement.

In addition, the general program of export promotion is being intensified. To spearhead this campaign, a national export expansion coordinator was appointed in July 1962 and a series of concrete U.S. Government programs are under way here and abroad to promote increased U.S. business interest in exporting and increased sales opportunities for U.S. products in potential markets abroad. More intensified efforts are planned for 1963.

Governmental expenditures abroad

Tighter scrutiny and control of foreign expenditures under all Government programs have been undertaken and will be continued. During the past year we have had substantial further success in reducing the net impact of the Government's own transactions on the balance of payments. In particular, our net foreign expenditures for defense have been reduced through savings which do not impair our overseas military effectiveness and through the cooperation of other countries in accelerating purchases of U.S. military equipment which is most economically manufactured in the United States.

We must continue to press ahead with these arrangements, and also with our efforts to obtain a greater sharing of the responsibilities of defense and of economic assistance to less-developed countries by other industrial nations. We will continue, while our balance-of-payments situation requires it, to emphasize policies designed to assure that the bulk of our foreign aid is given in the form of U.S. goods and services rather than dollars.

International movements of capital

The substantial volume of private foreign investment in recent years has enabled American business to take advantage of growing opportunities in foreign countries. Although more vigorous growth at home should reduce the movement of such funds abroad by increasing the attractiveness of investment opportunities here to both domestic and foreign investors, it remains in our own interest and in that of the free world that the United States continue to function as a major international source of capital.

But, we should not be alone in providing such capital. To correct this situation we have called the attention of the European countries to the lag in the development of their own capital markets and their facilities for foreign investment behind the spectacular growth of their economic output and their larger availabilities of savings. During the past year several European countries have begun to devote increasing attention to their capital markets and their potentialities for foreign investment.

Pending the more effective development of other forms of foreign lending, several European countries utilized a part of their accruing dollar holdings to make advance repayments of intergovernmental debt due to the United States.

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Short-term capital movements and the international monetary system

During the past year, two broad types of additional steps to strengthen the international monetary system have been taken. Arrangements were completed under which major financial countries agree to make available to the International Monetary Fund up to $6 billion, if needed, to avoid a threatened impairment of the international monetary system. The existence of these facilities acts as a strong deterrent to speculation against the dollar and other currencies.

The United States has also undertaken, in close cooperation with foreign financial officials, further significant improvements in meeting potential strains on world currencies, whether directed against the dollar or others, and in promoting the efficiency of the free world payments system and thereby of world trade. In 1961, for the first time since the thirties, the Treasury undertook operations in the foreign exchange markets. These were reinforced by the Federal Reserve's own operations, inaugurated in 1962, as well as its reciprocal currency agreements with the monetary authorities of other industrialized countries.

The Treasury has also undertaken direct borrowing arrangements at short- and medium-term from official entities in other countries which are in a strong situation. All of these operations and arrangements have been tested. Their effectiveness in meeting potential strains on currencies was demonstrated at the time of the stock market disturbances in the spring of 1962, during the Canadian exchange crisis, and again during the Cuban showdown. The borrowing and exchange operations have enabled the United States to provide a further bulwark for the dollar and to reduce the outflow of gold, while we progress in our program of reducing and eliminating the deficit in the U.S. balance of payments. They are not intended as, nor can they be, any substitute for the efforts we are making to get our balance of payments in equilibrium, an objective which we continue to pursue with vigor and determination.

Douglas Dillon
Secretary of the Treasury.

To the President of the Senate.
To the Speaker of the House of Representatives.

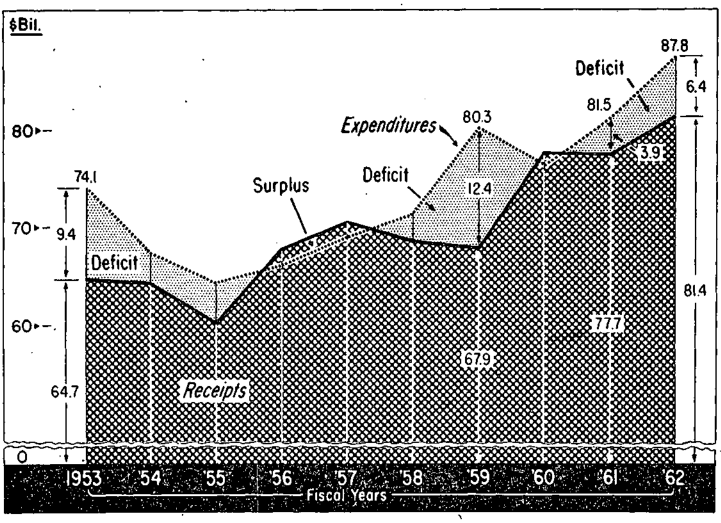
REVIEW OF FISCAL OPERATIONS

Summary of Financial Operations

The administrative budget deficit for fiscal 1962 was $6.4 billion as compared with $3.9 billion in 1961. Net administrative budget receipts increased to $81.4 billion, $3.7 billion greater than in 1961, but less than estimated at the midyear point, because of a slower rate of recovery from the 1960–61 recession than was anticipated. Net administrative budget expenditures in 1962 totaled $87.8 billion as compared with $81.5 billion in 1961. The major part of the rise of $6.3 billion was the result of increased outlays for national defense.

CHART 2.

The Administrative Budget



Net trust receipts in fiscal 1962 totaled $24.3 billion and net expenditures amounted to $24.1 billion, an excess of receipts of $0.2 billion.

During 1962, on the basis of receipts from and payments to the public (cash income and outgo) net payments to the public exceeded receipts from the public by $5.8 billion, exclusive of borrowing transactions.

On June 30, 1962, the total public debt outstanding amounted to $298.2 billion, an increase of $9.2 billion from the preceding fiscal yearend. The Government's fiscal operations in 1961–62 and their effect on the public debt are summarized as follows:

	1961		1962	
	In billions of dollars			
Administrative budget receipts and expenditures:				
Net receipts (−)	−77.7		−81.4	
Net expenditures	81.5		87.8	
Budget deficit		3.9		6.4
Trust fund receipts and expenditures:				
Net receipts (−)	−23.6		−24.3	
Net expenditures	23.0		24.1	
Excess of receipts (−)		−.6		−.2
Net investments of Government agencies in public debt securities		.4		.4
Net sales (−), or redemptions of obligations of Government agencies in market		.7		−.7
Increase (−) in checks outstanding, deposits in transit (net), etc		−.3		−.6
Change in cash balances, increase, or decrease (−):				
Treasurer's account	−1.3		3.7	
Held outside Treasury	−.2	−1.5	.1	3.9
Increase in public debt		2.6		9.2

Administrative Budget Receipts and Expenditures

ADMINISTRATIVE BUDGET RECEIPTS IN 1962

Net administrative budget receipts in fiscal 1962 rose $3.7 billion above receipts of the previous year to $81.4 billion, an alltime high. The economy moved ahead strongly in the first half of the fiscal year 1962 and although the rate of expansion slowed in the second half, the levels of income and business activity were, for the year as a whole, substantially above 1961. As a consequence, total tax revenues increased $4.6 billion although collection lags for some taxes were a limiting factor; a decline of $0.9 billion in miscellaneous receipts, primarily a nontax source, reduced the overall rise to $3.7 billion.

A comparison of net administrative budget receipts after refunds and transfers by major sources for the fiscal years 1961 and 1962 is shown below. Additional data for 1962 on a gross basis are presented in table 16.

Source	1961	1962	Increase, or decrease (−)	
			Amount	Percent
	In millions of dollars			
Internal revenue:				
Individual income taxes	41,338	45,571	4,233	10.2
Corporation income taxes	20,954	20,523	−432	−2.1
Excise taxes	9,063	9,585	523	5.8
Estate and gift taxes	1,896	2,016	120	6.4
Total internal revenue	73,251	77,696	4,445	6.1
Customs	982	1,142	160	16.2
Miscellaneous receipts	4,080	3,204	−876	−21.5
Subtotal receipts	78,313	82,042	3,728	4.8
Deduct:				
Interest and other income received by the Treasury from Government agencies included above and also included in budget expenditures	654	633	−21	−3.3
Budget receipts	77,659	81,409	3,750	4.8

Individual income taxes.—In the fiscal year 1962, receipts from individual income taxes amounted to $45.6 billion, 56 percent of budget revenues. The gain over 1961 in receipts from this tax source was $4.2 billion, $0.5 billion greater than the rise in total revenues from all sources. Receipts from both taxes withheld and taxes not withheld increased as incomes rose generally in fiscal 1962.

Corporation income taxes.—Although receipts from corporation income taxes are dependent primarily on the amount of corporate profits for the calendar year which ends in the fiscal year, they are also affected by profits of the preceding calendar year. Thus, tax receipts in the fiscal year 1962 reflected, for the most part, calendar 1961 profits and to a lesser extent profits for 1960. (Similarly, fiscal year 1961 receipts were based mainly on 1960 profits and partly on 1959 profits.)

Profits in the calendar years 1960 and 1961 were virtually equal, but receipts in fiscal 1962 were affected adversely by the drop in profits from 1959 to 1960. Primarily because of this, receipts in the fiscal year 1962 were $0.4 billion less than in 1961.

Excise taxes.—Receipts from this source are shown in the following table.

Source	1961	1962	Increase: Amount	Increase: Percent
	In millions of dollars			
Alcohol taxes	3,213	3,341	128	4.0
Tobacco taxes	1,991	2,026	35	1.7
Taxes on documents, other instruments, and playing cards	149	159	10	6.7
Manufacturers excise taxes	4,897	5,120	224	4.6
Retailers excise taxes	398	416	18	4.6
Miscellaneous excise taxes	1,498	1,552	55	3.7
Undistributed depositary receipts and unapplied collections	−81	137	218	(1)
Gross excise taxes	12,064	12,752	688	5.7
Deduct:				
Refunds of receipts	204	218	14	6.9
Transfers to highway trust fund	2,798	2,949	151	5.4
Net excise taxes	9,063	9,585	523	5.8

[1] Percentage comparison inappropriate.

Net excise tax receipts, after deduction of refunds and transfers to the highway trust fund, rose $523 million in 1962 to $9,585 million. Increases were spread generally through all tax sources reflecting the general rise in incomes in fiscal 1962.

Estate and gift taxes.—Stock market values rose sharply during the fiscal year 1962. The rise was not reflected, however, in fiscal 1962 collections of estate taxes since these taxes are not payable until fifteen months after death and the valuation of the estate is the lesser of the value at time of death or one year later.

The increase in calendar year 1961 security values was evidenced in gift tax collections, which rose more than estate taxes although total collections were much less. The two taxes combined to lift receipts by $120 million.

Customs.—Customs duty collections increased $160 million, or 16.2 percent, in 1962 as the general advance in business activity brought a substantial increase in taxable imports.

Miscellaneous receipts.—Miscellaneous receipts are a nontax revenue source. Receipts in the fiscal year 1961 had been enlarged by substantial advance repayments of foreign loans, but there was a substantial decrease in such prepayments in fiscal 1962. Total miscellaneous receipts in 1962 declined $0. 9 billion.

ESTIMATES OF ADMINISTRATIVE BUDGET RECEIPTS IN FISCAL 1963 AND 1964

The Secretary of the Treasury is required each year to prepare and submit in his annual report to Congress estimates of the public revenue for the current fiscal year and for the fiscal year next ensuing (act of February 26, 1907 (5 U.S.C. 265)).

The estimates of receipts from taxes and customs for the current and ensuing fiscal years are prepared by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing these receipts in the Treasury.

The estimates for 1964 assume that the revision of income tax rates and the structural changes recommended by the President in his tax message of January 24, 1963, will be enacted. It is further assumed that, as recommended by the President, the present excise tax rates on alcohol, tobacco, passenger automobiles and parts, and general telephone service will be extended until June 30, 1964. It is also assumed with respect to transportation taxes that the following proposals will be enacted: Extend the present tax on transportation of persons to December 31, 1963, to be substituted thereafter by a permanent user charge of 5 percent on transportation of persons by air; tax transportation of freight by air at 5 percent; tax jet fuel at two cents per gallon for airlines and three cents for general aviation; raise the present two cents per gallon tax on aviation gasoline to three cents for general aviation and credit all receipts to the general fund instead of transferring them to the highway trust fund; tax fuel used on inland waterways at two cents per gallon; and credit the tax on gasoline used in motorboats at the rate of four cents per gallon to the general fund. All of the transportation proposals are assumed to be effective as of January 1, 1964.

The estimates of revenue are based on the expectation that economic activity will continue to rise in 1963 but that the year-to-year gain will be less than that realized in 1962. The gross national product is expected to total $578 billion in the calendar year 1963, an increase of $24 billion over 1962. The 1962 increase was $35 billion. Personal income is estimated to total $459 billion in 1963, an increase of $19 billion as compared with the 1962 rise of $24 billion. The estimated 1963 increase in corporate profits of $2.1 billion to $53.0 billion falls short of the 1962 rise of $5.3 billion.

Estimated revenues in the fiscal years 1963 and 1964 reflect the expected increases in incomes and business activity. Receipts are estimated to increase from $81.4 billion in fiscal 1962 to $85.5 billion in 1963 and further to $86.9 billion in 1964. The smaller rise in 1964 is due principally to the recommended reductions in income taxes.

Actual administrative budget receipts for fiscal 1962 and estimated receipts for 1963 and 1964 are compared by major sources in the accompanying table. The amount shown for each revenue source is the net amount after deduction of refunds and transfers to trust funds.

Source	1962 actual	1963 estimate	1964 estimate	Increase, or decrease (−), 1964 over 1963
	In millions of dollars			
Individual income taxes	45,571	47,300	45,800	−1,500
Corporation income taxes	20,523	21,200	23,800	2,600
Excise taxes	9,585	9,900	10,430	530
Estate and gift taxes	2,016	2,060	2,125	65
Customs	1,142	1,278	1,390	112
Miscellaneous receipts	3,204	4,408	4,034	−374
Subtotal receipts	82,042	86,146	87,579	1,433
Deduct:				
Interest and other income received by Treasury from Government agencies included above and also included in budget expenditures	633	646	679	33
Budget receipts	81,409	85,500	86,900	1,400

Individual income taxes.—Receipts from the individual income tax are estimated to increase from $45,571 million in 1962 to $47,300 million in 1963 as a result of the expected increase in personal incomes. Because of the proposed tax reduction a decline to $45,800 million is estimated for 1964. Receipts in 1964 nevertheless will remain higher than in 1962.

Corporation income taxes.—Corporation income tax receipts are estimated to amount to $21,200 million in fiscal 1963, a rise of $677 million over 1962. This is substantially less than the increase associated with the rise in corporate profits of $5.3 billion in the calendar year 1962. The estimated profits level for 1962 is before adjustment for the larger depreciation deductions allowed for the first time in

1962 since the national income accounts have not yet been revised for the added deduction. The effect on receipts of the greater depreciation deduction and the investment credit under the Revenue Act of 1962 is responsible for the small increase in receipts relative to the substantial increase in profits.

For 1964 an increase of $2,600 million to $23,800 million is estimated. Receipts in 1964 will reflect the increase in profits estimated for the calendar year 1963 and the effect of the first step in placing corporation payments on a more current basis, recommended as part of the President's tax program. As a partial offset, receipts will be reduced by the inversion of the normal and surtax rates which is also part of the program.

Excise taxes.—Net excise tax revenues, excluding transfers to the highway trust fund, are estimated to increase from $9,585 million in 1962 to $9,900 million in 1963, and to $10,430 million in 1964. The expected increases extend across the entire range of excises. Net revenues are reduced in 1963 and 1964 by the allocation of 100 percent of revenues from the tax on trucks to the highway trust fund, as compared with the previous 50 percent so allocated. The repeal of the tax on transportation of persons other than by air and the reduction of the tax on air transportation of persons from 10 percent to 5 percent, effective November 15, 1962, will also reduce receipts in 1963 and 1964. The changes in transportation taxes proposed by the President will increase receipts somewhat in 1964.

Estate and gift taxes.—Receipts from the estate and gift taxes are estimated to rise moderately in 1963 and 1964. The optional valuation of estates at time of death or one year later tends to dampen the effect of variations in security prices.

Customs.—Customs revenues are estimated to increase from $1,142 million in 1962 to $1,278 million in 1963 and to $1,390 million in 1964 as a result of the growth of economic activity.

Miscellaneous budget receipts.—Miscellaneous receipts are expected to increase sharply in 1963 from $2,572 million to $3,762 million, because of substantial increases in rentals from Outer Continental Shelf lands and in prepayment of foreign loans. The latter are nonrecurring and consequently a decline in miscellaneous receipts to $3,355 million is estimated for 1964.

ADMINISTRATIVE BUDGET EXPENDITURES IN 1962 AND ESTIMATES FOR 1963 AND 1964

The increase of $6.3 billion in administrative budget expenditures for fiscal 1962 over 1961 brought total budget expenditures for the year to $87.8 billion. Approximately 70 percent of this increase, or $4.5 billion, is attributable to programs of national defense, international affairs and finance, and space research and technology. These three programs accounted for over three-fifths of the total budget expenditures in 1962. Expenditures by major functions for the fiscal years 1954–62 are shown in table 12, and expenditures for 1962, with corresponding estimates for 1963 and 1964, detailed by department or agency, are contained in table 16. A distribution by certain major functions, of actual budget expenditures for the five-year period 1958–62, together with the estimated expenditures for the fiscal years 1963 and 1964, are summarized from *The Budget of the United States Government for the Fiscal Year Ending June 30, 1964*, as follows:

Program	Actual					Estimated	
	1958	1959	1960	1961	1962	1963	1964
	In billions of dollars						
National defense	44.2	46.5	45.7	47.5	51.1	53.0	55.4
International affairs and finance	2.2	3.8	1.8	2.5	2.8	2.9	2.7
Space research and technology	.1	.1	.4	.7	1.3	2.4	4.2
Interest payments	7.7	7.7	9.3	9.0	9.2	9.8	10.1
Veterans' benefits and services	5.2	5.3	5.3	5.4	5.4	5.5	5.5
Agriculture and agricultural resources	4.4	6.6	4.9	5.2	5.9	6.7	5.7
Health, labor, and welfare	3.1	3.9	3.7	4.2	4.5	4.9	5.6
Commerce and transportation	1.6	2.0	2.0	2.6	2.8	3.3	3.4
Other [1]	3.5	4.9	4.2	5.0	5.4	6.4	6.9
Deduct interfund transactions	.6	.4	.7	.7	.6	.6	.7
Total	71.4	80.3	76.5	81.5	87.8	94.3	98.8

[1] Includes programs relating to natural resources; housing and community development; education; and general government.

Expenditures for national defense in 1962 exceeded those in 1961 by $3.6 billion. Further increases of $1.9 billion and $2.4 billion, respectively, are estimated for the fiscal years 1963 and 1964. These estimates include outlays for military assistance to other nations, atomic energy, and other defense-related activities.

International affairs and finance expenditures, which include those for economic and financial programs, foreign information and exchange programs, and the conduct of foreign affairs, increased in 1962 by $0.3 billion, to a total of $2.8 billion. Estimated expenditures in fiscal 1963 and 1964 are expected to remain at approximately the 1962 amount, with the increase in expenditures for the economic assistance programs of the Agency for International Development (AID) being more than offset by the decrease of net expenditures by the Export-Import Bank and the Department of State. Expenditures for foreign information and exchange programs and the conduct of foreign affairs are estimated to be slightly higher in 1963 and 1964.

Expenditures for space programs totaled $1.3 billion in fiscal 1962. Budget estimates for 1963 and 1964 call for respective outlays of

$2.4 billion and $4.2 billion. They cover the costs of developing manned space vehicles, space probes for the accumulation of scientific data, developing meteorological and communication satellites, and furthering advancement in basic research and technological development.

The increase of $0.2 billion in interest payments in 1962 over 1961, predominantly interest on the public debt, resulted primarily from a higher average level of outstanding interest-bearing debt.

Veterans' benefits and services accounted for $5.4 billion of expenditures in 1962 and in 1961. Estimates for 1963 and 1964 include an increase of approximately $100 million, or a total expenditure of $5.5 billion for each of these years.

Programs relating to agriculture and agricultural resources increased in fiscal 1962 over 1961 by $0.7 billion, to $5.9 billion. Budget estimates for 1963 call for an additional increase to $6.7 billion, but with a drop to $5.6 billion in 1964, based on anticipated substantial sales by the Commodity Credit Corporation of cotton expected to be placed under price support in fiscal 1963.

Health, labor, and welfare programs resulted in expenditures in fiscal 1962 of $4.5 billion, an increase of $0.3 billion over those in 1961. Estimates for 1963 and 1964 include respective increases of $0.4 billion and $0.7 billion, primarily attributable to the increases in grants to States for public assistance in 1963 and the first-year effect on fiscal 1964 budget expenditures of certain proposed legislation.

The increase in expenditures for commerce and transportation programs during fiscal 1962 over 1961 amounted to $0.2 billion. The estimated expenditures for 1963 and 1964 of $3.3 billion and $3.4 billion, constitute respective increases of $0.5 billion and $0.1 billion. The 1962 increase over 1961 was primarily for programs relating to the advancement of business. In 1963 and 1964 the increases are principally due to programs in area redevelopment.

Trust Receipts and Expenditures

TRUST RECEIPTS IN 1962 AND ESTIMATES FOR 1963 AND 1964

During fiscal 1962, net trust receipts amounted to $24.3 billion, an increase of $0.7 billion over 1961. Total trust receipts in fiscal 1963 are estimated at $26.9 billion and $29.5 billion in 1964. These estimates give consideration to the effect on trust receipts of certain legislative proposals.

Total trust receipts by certain of the major sources for the fiscal years 1958–62, with estimates for 1963 and 1964, are summarized from

The Budget of the United States Government for the Fiscal Year Ending June 30, 1964, as follows:

Source	Actual					Estimated	
	1958	1959	1960	1961	1962	1963	1964
	In billions of dollars						
Employment taxes	8.2	8.4	10.7	12.4	12.6	14.8	16.6
Deposits by States, unemployment insurance	1.5	1.7	2.2	2.4	2.7	2.8	2.8
Excise taxes	2.0	2.1	2.5	2.8	2.9	3.2	3.3
Interest on trust investments	1.4	1.3	1.3	1.4	1.4	1.5	1.6
Other trust receipts [1]	3.1	3.4	4.5	5.0	5.2	5.1	5.7
Deduct interfund transactions	(*)	.1	.9	.5	.5	.5	.5
Total trust fund receipts	16.2	16.8	20.3	23.6	24.3	26.9	29.5

*Less than $50 million.
[1] Includes Federal employee and agency payments to retirement funds, veterans' life insurance premiums, and other miscellaneous trust receipts.

Receipts from employment taxes increased during fiscal 1962 from 1961 by $155 million. Most of this was due to the rise in the effective rate of tax under the Federal Unemployment Tax Act (26 USC 3301) from 3.0 percent to 3.1 percent. Receipts from the major source of employment tax revenue, the Federal Insurance Contributions Act, gained only moderately during the year despite significantly larger payments of salaries and wages. Net receipts from employment taxes in any given fiscal year will not necessarily reflect changes in the level of wages and salaries in that year, because of adjustments representing corrections to prior year estimates of taxes. It is estimated that employment tax receipts in the fiscal years 1963 and 1964 will increase from 1962, by $2.2 billion and $1.8 billion, respectively. These rather substantial amounts are estimated primarily on the basis of the rise in the combined social security tax rate, from 6¼ percent to 7¼ percent, effective January 1, 1963.

The deposits by States of unemployment insurance taxes were $331 million greater than in 1961. Receipts from this source in fiscal years 1963 and 1964 are expected to remain relatively unchanged.

Excise tax revenues transferred to trust funds are represented by the net transfers to the highway trust fund. In 1962, these receipts increased $151 million over 1961, reflecting the combined effect of a greater volume of purchases of taxed commodities and the rise in certain excise taxes provided by the Federal-Aid Highway Act of 1961, which became effective July 1, 1961. The anticipated higher level of personal disposable income in 1963 and 1964 is expected to result in an increase in receipts from all tax sources. In addition, in 1963 and 1964, excise tax receipts to be transferred to the highway trust fund will be augmented by the transfer of 100 percent of the revenues from the 10 percent excise tax on trucks and buses, whereas previously only 50 percent of these receipts were transferred.

TRUST EXPENDITURES IN 1962 AND ESTIMATES FOR 1963 AND 1964

Net trust fund expenditures during fiscal 1962 amounted to $24.1 billion, an increase of $1.1 billion over 1961. Of the 1962 total, 85 percent were for health, labor, and welfare programs; more than one-half of the total, or $13.3 billion, were from the Federal old-age and survivors insurance trust fund, principally as benefit payments.

Net trust expenditures in the fiscal years 1963 and 1964 are estimated at $27.1 billion and $28.0 billion, respectively. A distribution of total trust expenditures by certain major functions for the five-year period, 1958–62, with estimates for fiscal years 1963 and 1964, are summarized from the 1964 Federal budget as follows:

Program	Actual					Estimated	
	1958	1959	1960	1961	1962	1963	1964
	In billions of dollars						
Health, labor, and welfare	12.8	14.3	16.4	19.2	20.4	21.8	22.8
Commerce and transportation	1.4	2.5	2.8	2.5	2.7	2.9	3.2
Veterans' benefits and services	.7	.7	.7	.8	.7	.9	.6
Agriculture and agricultural resources	.4	.6	.5	.4	.4	.4	.4
National defense	.3	.2	.3	.2	.4	.4	.6
Other [1]	−.3	1.2	1.4	.2	1.1	1.4	1.3
Deduct interfund transactions	(*)	.1	.9	.5	.5	.5	.5
Subtotal	15.3	19.6	21.2	22.8	25.2	27.3	28.4
Adjustment to monthly Treasury statement [2]	.6	−1.3	−.5	.2	−1.1	−.2	−.4
Total trust expenditures	15.9	18.3	20.7	23.0	24.1	27.1	28.0

*Less than $50 million.

[1] Includes programs relating to international affairs and finance, housing and community development, education, natural resources, and general government; also net transactions in deposit fund accounts.

[2] Represents net investments in U.S. securities and net sales and redemptions of obligations in the market of Government-sponsored enterprises which have been included as expenditure transactions in the related trust fund expenditure functions above.

It is estimated that trust expenditures in fiscal 1963 and 1964 for health, labor, and welfare programs will increase by $1.4 billion and $1.0 billion, respectively, which are largely a reflection of built-in growth within the trust funds established under the social security system.

Trust expenditures for commerce and transportation programs are principally represented by those of the highway trust fund. The estimated increases of trust expenditures in this category during fiscal 1963 and 1964 are $0.2 billion and $0.4 billion, respectively.

Expenditures from trust accounts in fiscal 1962 for veterans' benefits and services totaled $0.7 billion, mainly for death and disability claims and insurance dividend payments. In fiscal 1963 expenditures will rise because the regular dividend payment scheduled for fiscal 1964 has been accelerated into fiscal 1963.

Trust fund expenditures in 1962 for purposes of agriculture and agricultural resources were chiefly confined to expenditures by Government-sponsored farm credit institutions. The level of trust expenditures for these programs is expected to be held at approximately $400 million through 1964.

Trust fund expenditures for national defense are principally for foreign assistance advances. It is estimated that in the fiscal years 1963 and 1964 these advances will increase by approximately $100 million each year.

Table 13 shows a distribution by major functions of all trust fund expenditures for the years 1954–62. Trust account and other transactions by major classification for the period 1952–62 are shown in table 15; similar information for the years 1938–51, at a different level of detail, is contained in table 14.

Receipts from and Payments to the Public

The Government's financial transactions have been discussed in this report principally in terms of administrative budget receipts and expenditures and trust fund receipts and expenditures. To study the impact on the private economy of Government financial transactions, a useful measure which combines the effects of budget and trust account transactions is known variously as "receipts from and payments to the public" or "cash income and outgo." Basically, receipts from and payments to the public are derived by consolidating administrative budget receipts and expenditures and trust fund receipts and expenditures, excluding transactions involving no exchange of cash with the public. Excluded are payments between budget and trust accounts, such as interest payments to trust funds on their investments in U.S. securities, advances to the unemployment trust fund, and payments to Indian tribal funds. In each of these instances the amounts involved are considered at once trust fund receipts and administrative budget expenditures. Examples of administrative budget receipts which are also trust fund expenditures are franchise taxes from Government-sponsored enterprises, reimbursements for expenses and services, and repayments of advances.

Excluded also is the accrued interest on savings bonds which the administrative budget includes as an interest expenditure though no transfer of cash occurs until the bond is redeemed. In those cases where the Government has issued bonds or notes in lieu of checks, the administrative budget includes these issuances as expenditures rather than waiting until there is a cash outlay when the bonds or notes are redeemed. An example of this is the special notes issued by the Government to the International Monetary Fund as partial payment of the U.S. subscription to the Fund.

In most cases, both the administrative budget and trust fund expenditures are recorded at the time checks are issued. In deriving payments to the public, an adjustment is made to approximate a checks-paid basis rather than a checks-issued basis.

In short, the Government's receipts from and payments to the public are obtained by adding the administrative budget receipts and expenditures to the trust fund receipts and expenditures with an appropriate deduction for net intragovernmental transactions, and an adjustment to expenditures for debt issuances in lieu of checks, the change in checks outstanding, and certain other transactions involving no exchange of cash with the public.

The following summary shows total receipts from and payments to the public for the fiscal years 1958 through 1962, with estimates for 1963 and 1964. For more detailed information relating to the Government's total cash income and outgo, see table 25.

Receipts from and payments to the public	Actual					Estimated	
	1958	1959	1960	1961	1962	1963	1964
	In billions of dollars						
Receipts from the public:							
Administrative budget receipts	68.6	67.9	77.7	77.7	81.4	85.5	86.9
Trust fund receipts	16.2	16.8	20.3	23.6	24.3	26.9	29.5
Deduct: Intragovernmental transactions	3.0	3.2	3.2	4.0	3.8	3.9	4.2
Total receipts from public	81.9	81.5	95.1	97.2	101.9	108.4	112.2
Payments to the public:							
Administrative budget expenditures	71.4	80.3	76.5	81.5	87.8	94.3	98.8
Trust fund expenditures	16.1	18.5	20.9	23.0	24.1	27.1	28.0
Deduct: Intragovernmental transactions and other adjustments (net)	4.2	4.0	3.1	5.0	4.2	4.7	4.3
Total payments to the public	83.4	94.8	94.3	99.5	107.7	116.7	122.5
Excess of receipts, or payments (−)	−1.5	−13.1	.8	−2.3	−5.8	−8.3	−10.3

Investments of Government Agencies in Public Debt Securities (Net)

Purchases and sales of public debt securities, together with nominal amounts of securities of Government agencies, are included in this classification, primarily at par, on a net basis. These investments usually are made pursuant to legislative requirements, and provide interest income on funds not needed to meet current expenditures.

Investment transactions are not reported in budget or trust account operations of the agencies since they do not reflect program activities. In fiscal 1962, the purchases for public enterprise funds and trust funds exceeded sales by $435 million, the equivalent of the excess of such purchases over sales in 1961. Also in 1962, investment transactions of certain deposit funds constituting Government-sponsored enterprises resulted in an excess of purchases totaling $30 million, with $434 million as the total excess in fiscal 1961.

Sales and Redemptions of Obligations of Government Agencies in the Market (Net)

Certain Federal agencies have authority to issue their obligations in the market as a means of financing their operations, as explained below under Corporation and Certain other Business-Type Activities of the Government. Reported at par value, transactions in the securities of these Government agencies during fiscal 1962 resulted in a net excess of sales, or issues, aggregating $658 million, as compared with a net excess of redemptions of $733 million in 1961. Transactions in obligations of Government-sponsored enterprises during the year resulted in a net excess of sales totaling $1,122 million; in fiscal 1961, the net excess of sales totaled $195 million.

Corporations and Certain Other Business-type Activities of the Government

The various business-type programs administered by Government corporations and certain other agencies in accordance with statutory authority are financed by appropriations, capital stock subscriptions, borrowings from the public or the U.S. Treasury, or by utilizing revenues derived from their own operations. In cases where authority exists for agencies to borrow from the Treasury, the Secretary of the Treasury is authorized to purchase the securities of these agencies, and in certain cases to prescribe or approve the conditions and terms of the securities. Some agencies having authority to borrow from the public must have the terms of the securities to be offered approved by the Secretary of the Treasury prior to issuance in accordance with the provisions of the Government Corporation Control Act (31 U.S.C. 868). Agencies exempt from this requirement must consult with the Secretary of the Treasury on proposed offerings. The checking accounts of most Government corporations and all other business-type activities are required to be maintained with the Treasurer of the United States. With the approval of the Secretary of the Treasury, some accounts may be kept with the Federal Reserve Banks, or private banks designated as depositaries or fiscal agents of the United States.

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Financial statements submitted to the Treasury

Department Circular No. 966, and Supplement No. 1 thereto, issued under authority of the Budget and Accounting Procedures Act of 1950, require Government corporations and certain business-type agencies to submit financial data periodically. These reports serve as the bases for certain combined statements compiled by the Treasury which are designed to provide a full disclosure of operations, financial condition, and the Government's investment in these enterprises.

The total combined assets of agencies reporting under this circular amounted to $124.0 billion as of June 30, 1962, compared with $116.1 billion a year earlier. One of the principal assets is represented by loans receivable, which as of June 30, 1962, totaled $27.9 billion, represented by U.S. dollar loans in the amount of $24.9 billion, foreign currency loans totaling $2.9 billion, and loans to Federal agencies totaling $135 million. The combined liabilities on June 30, 1962, consisting primarily of accounts payable and accrued liabilities, amounted to $9.9 billion, compared with $7.9 billion on June 30, 1961. The net investment of the Government amounted to $114.2 billion, which includes borrowings from the Treasury in the amount of $8.6 billion. This investment excludes the Government's interest in mixed-ownership or Government-sponsored corporations and trust revolving funds which amounted to $2.9 billion on June 30, 1962, and $2.8 billion on June 30, 1961.

In fiscal 1962, the total combined income, expenses, and net income or loss, for the agencies reporting as business-type activities was as follows:

		In millions
Operating income	$13, 511	
Other gains	48	
		$13, 559
Operating expenses	16, 333	
Less: Net decrease in allowances for losses	64	
		16, 269
Net loss for fiscal year 1962		2, 710

The net loss by major categories of the reporting agencies, consisted of the following:

	Net income, or loss (−) In millions
Public enterprise revolving funds	−$3, 426
Intragovernmental revolving funds	22
Certain other business-type activities	694
Net loss, as above	−2, 710

The major part of the net loss of $3.4 billion shown above for public enterprise revolving funds can be attributed to the operations of two agencies; namely, the Post Office Department postal fund, with a net loss of $749 million, and the Commodity Credit Corporation, with a net loss of $2.6 billion.

Individual and combined financial statements, including statements of income and expense and source and application of funds, are published periodically in the *Treasury Bulletin*. Comparative combined balance sheet data as of June 30, 1952 through 1962 are shown in table 123 of this report.

Borrowing authority and advances by the Treasury

New congressional authority to borrow from the Treasury granted in fiscal 1962 to certain Government corporations and agencies, amounted to $1.6 billion, and reductions of borrowing authority totaled $244 million, resulting in a net increase during the year of $1.3 billion. Unused authority as of June 30, 1962, amounted to $21.2 billion; on June 30, 1961, unused authority totaled $22.5 billion. The status of the borrowing authority of these corporations and agencies is shown in table 120.

Loans or advances of funds made by the Secretary of the Treasury to certain Government corporations and agencies, pursuant to the terms of the borrowing authority, are secured by formal obligations or agreements executed between the Secretary and the head of the borrowing agency. These borrowings, or advances, are reported on the agencies' financial statements as part of the Government's net investment in these enterprises. Advances by the Treasury in fiscal 1962, exclusive of refinancing transactions, totaled $8.3 billion, compared with $7.5 billion in fiscal 1961. Repayments during fiscal 1962 amounted to $5.7 billion, compared with $7.2 billion in 1961. The borrowings from the Treasury, outstanding as of June 30, 1962, totaled $28.6 billion, compared with $26.0 billion a year earlier. A description of the obligations of Government corporations and agencies held by the Treasury on June 30, 1962, is shown in table 122.

Interest and other payments made to the Treasury

Interest rates applicable to borrowings from the Treasury, except where fixed by law, are determined from month to month by the Treasury, which takes into consideration the cost to the Government in effecting its borrowings in the current market as reflected by the prevailing market yields on Government obligations having maturities approximately equivalent to the advances or loans made to the agencies. Table 122 gives a description of the securities held as of June 30, 1962, together with the applicable interest rates.

Payments in the form of interest, dividends, and distribution of earnings are made either on the basis of the operating results of an enterprise, or in compliance with legislative requirements. During fiscal 1962, $685 million was received in the Treasury as interest payments on advances to agencies and $163 million as other payments, compared with $706 million and $112 million, respectively, in 1961. Details regarding these payments are contained in table 125.

Capital stock owned by the United States

During the fiscal year the Government's investments in capital stock increased by $3.9 million; repayments of Government-held capital stock amounted to $14.5 million. Details concerning Treasury holdings of capital stock are contained in table 119.

Guaranteed obligations of Government agencies

Certain Government corporations and agencies having authority to borrow from the public may issue obligations guaranteed as to principal and interest by the United States. The issuance of such obligations during the fiscal year was limited to the Federal Housing Administration debentures issued in exchange for foreclosed mortgages on behalf of its various mortgage insurance funds. During fiscal 1962 guaranteed obligations were issued amounting to $348 million and redemptions totaled $144 million, compared with $192 million and $92 million, respectively, in 1961. As of June 30, 1962, the total outstanding (held outside the Treasury) was $444 million, compared with $240 million on June 30, 1961. Included in the amount outstanding was $0.5 million of matured obligations of liquidated corporations for which funds are on deposit with the Treasury covering the matured principal and interest. A description of guaranteed obligations outstanding is contained in table 34.

Nonguaranteed obligations of Government agencies

Government-owned and Government-sponsored corporations and agencies issuing nonguaranteed obligations to the public under their statutory authority include the Tennessee Valley Authority, Federal National Mortgage Association, Federal home loan banks, Federal land banks, Federal intermediate credit banks, and the banks for cooperatives. Nonguaranteed obligations issued during fiscal 1962 totaled $8.1 billion, redemptions and other reductions amounted to $6.6 billion, as compared with $6.6 billion and $7.3 billion, respectively, in 1961. The total nonguaranteed obligations outstanding totaled $9.3 billion on June 30, 1962, and $7.8 billion on June 30, 1961.

Agencies of the Farm Credit Administration also obtain funds for short periods, usually between bond and debenture sales dates, by issuing notes to banks within the farm credit system or to commercial banks. As of June 30, 1962, these outstanding notes amounted to $135 million, as compared with $73 million on June 30, 1961. Certain other agencies also issue notes at infrequent intervals to obtain funds. Table 30 shows the nonguaranteed obligations outstanding for each issuing agency as of June 30, 1953–62.

Account of the Treasurer of the United States

Statements of the account of the Treasurer of the United States are published in summary balance sheet form in the *Daily Statement of the United States Treasury*, and in more detail in table 59. The account of the Treasurer consists of three major categories: Gold, silver, and the general account. As of June 30, 1962, the total value of gold on hand was $16,435 million, principally held in the Fort Knox Depository with lesser amounts in mints and assay offices. Gold liabilities included $16,314 million of gold certificates issued to Federal Reserve Banks and held as reserve against Federal Reserve notes and for the redemption of U.S. notes, etc., with the balance of $121 million representing available gold. Silver bullion and silver dollars included in the assets totaled $2,299 million, against which liabilities of silver certificates (currency issued against free silver, etc.) amounted to $2,277 million, leaving a balance of silver totaling $22 million as of June 30, 1962. The assets of the general account, $10,509 million on June 30, included the balances of gold and silver against which there were no specific legal liabilities or reserves, cash in the form of coin and currency, unclassified collections, and Government funds on deposit with the Federal Reserve Banks and other depositaries. Liabilities of the general account, $79 million as of this same date, included principally funds to the credit of the Board of Trustees of the Postal Savings System, and uncollected items, exchanges, etc.

There was a balance of $10,430 million in the Treasurer's account as of June 30, 1962, representing the difference between the assets and liabilities, which consisted of the available operating funds on deposit in Federal Reserve Banks; the funds held in Treasury tax and loan accounts established in qualified commercial banks; and funds held in general and other depositaries not immediately available for operating purposes.

During fiscal 1962 there was an increase of $3,736 million in the balance of the Treasurer's account. Daily balances ranged from a low of $4,109 million on April 7, 1962, to a high of $10,430 million on June 29, 1962.

The net change in the balance during the year is accounted for as follows:

Transactions affecting the account of the Treasurer of the United States, fiscal year 1962

[In millions of dollars]

Balance June 30, 1961			6, 694
Excess of deposits, or withdrawals (−), budget, trust, and other accounts:			
Deposits		101, 608	
Withdrawals		106, 626	−5, 018
Excess of deposits, or withdrawals (−), public debt accounts:			
Net increase in gross public debt		9, 230	
Deduct:			
Excess of Government agencies' investments over redemptions in public debt securities	503		
Accrual of discount on savings bonds and bills (included in net increase in gross public debt above)	2, 571		
Less certain public debt redemptions (included in cash withdrawals above)	−1, 648		
Total deductions		−1, 426	7, 804
Excess of sales of obligations of Government agencies in the market			950
Balance June 30, 1962			10, 430

Public Debt Operations and the Ownership of Federal Securities

Public debt and guaranteed obligations on June 30, 1962, amounted to $298.6 billion, a net increase of $9.4 billion from the $289.2 billion outstanding on June 30, 1961. About two-thirds, $196 billion, of the debt was in marketable issues, representing an increase of $8.9 billion during the year. The remainder of the debt, mostly in special issues to Government investment accounts and in U.S. savings bonds held by individuals and others, increased by $0.5 billion.

The two factors which to a large extent determine the amount by which the public debt decreases or increases during the year are the budget surplus or deficit and the change in the cash balance of the Treasurer of the United States. The budget deficit of $6.4 billion at the close of fiscal 1962, together with the increase of $3.7 billion in the cash balance, amounted to more than $10 billion. Minor items diminished somewhat the total required for financing the deficit and the cash balance increase, leaving a net of $9.4 billion to be financed by additional public debt obligations during the fiscal year 1962. (A summary of changes in the debt during the year is shown in the accompanying table.)

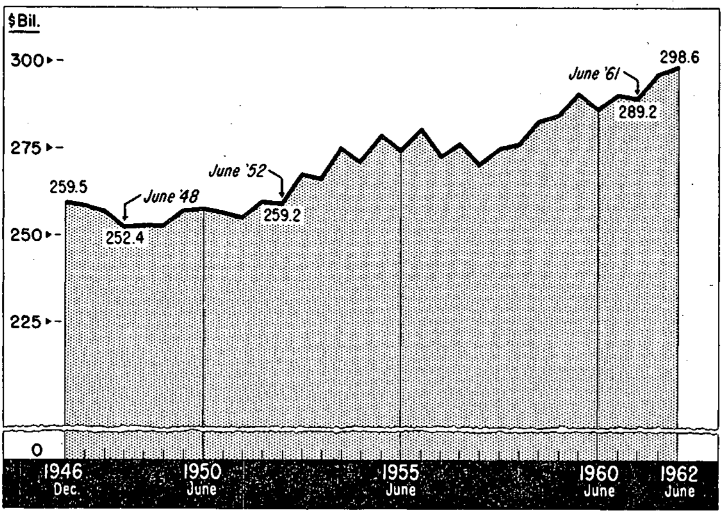
Class of debt	June 30, 1961	June 30, 1962	Increase, or decrease (−)
	In billions of dollars		
Public debt:			
Interest-bearing:			
Public issues:			
Marketable	187.1	196.1	8.9
Nonmarketable	53.5	53.4	(*)
Total public issues	240.6	249.5	8.9
Special issues to Government investment accounts	45.0	44.9	−.1
Total interest-bearing public debt	285.7	294.4	8.8
Matured debt on which interest has ceased	.3	.4	.1
Debt bearing no interest	2.9	3.3	.4
Total public debt	289.0	298.2	9.2
Guaranteed obligations not owned by the Treasury	.2	.4	.2
Total gross public debt and guaranteed obligations	289.2	298.6	9.4

*Less than $50 million.

The total Federal debt has been moving irregularly upward since 1946 and the debt increase in fiscal 1962 continued this trend (see chart 3). There were a number of years in which budget surpluses of varying amounts made it possible to reduce the debt, but those reductions were outweighed by debt increases in other years. The increases reflect in part the cost of economic recessions; in far greater measure, however, they were brought about by the Korean War and by continuing heavy defense expenditures since that time. The $9.4 billion increase in the debt during fiscal 1962 was largely related to additional defense needs growing out of the intensification of the Berlin problem following the Vienna Conference in 1961.

CHART 3

The Federal Debt[1]–Semiannually since 1946

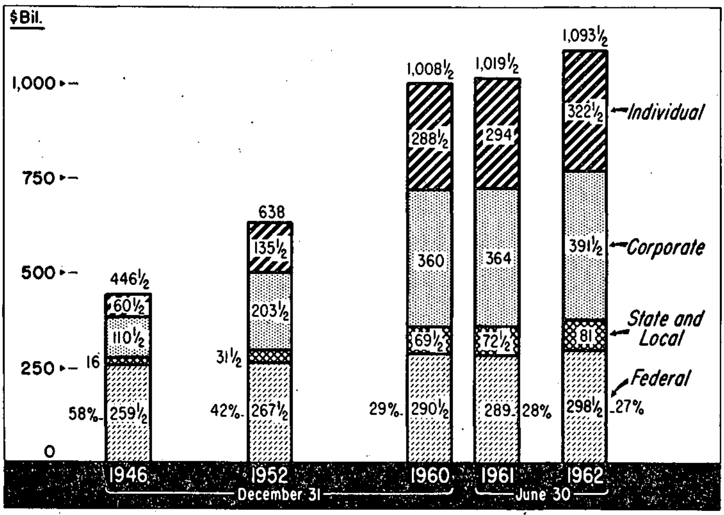


[1] Including public debt and guaranteed obligations.

The $39 billion growth of the Federal debt since December 1946 has been much less than increases in other forms of debt (see chart 4). In consequence, the Federal portion of public and private debt dropped from 58 percent of the total in 1946 to 28 percent in June 1961. Moreover, even with a $9½ billion increase during fiscal 1962 the Federal debt declined further to 27 percent when measured against the debt of all borrowers. It is clear, therefore, that as private and State and local debt expanded with the growth of the economy, the Federal debt proportionately diminished.

CHART 4

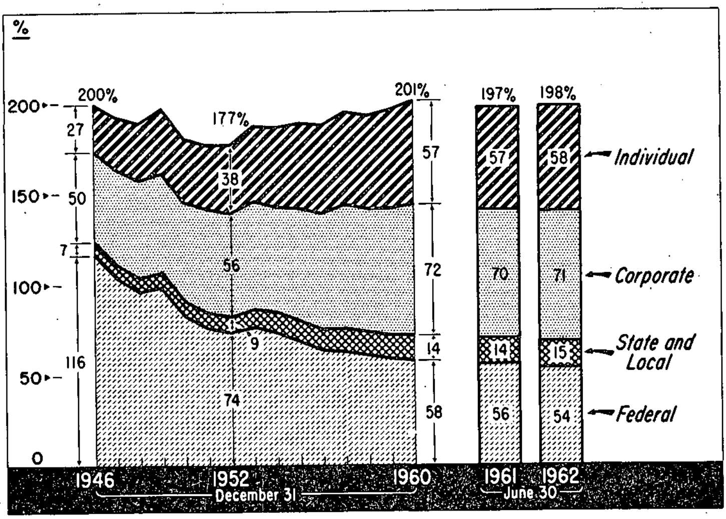
Public and Private Debt



The Federal debt can also be expressed as a percentage of gross national product, the value of all goods and services produced in a given period (see chart 5). The changes in this relationship since World War II provide another indication of the relative shrinkage of the Federal debt as the economy has grown. The ratio of Federal debt to gross national product declined from 116 percent in 1946 to the 56 percent in June 1961. And despite the $9½ billion increase in the debt during the fiscal year 1962, there was a further decline in the ratio to 54 percent by the end of June 1962. In contrast, the growth of total debt since World War II has generally kept pace with the growth of the economy. Public and private debt together amounted to 198 percent of the gross national product in June 1962, only about two percentage points below December 1946.

CHART 5

Public and Private Debt as % of Gross National Product

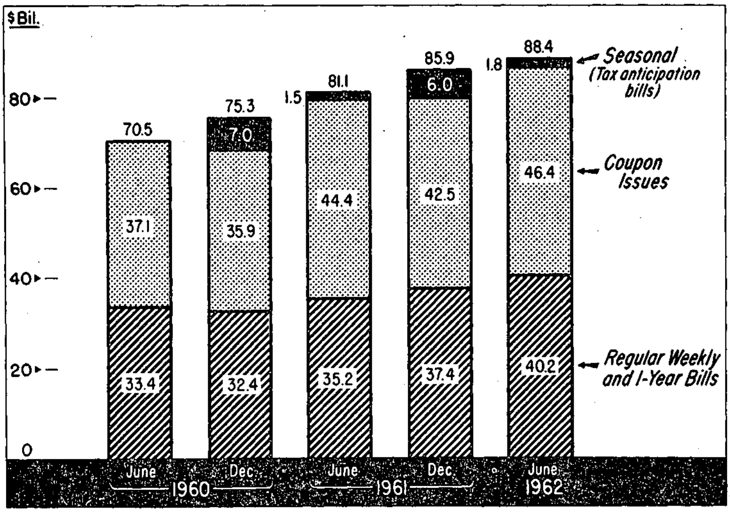


The primary concern of debt management is the marketable debt. This includes most of the Federal debt other than savings bonds and special issues to Government investment accounts. In this category, the Treasury marketed a total of $54½ billion in certificates, notes, and bonds during fiscal 1962. This included over $4½ billion of new cash borrowing; the refinancing of about $41 billion in maturing issues; and the advance refunding of about $9 billion in existing debt. In addition to the $54½ billion in securities marketed, about $1 billion of 1½ percent notes was issued in exchange for nonmarketable Investment Series B bonds. Treasury bills issued for cash, other than the rollover of maturing regular weekly and one-year bills, amounted to almost $13 billion.

The new cash financings, largely in issues of Treasury bills and short notes, were directed toward maintaining U.S. short-term rates at levels reasonably competitive with short-term rates in the world money markets in order to discourage outflows of short-term investment funds from augmenting the country's balance-of-payments problems. In consequence, the marketable debt maturing within one year rose to $88.4 billion, an increase of $7.3 billion during fiscal 1962 (see chart 6). The $18 billion increase in short-term debt since midcalendar year 1960 provided additional liquidity during a period of recession and early recovery. Thus, while this action was undertaken to maintain short-term rates for balance-of-payments reasons, it was entirely consistent with the needs of the economy at the time. Such action would not have been appropriate in a full expansion phase of the business cycle. In fact, a rapidly expanding economic environment would undoubtedly have been accompanied, as in the past, by a substantial rise in short-term rates. This would have assisted in strengthening our balance-of-payments position without the need for an increase in the supply of short-term debt.

CHART 6

Structure of the Under 1-Year Marketable Debt



NOTE.—Coupon issues include all certificates, notes, and bonds maturing within one year.

A large volume of early maturing issues has important implications in terms of its future impact on the market. The Treasury has been able to mitigate these potential effects through additions to regular weekly and one-year bills which are rolled over automatically at maturity. The total amount of these bills has been maintained at a fairly constant ratio (about 45 percent) of the outstanding debt maturing within one year, exclusive of seasonal issues.

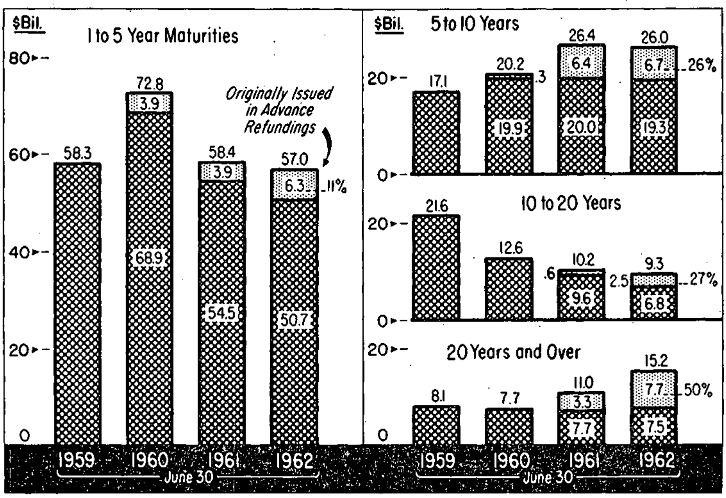
Although the major portion of new cash went into short-term issues, more than \$2¼ billion was raised by means of longer issues, over \$1 billion through a 7¾-year bond, and \$1¼ billion through a 6⅓-year bond. More importantly, significant efforts to restructure the debt were also made in the refunding of existing obligations at maturity. Of the \$41 billion in maturing issues refinanced during fiscal 1962 (other than Treasury bills), \$23¼ billion was in one-year certificates or short notes maturing within 16 months; \$15 billion in issues between 3 and 5 years to maturity; \$2¼ billion in 5-to-10 year bonds;

and $½ billion in bonds maturing beyond 10 years. However, the major share of debt extension was attributable to the refunding of obligations in advance of maturity.

The role of advance refunding since the inception of the technique in 1960 in restructuring the marketable debt maturing beyond one year is illustrated by chart 7. The greatest impact has been in the longer maturities. In the 20-year and over category, $7¾ billion, or about half of the $15 billion outstanding, was originally issued in advance refundings. In the 5- to 10-year and 10- to 20-year maturity areas over one-fourth of outstanding issues resulted from advance refundings.

CHART 7

Role of Advance Refunding in Restructuring the Over 1-Year Marketable Debt



Through June 1962 there had been five advance refundings, of two types. The first of these are senior refundings in which issues generally falling into the 5- to 10-year maturity range are exchanged into true long-term issues. The second type, called junior refundings, generally involves the exchange of shorter term issues into intermediate or longer securities.

Senior advance refundings meet a number of debt management objectives. Among these are: First, to maintain the ownership pattern of the issues refunded (primarily in the hands of longer term holders); second, to provide needed debt restructuring without absorbing long-term funds otherwise available to the private sector of the economy; third, to effect the required debt extension with a minimum of market churning as well as a minimum impact on current long-term issue prices; and fourth, to make room for additional intermediate issues.

The major purposes of junior refundings are to reduce the concentration of early maturities so that refinancing will result in less market impact and to curtail the amount of highly liquid debt in the maturity area immediately beyond one year, thereby reducing potential inflationary pressures. The success of advance refunding in restructuring the marketable debt is indicated by the fact that on June 30, 1962, about one-quarter of the debt maturing after one year was originally issued in advance refundings. Structural improvements in fiscal 1962 were due to a combination of advance refunding, the refinancing of a significant amount of maturing issues into longer term securities, and the placement of a part of new cash borrowing into intermediate or longer-term securities. The net result was a five-month extension in the average length of the marketable debt—from 4 years 6 months on June 30, 1961, to 4 years 11 months on June 30, 1962. This increase took place despite the fact that new money borrowing was largely in the short-term area and that the simple passage of time shortens the existing over one-year debt by one full year each year.

The changes in the ownership of the debt during the fiscal year have reflected the Treasury's efforts to finance the budget deficit without generating an inflationary potential. Although the total debt increased by $9½ billion and the marketable portion by approximately $9 billion, commercial bank holdings increased by only $2½ billion. The Federal Reserve Banks also increased their holdings by approximately $2½ billion. Thus, $5 billion, or about one-half of the total increase in the debt, was financed outside the banking system.

Savings bonds, which are nonmarketable, represent one-sixth of the entire outstanding debt. The purchase of E and H savings bonds—on the average, held by their owners for 7½ years—diminishes the Treasury's problem of refinancing the debt and contributes to the country's financial stability by keeping a sizeable portion of the debt in the hands of the average citizen. On June 30, 1962, Series E and H bonds were outstanding in the amount of $45 billion (including interest accruals), a net increase of more than $1 billion during the year.

During the fiscal year 1962 the Treasury undertook borrowing from foreign official agencies for the purpose of improving the balance-of-payments position of the United States and deterring foreign exchange speculation. This was the first time since 1918 that the Treasury had conducted foreign borrowing operations. The borrowing in fiscal 1962 was nonmarketable and was in the form of foreign certificates of indebtedness. On June 30, 1962, there was close to $1 billion of these foreign certificates outstanding in two types, approximately

$0.9 billion in issues denominated in dollars and about $0.1 billion in issues denominated in certain foreign currencies.

PUBLIC DEBT OPERATIONS

The refunding of the $1½ billion one-year Treasury bills, maturing July 15, 1961, was the first financing of fiscal 1962. On July 5, the Treasury announced that $2 billion of new one-year bills (dated July 15, 1961, to mature July 15, 1962) would be auctioned on July 11. The new bills would replace the $1½ billion old bills maturing July 15 and provide $500 million required new cash.

On July 13, 1961, following the one-year bill auction, the Treasury announced that it would refund in one operation four securities totaling $12½ billion maturing August 1 through October 1, and that the exchange offering would be followed immediately by a cash borrowing of $3½ billion through the issuance of tax anticipation bills.

The four maturing issues were:

- $7.8 billion 3⅛ percent certificates maturing August 1, 1961;
- $2.1 billion 4 percent notes maturing August 1, 1961;
- $2.2 billion 2¾ percent bonds maturing September 15, 1961; and
- $332 million 1½ percent notes maturing October 1, 1961.

Holders of these securities were given an exclusive right to exchange them for any of the following securities:

- 3¼ percent 15½-month notes dated August 1, 1961, to mature November 15, 1962, at par; or
- 3¾ percent 3-year notes dated August 1, 1961, to mature August 15, 1964, at par; or additional amounts of
- 3⅞ percent bonds originally issued on June 23, 1960, maturing May 15, 1968, of which $1,390 million was outstanding, to be issued at a price of 99.375, to yield approximately 3.98 percent to maturity.

Subscriptions for the three-way exchange option, which were received July 17 through July 19, totaled $11.9 billion, or 94.5 percent, of the August 1 through October 1 maturities. Subscriptions for the 15½-month note totaled $6.1 billion, for the 3-year note, $5.0 billion, and for the 6¾-year bond approximately $750 million. The remaining $686 million, or 5.5 percent, of the maturing securities was paid off in cash.

The Treasury generally needs to raise new cash in the first half of the fiscal year in order to cover its requirements during the period of seasonally low tax receipts. The first such seasonal borrowing took place on July 20, 1961, when the Treasury auctioned $3½ billion in tax anticipation bills dated July 26, 1961, to mature March 23, 1962.

On September 7, a refunding of two World War II bond issues in advance of their maturities was announced, and at the same time plans were outlined to raise the estimated $5 billion cash needed over the next two months.

The refunding offer, a senior advance refunding operation (wherein intermediate-term issues are exchangeable for new long-term issues) was available to all holders of the 2½ percent bonds issued during the war-loans in 1944. The amounts of these bonds outstanding were $4.7 billion of the March 1965–70s and $2.9 billion of the March 1966–71s. Their holders were offered in exchange additional amounts of any of the 3½ percent outstanding Treasury bonds maturing in 1980, 1990, and 1998. The bonds eligible for exchange were held largely by insurance companies, savings banks, and private individuals (many of them original subscribers).

To balance the relative attractiveness of the exchanges, the offerings involved the following cash payments (per $100 of face value) other than accrued interest: For the 3½s of 1980, $2.25 and $3.50 to be *paid by* the holders of the 2½s of 1965–70 and 1966–71, respectively; for the 3½s of 1990, $1.00 *paid to* the holders of the 1965–70s and $.25 *paid by* those exchanging the 1966–71s; and for the 3½s of 1998, $2.00 and $1.00, respectively, *paid to* the holders of the 1965–70s and 1966–71s.

The advance refunding offer open to all subscribers from September 11 through September 15, and additionally for individuals through September 20, was a success with $3.8 billion 2½ percent bonds exchanged for the outstanding 3½ percent longer term bonds. Of total subscriptions, $1.3 billion was for the 1980 maturity, $1.3 billion for the 1990 maturity, and $1.2 billion for the 1998 maturity. In all, more than 51 percent of the eligible bonds of public holders (that is, holders other than Federal Reserve Banks and Government investment accounts) was exchanged. The result represented a significant amount of debt extension, with little or no disturbance in the market for outstanding issues, and achieved a definite improvement in the maturity structure of the marketable debt.

Cash needs for the two months following the September 7 announcement were met in three steps:

Approximately $2½ billion of June 1962 tax anticipation bills were auctioned on September 20, 1961, with payment on September 27.

An offering of $2 billion in additional amounts of 3¼ percent Treasury notes to mature May 15, 1963 (originally issued in May 1961), was announced September 28 and offered early in October at a price of 99⅞ to yield approximately 3.33 percent. $2.3 billion of the total subscribed for was accepted.

$2 billion in one-year Treasury bills auctioned on October 10, to replace $1½ billion of outstanding one-year bills maturing October 16, to provide another $500 million new money.

These new money offerings in the September-October financings raised $5.3 billion for the Treasury. In addition, $0.2 billion was obtained by adding to regular weekly bills on October 19 and October 26.

On November 2 the Treasury announced an exchange offer for meeting the mid-November 2½ percent bond maturity of $7.0 billion. At the same time announcement was made that $800 million in new funds would be obtained for current needs (largely the estimated amount of maturing bonds that would be turned in for cash) by issuing a strip of bills on November 15 to be sold on an auction basis.

The Treasury's objective of extending the maturity of the debt whenever feasible was reflected in the exchange offer to the holders of the bonds due November 15. The offer provided three maturity options which included two intermediate or longer issues, as follows:

A 15-month 3¼ percent note, dated November 15, 1961, due February 15, 1963, at par;

An additional amount of outstanding 3⅝ percent bonds originally issued November 15, 1960, maturing May 15, 1966, to be issued at a price of 99.75, to yield about 3.81 percent;

An additional amount of outstanding 3⅞ percent bonds originally issued on December 2, 1957, maturing November 15, 1974, to be issued at a price of 99.00, to yield about 3.97 percent.

The subscription books closed on November 9, with more than $6½ billion, or 94 percent, of the maturing bond exchanged. Of the issues taken, more than $3.6 billion was for the short-term note, $2.4 billion for the 4½-year bond, and $517 million for the 13-year bond. The remaining $419 million, or 6 percent, of the maturing bond was paid off in cash.

The $800 million bill strip auctioned on November 9 increased each of the eight bill issues maturing December 7, 1961, through January 25, 1962, by $100 million. Subscriptions were required to be in units of at least $8,000 or in multiples of that amount, with a single bid price submitted for the entire strip ranging in maturity from 22 to 71 days. Each of the eight bill maturities increased was currently outstanding in an amount of $1.6 billion against $1.7 billion for all of the other weekly bills maturing in the next three months.

Immediately after the issuance of the bills the Treasury, on November 17, announced an exchange offering to holders of approximately

$970 million Series F and G savings bonds issued in 1950 and maturing in 1962. Holders of these obligations were offered an exchange into additional amounts of 3⅞ percent marketable bonds originally issued June 23, 1960, maturing May 15, 1968, at a price of 99.50 for an effective yield of 3.96 percent. Exchange values of the F and G bonds were fixed to provide one percent more than otherwise would have accrued from December 15, 1961, to the maturity dates of the F and G bonds and 3.96 percent from those dates to the maturity of the 3⅞ percent bond. The exchange offer was accepted by holders of $320 million of the 1962 F and G maturities outstanding.

On January 3, 1962, the Treasury announced that it would borrow $1½ to $1¾ billion of new money in two financings to meet the Government's cash needs.

The first financing announced at the time provided the Treasury with $500 million new cash. One-year bills maturing January 15, 1962, in the amount of $1½ billion were replaced with $2 billion of new one-year bills maturing January 15, 1963. The second financing, announced January 11, was the issuance of an additional $1.1 billion of outstanding 4 percent bonds maturing October 1, 1969, originally issued in October 1957. The new issue was priced at 99.75 to yield about 4.04 percent.

On February 1, 1962, plans were announced for refunding four issues of Treasury notes totaling $11.7 billion, three due February 15, and one on April 1. The four maturing securities were:

$9.1 billion 3¼ percent notes maturing February 15, 1962;
$0.6 billion 3⅝ percent notes maturing February 15, 1962;
$1.4 billion 4 percent notes maturing February 15, 1962; and
$0.6 billion 1½ percent notes maturing April 1, 1962.

In exchange, holders of the maturing securities were offered two new securities dated February 15, a 3½ percent one-year certificate and a 4 percent 4½-year note. All but 3.5 percent ($416 million) of the maturing issues was exchanged, $6.9 billion for the one-year certificate and $4.5 billion for the 4½-year note.

Following this regular refunding, the Treasury undertook an advance refunding in mid-February, with the exchange effective on March 1, 1962. For the first time, one operation combined a junior advance refunding (in which holders of relatively short-term maturities are given an opportunity to move into longer issues) and a senior advance refunding (in which holders of intermediate-term securities are offered an exchange into long-term issues). The Treasury offered to the holders of five issues of outstanding Treasury bonds maturing from February 15, 1964, through December 15, 1972, totaling $18.7 billion, the option of earning additional interest during the remaining terms of these existing issues by extending their maturities for additional periods ranging between 6½ and 26½ years.

The advance refunding operation combined the following specific exchange offerings:

In the junior portion, holders of the $3.9 billion 3 percent bonds due February 15, 1964, were eligible to exchange them on a par-for-par basis for a new issue of 4 percent bonds due in August 1971. Holders of the $6.9 billion 2⅝ percent bonds due February 1965 were offered an exchange into the new 4s of 1971 or into additional amounts of the outstanding 4 percent bonds of February 15, 1980. However, to equalize the attractiveness of the exchange options, holders of the 2⅝ percent bonds were required *to pay* $2.00 (per $100 of face value) on the new 4s of 1971 and $.25 on the 4s of 1980.

In the senior portion of the advance refunding, holders of $8.0 billion 2½ percent bonds of June, September, and December 1967–72s were offered two outstanding 3½ percent bonds due in February 1990 and November 1998. All but one of these exchanges involved cash payments by subscribers as follows: On the 3½s of 1990, (per $100 of face value) $1.25, $1.50, and $1.75, respectively, by the holders of the 2½s maturing in June, September, and December of 1967–72; and on the 3½s of 1998, par-for-par (no payment) by holders of the June 2½s and $.25 and $.50, respectively, by holders of the September and December maturities.

No limit was placed on the amount of the four issues offered and subscriptions in all totaled $5.2 billion and were allotted in full, $2.8 billion for the 1971 maturity, $0.6 billion for the 1980 maturity, and $0.9 billion for each of the 1990 and 1998 maturities. Of the $5.2 billion total subscribed, $4.2 billion of public holdings of the eligible issues, or 25 percent, was exchanged.

To offset the expected drain due to the cash redemption of the tax anticipation bills maturing on March 23, and to continue its efforts to keep U.S. short-term rates competitive in the world money markets, the Treasury, early in March, announced an offering of $1.8 billion in new 182-day tax anticipation bills to be auctioned on March 20 and to mature September 21, 1962. The new tax bills were dated March 23, 1962, the date on which the old issue of tax bills matured.

In a strengthened bond market environment, the Treasury decided in early April to raise $1¼ billion of needed new cash by offering an intermediate-term issue—a 6⅓-year 3¾ percent bond maturing August 15, 1968. Immediately following the closing of the subscription books for the bond, $2 billion of one-year bills were rolled over at auction replacing a like amount of bills maturing April 15.

The last financing of the fiscal year, exclusive of regular weekly bills, was announced in the latter part of April. The Treasury combined in one operation the refunding of two securities maturing in mid-May with the bond maturing on June 15. The three maturing issues, which totaled $11¾ billion, were:

$5.5 billion 3 percent certificates maturing May 15, 1962;
$2.2 billion 4 percent notes maturing May 15, 1962; and
$4.0 billion 2¼ percent bonds maturing June 15, 1962.

To continue the structural improvement of the debt whenever practicable, the Treasury offered holders of the maturing securities a choice of the following three new issues, two having maturities beyond one year. The three options all dated May 15, 1962, were:

3¼ percent one-year certificate to mature May 15, 1963, at par;
3⅝ percent 3¾-year note to mature February 15, 1966, at 99.80 to yield approximately 3.68 percent to maturity; or
3⅞ percent 9½-year bond to mature November 15, 1971, at 99.50 to yield approximately 3.94 percent to maturity.

Exchanges totaled $11 billion, $6.7 billion into the one-year certificate, $3.1 billion into the 3¾-year note, and $1.2 billion into the 9½-year bond. The remaining $679 million, 5.8 percent of the maturing securities, was turned in for cash.

During the course of the fiscal year, $2.7 billion of new cash was raised through periodic increases in the regular weekly bill offerings in order to maintain upward pressure on U.S. short-term rates. (See text table on offerings of marketable Treasury securities.) The major part of the weekly bill increase was raised in the second half of the fiscal year with $1.5 billion or more than one-half of the total issued in the 91-day bills during the period of February through May.

The following tables summarize the financing operations during the fiscal year and show the results of the public offerings of marketable Treasury securities, excluding the refinancing of regular weekly bills. For additional information see table 41 for allotments by investor classes and the exhibits on public debt operations beginning with exhibit 1.

Public offerings of marketable Treasury securities excluding refinancing of regular weekly bills, fiscal year 1962

[In millions of dollars]

Date of issue	Description of security	Issued for cash: For new money	Issued for cash: For refunding	Issued in exchange: For maturing issue	Issued in exchange: In advance refunding	Total
1961	BONDS, NOTES, AND CERTIFICATES OF INDEBTEDNESS					
Apr. 1	1½% exchange note—Apr. 1, 1966 [1]			[2] 606		606
Aug. 1	3¼% note—Nov. 15, 1962			6,082		6,082
Aug. 1	3¾% note—Aug. 15, 1964			5,019		5,019
Aug. 1	3⅞% bond—May 15, 1968 additional at 99.375			749		749
Sept. 15	3½% bond—Nov. 15, 1980 additional				1,273	1,273
Sept. 15	3½% bond—Feb. 15, 1990 additional				1,298	1,298
Sept. 15	3½% bond—Nov. 15, 1998 additional				1,187	1,187
Oct. 1	1½% exchange note—Oct. 1, 1966 [1]			357		357
Oct. 11	3¼% note—May 15, 1963 additional at 99.875	2,295				2,295
Nov. 15	3¼% note—Feb. 15, 1963			3,642		3,642
Nov. 15	3¾% bond—May 15, 1966 additional at 99.75			2,384		2,384
Nov. 15	3⅞% bond—Nov. 15, 1974 additional at 99.00			517		517
Dec. 15	3⅞% bond—May 15, 1968 additional at 99.50			[3] 320		320
1962						
Jan. 24	4% bond—Oct. 1, 1969 additional at 99.75	1,114				1,114
Feb. 15	3½% certificate—Feb. 15, 1963			6,862		6,862
Feb. 15	4% note—Aug. 15, 1966			4,454		4,454
Mar. 1	4% bond—Aug. 15, 1971				2,806	2,806
Mar. 1	4% bond—Feb. 15, 1980 additional				563	563
Mar. 1	3½% bond—Feb. 15, 1990 additional				900	900
Mar. 1	3½% bond—Nov. 15, 1998 additional				933	933
Apr. 1	1½% exchange note—Apr. 1, 1967 [1]			48		48
Apr. 18	3¾% bond—Aug. 15, 1968	1,258				1,258
May 15	3¼% certificate—May 15, 1963			6,685		6,685
May 15	3⅝% note—Feb. 15, 1966 issued at 99.80			3,113		3,113
May 15	3⅞% bond—Nov. 15, 1971 issued at 99.50			1,204		1,204
	Total bonds, notes, and certificates	4,667		42,044	8,959	55,670
1961	BILLS [4] (MATURITY VALUE)					
July 15	2.908% 1-yr.—July 15, 1962	503	1,491	10		2,004
July 26	2.484% 240-day (tax anticipation) Mar. 23, 1962	3,503				3,503
Sept. 27	2.705% 268-day (tax anticipation) June 22, 1962	2,511				2,511
Oct. 16	2.975% 1-yr.—Oct. 15, 1962	501	1,491	11		2,003
Nov. 15	2.277% 46.5-day average for strip [5]	800				800
1962						
Jan. 15	3.366% 1-yr.—Jan. 15, 1963	500	1,363	139		2,001
Mar. 23	2.896% 182-day (tax anticipation) Sept. 21, 1962	[6] 1,802				1,802
Apr. 15	2.943% 1-yr.—Apr. 15, 1963		1,921	80		2,001
	Increases in regular weekly bill offerings					
	1961: July through September ... 199					
	October through December ... 201					
	1962: January through March ... 801					
	April through June ... 1,502	2,703				2,703
	Total bills	12,823	6,266	240		19,329
	Total public offerings	17,490	6,266	42,284	8,959	74,999

[1] Issued only on demand in exchange for 2¾% Treasury Bonds, Investment Series B-1975-80.
[2] Issued subsequent to June 30, 1961.
[3] Includes about $306,000 cash payment on exchange of Series F and G savings bonds.
[4] Treasury bills are sold on a discount basis with competitive bids for each issue. The average price for auctioned issues gives an approximate yield on a bank discount basis as indicated for each series.
[5] Consists of additional amounts of eight series of outstanding regular weekly Treasury bills, $100 million maturing each week from Dec. 7, 1961, through Jan. 25, 1962.
[6] Includes $168 million tax anticipation bills maturing Mar. 23, 1962, which were presented for payment in lieu of cash.

Disposition of marketable Treasury securities excluding regular weekly bills, fiscal year 1962

[In millions of dollars]

Date of refunding or retirement	Security: Description and maturity date	Security: Issue date	Redeemed for cash or carried to matured debt	Exchanged for new security: At maturity	Exchanged for new security: In advance refunding	Total
	BONDS, NOTES, AND CERTIFICATES OF INDEBTEDNESS					
1961						
Aug. 1	3⅛% certificate—Aug. 1, 1961	Aug. 15, 1960	88	7,741	--------	7,829
Aug. 1	4% note—Aug. 1, 1961	Aug. 1, 1957	198	1,938	--------	2,136
Aug. 1	2¾% bond—Sept. 15, 1961	Nov. 9, 1953	348	1,891	--------	2,239
Aug. 1	1½% note—Oct. 1, 1961	Oct. 1, 1956	52	280	--------	332
Sept. 15	2½% bond—Mar. 15, 1965–70	Feb. 1, 1944	--------	--------	2,251	2,251
Sept. 15	2½% bond—Mar. 15, 1966–71	Dec. 1, 1944	--------	--------	1,506	1,506
Nov. 15	2½% bond—Nov. 15, 1961	Feb. 15, 1954	419	6,544	--------	6,963
1962						
Feb. 15	3⅝% note—Feb. 15, 1962	May 1, 1957	62	585	--------	647
Feb. 15	4% note—Feb. 15, 1962	Feb. 15, 1959	126	1,309	--------	1,435
Feb. 15	3¼% note—Feb. 15, 1962	Nov. 15, 1960	142	8,956	--------	9,098
Feb. 15	1½% note—Apr. 1, 1962	Apr. 1, 1957	86	465	--------	551
Mar. 1	3% bond—Feb. 15, 1964	Feb. 14, 1958	--------	--------	1,154	1,154
Mar. 1	2⅝% bond—Feb. 15, 1965	June 15, 1958	--------	--------	2,214	2,214
Mar. 1	2½% bond—June 15, 1967–72	June 1, 1945	--------	--------	414	414
Mar. 1	2½% bond—Sept. 15, 1967–72	Oct. 20, 1941	--------	--------	764	764
Mar. 1	2½% bond—Dec. 15, 1967–72	Nov. 15, 1945	--------	--------	656	656
May 15	3% certificate—May 15, 1962	May 15, 1961	99	5,410	--------	5,509
May 15	4% note—May 15, 1962	Apr. 14, 1960	157	2,054	--------	2,211
May 15	2¼% bond—June 15, 1962	June 1, 1945	423	3,540	--------	3,963
	Total bonds, notes, and certificates	--------	2,200	40,713	8,959	51,873
	BILLS					
1961						
July 15	3.265%—July 15, 1961	July 15, 1960	1,491	[1] 10	--------	1,501
Sept. 22	2.473%—(tax anticipation) Sept. 22, 1961	Apr. 3, 1961	[2] 1,503	--------	--------	1,503
Oct. 16	3.131%—Oct. 16, 1961	Oct. 17, 1960	1,491	[1] 11	--------	1,502
1962						
Jan. 15	2.679%—Jan. 15, 1962	Jan. 15, 1961	1,363	[1] 139	--------	1,502
Mar. 23	2.484%—(tax anticipation) Mar. 23, 1962	July 26, 1961	[3] 3,503	--------	--------	3,503
Apr. 15	2.827%—Apr. 15, 1962	Apr. 15, 1961	1,920	[1] 80	--------	2,000
June 22	2.705%—(tax anticipation) June 22, 1962	Sept. 27, 1961	[2] 2,511	--------	--------	2,511
	Total bills	--------	13,782	240	--------	14,021
	Total securities	--------	15,982	40,953	8,959	65,894

[1] Accepted in payment in lieu of cash.
[2] Including tax anticipation issues redeemed for taxes.
[3] Includes amount redeemed for taxes and amount accepted in payment in lieu of cash for the new tax anticipation bill maturing Sept. 21, 1962.

Allotments of marketable Treasury securities other than regular weekly bills, fiscal year 1962 [1]

[In millions of dollars]

Date of financing	Issue—description of security and maturity date	Amount issued	Allotments by investor classes: U.S. Government investment accounts and Federal Reserve Banks	Commercial banks [2]	All others
	BONDS, NOTES, AND CERTIFICATES OF INDEBTEDNESS				
1961					
Aug. 1	3¼% note—Nov. 15, 1962-H	6,082	3,386	1,241	1,455
Aug. 1	3¾% note—Aug. 15, 1964-E	5,019	1,600	2,203	1,216
Aug. 1	3⅞% bond—May 15, 1968 additional	749	58	309	382
Sept. 15	3½% bond—Nov. 15, 1980 additional	1,273	480	61	732
Sept. 15	3½% bond—Feb. 15, 1990 additional	1,298	161	81	1,056
Sept. 15	3½% bond—Nov. 15, 1998 additional	1,187	290	50	847
Oct. 11	3¼% note—May 15, 1963-D additional	2,295	100	2,056	139
Nov. 15	3¼% note—Feb. 15, 1963-E	3,642	68	2,158	1,416
Nov. 15	3¾% bond—May 15, 1966 additional	2,384	4	1,514	866
Nov. 15	3⅞% bond—Nov. 15, 1974 additional	517	136	105	276
Dec. 15	3⅞% bond—May 15, 1968 additional	320	(*)	136	184
1962					
Jan. 24	4% bond—Oct. 1, 1969 additional	1,114	100	780	234
Feb. 15	3½% certificate—Feb. 15, 1963-A	6,862	3,411	1,618	1,833
Feb. 15	4% note—Aug. 15, 1966-A	4,454	1,518	2,043	893
Mar. 1	4% bond—Aug. 15, 1971	2,806	408	1,591	807
Mar. 1	4% bond—Feb. 15, 1980 additional	563	177	116	270
Mar. 1	3½% bond—Feb. 15, 1990 additional	900	218	94	588
Mar. 1	3½% bond—Nov. 15, 1998 additional	933	221	77	635
Apr. 18	3¾% bond—Aug. 15, 1968	1,258	100	753	405
May 15	3¼% certificate—May 15, 1963	6,686	2,330	2,287	2,069
May 15	3⅝% note—Feb. 15, 1966	3,114	17	2,261	836
May 15	3⅞% bond—Nov. 15, 1971	1,204	64	653	487
	BILLS				
1961					
July 15	2.908%—July 15, 1962	2,004	75	917	1,012
July 26	2.484% (tax anticipation)—Mar. 23, 1962	3,503	----------	3,473	30
Sept. 27	2.705% (tax anticipation)—June 22, 1962	2,511	----------	2,493	18
Oct. 16	2.975%—Oct. 15, 1962	2,003	111	939	953
Nov. 15	2.277%—strip [3]	800	----------	361	439
1962					
Jan. 15	3.366%—Jan. 15, 1963	2,001	217	1,078	706
Mar. 23	2.896% (tax anticipation)—Sept. 21, 1962	1,802	153	689	960
Apr. 15	2.943%—Apr. 15, 1963	2,001	163	925	913

*Less than $500,000.

[1] Excludes 1½% Treasury EA and EO notes issued in exchange for nonmarketable 2¾% Treasury Bonds, Investment Series B-1975-80.

[2] Includes trust companies and stock savings banks.

[3] Consists of an additional $100 million each of eight series of outstanding weekly bills issued in a strip on Nov. 15, 1961, maturing Dec. 7, 1961 to Jan. 25, 1962, inclusive.

The public debt subject to limitation rose to levels not far from the temporary ceiling of $298 billion during the first half of the fiscal year because of seasonal and other cash borrowing. The peak of $297.3 billion was reached on November 24, 1961.

The temporary limit which had been authorized on June 30, 1961, before the Berlin crisis made additional defense expenditures necessary, provided the Treasury with little margin to meet its seasonal borrowing needs or to meet any unforeseen requirements. On March 13, 1962, an additional temporary increase of $2 billion was authorized by the Congress for the balance of the fiscal year, bringing the temporary ceiling to $300 billion for the period from March 13, 1962, through June 30, 1962. The debt subject to limitation during the second half of the fiscal year rose to a new peak of $299.5 billion on June 14, 1962.

Since the outstanding debt would exceed the temporary limit of $300 billion at the end of the fiscal year 1962 and regular seasonal borrowing would be required during the ensuing fiscal year, an act approved July 1, 1962, authorized increased ceilings in the temporary debt limit as follows: $308 billion from July 1, 1962, through March 31, 1963, $305 billion from April 1 through June 24, 1963, returning to $300 billion from June 25 through June 30, 1963. For further detail on the statutory limit on the public debt and guaranteed obligations as of June 30, 1962, see table 36 and for a summary of amendments to the law limiting the debt, see table 37.

Public nonmarketable debt decreased by less than $0.1 billion during fiscal 1962 to $53.4 billion. The relatively small net change reflected more substantial increases and decreases in the various types of public nonmarketable debt outstanding, including large changes within the savings bonds category.

As previously mentioned, direct borrowing from foreign official agencies amounted to $1.0 billion at the close of the fiscal year. This amount of nonmarketable borrowing was offset by a decline of $1.1 billion in the investment series bonds. The steady decline in investment series bonds continued in fiscal 1962, and, as in the past, was due principally to the exchange of nonmarketable Series B investment bonds for marketable 5-year 1½ percent exchange notes.

The largest portion of the public nonmarketable debt is in U.S. savings bonds, which are demand securities payable at guaranteed redemption values. Although savings bonds of various series have been continuously on sale since March 1935, Series E and Series H are the only savings bonds currently being sold. There were $45.0 billion of these series outstanding on June 30, 1962, amounting to 15 percent of the total interest-bearing debt. The growth in E and H bonds outstanding was $1.1 billion for the year, which was slightly larger than their increase in fiscal 1961. Series F, G, J, and K bonds, no longer on sale, decreased by $1.0 billion. This decline included the $320 million Series F and G bonds that would have matured during the calendar year 1962, but which were exchanged on December 15, 1961, in accordance with the Treasury's offer, for the 3⅞ percent marketable bond of 1968. Total interest-bearing savings bonds outstanding of all series at the close of fiscal 1962 was $47.6 billion, an increase of $0.1 billion during the year.

Class of security	June 30, 1961	June 30, 1962	Increase, or decrease (−)
	In billions of dollars		
U.S. savings bonds:			
Series E	37.8	38.3	0.4
Series H	6.0	6.7	.7
Subtotal E and H	43.8	45.0	1.1
Series F and G	1.8	.9	−.9
Series J and K	1.9	1.8	−.1
Subtotal savings bonds	47.5	47.6	.1
Certificates of indebtedness:			
Foreign series		.9	.9
Foreign currency series		.1	.1
Treasury bonds:			
REA series	(*)	(*)	(*)
Investment series	5.8	4.7	−1.1
Depositary bonds	.1	.1	(*)
Total interest-bearing public nonmarketable issues	53.5	53.4	(*)

*Less than $50 million.

During fiscal 1962, the Treasury encouraged new and continued investment in Series H bonds in two ways. In August 1961, H bonds with issue dates of June 1952 through January 1957 were granted a 10-year extension. Beginning February 1, 1962, the first of these bonds in their extended maturity period will earn interest at a straight 3¾ percent rate per annum, payable semiannually by Treasury check. This is the first time that the Treasury has given the extension privilege to any savings bonds other than Series E. In addition, the Treasury announced in November 1961 that the annual purchase limit of H bonds would be increased to $20,000 after January 1, 1962. The limit of $10,000 (maturity value) on E bonds was continued. Details of these new regulations may be found in exhibits 7–10.

OWNERSHIP OF FEDERAL SECURITIES

Of the $9.4 billion total increase in the Federal debt during fiscal 1962, the banking system (commercial and Federal Reserve Banks) absorbed $4.8 billion. Private nonbank investors acquired $4.2 billion and Government investment accounts absorbed the remaining $0.4 billion. Ownership of Federal securities by investor classes on selected dates is presented in the following table.

Ownership of Federal securities [1] by investor classes on selected dates, 1941–62

[Dollar amounts in billions]

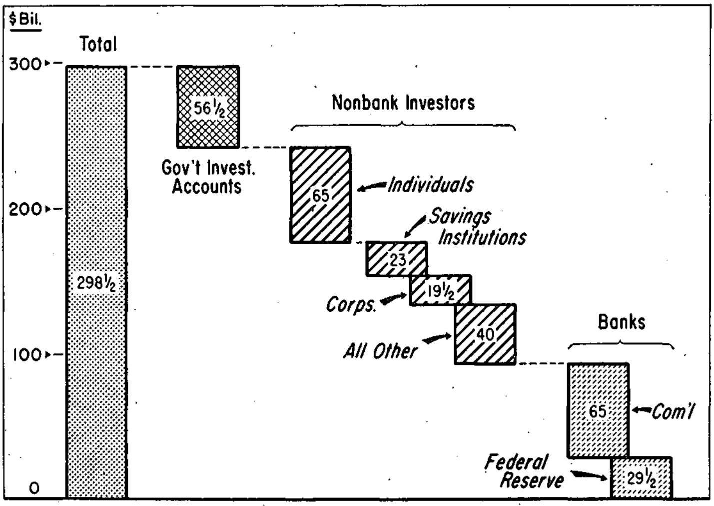
	June 30, 1941	Feb. 28, 1946 [2]	June 30, 1961	June 30, 1962	Change during fiscal year 1962
Estimated ownership by:					
Private nonbank investors:					
Individuals [3]	$11.2	$64.1	r $63.4	$65.2	$1.8
Insurance companies	7.1	24.4	11.4	11.3	–.1
Mutual savings banks	3.4	11.1	6.3	6.3	(*)
Corporations [4]	2.0	19.9	r 19.7	19.3	–.4
State and local governments	.6	6.7	r 19.3	19.7	.4
Foreign and international [5]	.2	2.4	12.8	14.1	1.5
Miscellaneous investors [6]	.5	6.6	10.5	11.6	1.1
Total private nonbank investors	25.0	135.1	143.3	147.6	4.2
Federal Government investment accounts	8.5	28.0	56.1	56.5	.4
Commercial banks	19.7	93.8	62.5	65.0	2.4
Federal Reserve Banks	2.2	22.9	27.3	29.7	2.4
Total gross debt outstanding	55.3	279.8	289.2	298.6	9.4
	Percent of total				
Percent owned by:					
Private nonbank investors:					
Individuals	20	23	22	22	
Other	25	25	28	28	
Total	45	48	50	49	
Federal Government investment accounts	15	10	19	19	
Commercial banks	36	34	22	22	
Federal Reserve Banks	4	8	9	10	
Total gross debt outstanding	100	100	100	100	

*Less than $50 million.
r Revised.
[1] Gross public debt, and guaranteed obligations of the Federal Government held outside the Treasury.
[2] Immediate postwar peak of debt.
[3] Includes partnerships and personal trust accounts. Nonprofit institutions and corporate pension trust funds are included under "Miscellaneous investors."
[4] Exclusive of banks and insurance companies.
[5] Includes the investments of foreign balances and international accounts in the United States.
[6] Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, and nonbank dealers.

Private nonbank investors held an estimated $147.6 billion of Federal securities at the end of fiscal 1962, almost one-half of the $298.6 billion total Federal debt outstanding. This group of investors comprises individuals (including partnerships and personal trust accounts), insurance companies, mutual savings banks, savings and loan associations, nonfinancial corporations, pension funds, foreign and international accounts, State and local governments, nonbank dealers, and nonprofit associations. Commercial banks and Federal Reserve Banks together held $94.6 billion, representing nearly one-third of the debt. The remaining $56.5 billion was held in Government investment accounts (primarily social security and unemployment trust funds, veterans' insurance funds, and Government employees' retirement funds). These figures are graphically presented in chart 8.

CHART 8

Ownership of the Federal Debt, June 30, 1962



Within the private nonbank sector, individuals increased their holdings of Federal securities by $1.8 billion, from $63.4[r] billion in June 1961 to $65.2 billion in June 1962, and remained the largest single investor group in the Federal debt ownership structure. They increased their holdings of Series E and H savings bonds by $1.1 billion during the fiscal year, bringing their investment in these bonds to an alltime high of $44.6 billion which represented two-thirds of all Federal securities owned by this group. Individuals' holdings of the discontinued Series F, G, J, and K savings bonds declined by $0.5 billion during fiscal 1962, while holdings of other Federal securities, mainly marketable issues, were increased by about $1.2 billion.

Federal securities held by insurance companies on June 30, 1962, totaled $11.3 billion, a decrease of $0.1 billion during the year. Life insurance firms owned $6.2 billion, or 54 percent of the total, $0.2 billion less than their holdings of a year earlier. Life insurance companies continued to reduce their investment in nonmarketable obligations through the exchange of $0.4 billion Investment B bonds for marketable 1½ percent notes during the year. Through their participation in the senior advance refunding of September 1961, life insurance companies acquired an additional $1.0 billion of securities maturing in 20 years or more. This refunding of almost one-sixth of their total Federal securities had the effect of sharply increasing

[r] Revised.

the average length[1] of life insurance marketable holdings to 20 years 8 months, from the 1961 fiscal yearend figure of 16 years 7 months.

Fire, casualty, and marine insurance companies increased their holdings of Federal securities by $0.1 billion during the year, reaching a yearend level of $5.2 billion. They continued to hold about two-thirds of their marketable portfolio in securities maturing within 1 to 10 years and another 20 percent in under-one-year maturities. The average length of the marketable holdings of these companies was reduced by 2 months during the fiscal year to 5 years 7 months on June 30, 1962.

At the end of fiscal 1962 mutual savings banks held $6.3 billion of Federal securities, slightly less than on June 30, 1961. Savings banks increased their holdings of securities in the 20-year and over category by $0.3 billion during the year, primarily by subscribing to long-term issues offered in the senior advance refunding of September 1961. Mainly as a result of this exchange, the average maturity of the mutual savings banks portfolio rose from 10 years 6 months on June 30, 1961, to 11 years 3 months at the end of fiscal 1962.

Federal securities held by nonfinancial corporations totaled $19.3 billion at the end of fiscal 1962, $0.4 billion lower than the amount held on June 30, 1961.

Holdings of Federal securities by State and local governments were estimated to be $19.7 billion at the close of fiscal 1962, an increase of $0.4 billion from that of June 1961. About $6 billion of the Federal security holdings of these State and local governmental units was in employee retirement funds. The retirement funds participated actively in the senior advance refundings during the fiscal year and acquired $0.5 billion of securities maturing in 1980, 1990, and 1998. The maturity structure of their portfolio closely paralleled that of life insurance companies and the average length of the marketable holdings of 186 surveyed funds on June 30, 1962, was slightly over 21 years.

The general purpose funds of State and local governments continued to increase during the year as the investment of temporarily idle balances resulting from capital market borrowing and other sources grew at a faster pace than the liquidation for current cash needs. Although well over one-half of the holdings of these funds mature in the 12 months of fiscal year 1963, there is a sizeable investment in securities maturing in the over 20-year maturity range. These general funds added $0.4 billion of 1980, 1990, and 1998 maturities during the advance refundings of fiscal 1962, and at the end of the

[1] In deriving average length figures, all marketable securities are classified to final maturity except partially tax-exempt bonds which are classified to earliest call date.

year, the average length of the marketable holdings of 298 surveyed funds reached 5 years 8 months.

The holdings of all other private nonbank investors amounted to \$25.7 billion on June 30, 1962, an increase of \$2.5 billion for the year. Foreign balances invested in Federal securities increased by \$0.9 billion to \$9.0 billion at the close of the fiscal year. The larger Western European countries accounted for the bulk of the 12-month increase which was largely represented by special, nonmarketable certificates of indebtedness issued directly to foreign monetary authorities. International institutions increased their holdings by \$0.6 billion as the International Bank for Reconstruction and Development acquired \$0.3 billion of marketable securities, and the International Monetary Fund an additional \$0.2 billion of special noninterest-bearing notes.

Savings and loan associations increased their holdings by \$0.4 billion during the fiscal year to \$5.4 billion. The marketable securities of the 488 large savings and loan associations included in the Treasury survey of ownership had an average length to maturity of 9 years 3 months on June 30, 1962, 4 months longer than that of the previous fiscal yearend.

The remaining investors (nonprofit associations, nonbank dealers, corporate pension funds, and certain smaller institutional groups) in the private nonbank investor group are estimated to have increased their holdings of Federal securities by \$0.7 billion during the fiscal year and to have held about \$6.2 billion on June 30, 1962.

Government investment accounts added to their holdings of Federal securities during the year by \$0.4 billion. The largest increases were registered by the Government employee retirement funds (\$1.0 billion), the highway trust fund (\$0.2 billion), and the Federal Deposit Insurance Corporation (\$0.2 billion). The major offset to these increases was a \$1.1 billion reduction in the Federal old-age and survivors insurance trust fund. Of the \$56.5 billion Federal securities held by Government investment accounts on June 30, 1962, \$44.9 billion, or almost 80 percent, was in the form of special issues held only by these accounts. Details on the ownership by Government investment accounts are shown in tables 67–92.

The \$4.8 billion increase in Federal securities held by the banking system during the year was evenly divided between commercial and Federal Reserve Banks. The \$2.4 billion increase in the Federal Reserve System account brought the total to \$29.7 billion at the yearend. The \$2.4 billion increase in the holdings of commercial banks was concentrated in the smaller country member and nonmember bank groups which acquired \$2.0 billion of the total. New York and Chicago banks reduced their holdings of Federal securities by $0.2 billion, while reserve city banks added $0.6 billion.

A breakdown of the estimated changes during fiscal 1962 in bank versus nonbank ownership is given by type of issue in the following table. A summary of the Treasury survey of ownership of the interest-bearing public debt and guaranteed obligations for fiscal 1962 is shown in table 58.

Estimated changes in ownership of Federal securities [1] by type of issue, fiscal year 1962

[In billions of dollars]

	Total changes	Change accounted for by—			
		Private nonbank investors	Government investment accounts	Commercial banks	Federal Reserve Banks
Marketable securities:					
Treasury bills:					
Weekly—maturing within 3 months	2.5	1.1	.1	1.3	(*)
Weekly—maturing in 3-6 months	1.0	1.1	−.1	−.3	2
One-year	1.5	1.6	−.1	.1	−.1
Tax anticipation	.3	.4	(*)	−.2	.1
Total bills	5.3	4.2	(*)	1.0	.1
Treasury certificates of indebtedness	.2	.8	(*)	.3	−.9
Treasury notes	9.2	.9	(*)	5.7	2.6
Treasury bonds, etc.	−5.6	−2.3	.5	−4.4	.6
Total marketable	9.1	3.6	.6	2.5	2.4
Nonmarketable securities, etc.:					
U.S. savings bonds	.1	.2	(*)	−.1	----------
Special issues to Government investment accounts	−.1	----------	−.1	----------	----------
Treasury bonds, investment series	−1.1	−1.0	−.1	(*)	----------
Other	1.4	1.4	----------	(*)	----------
Total nonmarketable, etc.	.3	.6	−.2	−.1	----------
Total change	9.4	4.2	.4	2.4	2.4

*Less than $50 million.

[1] Gross public debt, and guaranteed obligations of the Federal Government held outside the Treasury.

Taxation Developments

Taxation developments during 1962 were highlighted by the completion of congressional action on recommendations contained in the President's tax message of April 1961 (see the 1961 annual report exhibit 12, pp. 303–313). The Revenue Act of 1962, enacted in October, provides an investment credit to stimulate modernization of American productive capacity, removes unwarranted tax inducements to investment abroad, and contains many provisions to make the tax law more equitable. As a further encouragement to investment, in July 1962 the Treasury Department issued a revision of depreciation schedules and procedures to permit more rapid and realistic depreciation of machinery and equipment. Legislation was also enacted granting self-employed individuals the right to take an income tax deduction for contributions to qualified pension and profit-sharing plans. The rates of the corporate income tax and certain excise taxes were extended for another year beyond their scheduled expiration date of June 30, 1962.

Presidential tax recommendations

The January 1962 budget message of the President for the fiscal year 1963 repeated his request of April 20, 1961, for a tax credit for investment in depreciable property, with offsetting revenues to be derived from tax reforms. (For further details, see the 1961 annual report, pp. 102–103.)

As part of his general recommendations to utilize Federal budget policy for economic growth and stability, the President included in the budget message a request for standby discretionary authority, subject to congressional veto, to reduce personal income tax rates when there is clear evidence of economic need. It was suggested that permissible periods and percentages for such reductions be included in the legislation. In addition, the President urged the enactment of legislation to strengthen the Federal-State unemployment system by including a permanent system of extended benefits under certain circumstances for workers whose regular benefits have expired.

The President's budget message recommended extension for another year of tax rates which were scheduled to be reduced or repealed on July 1, 1962. These included the corporation income tax and the excises on alcoholic beverages, cigarettes, passenger automobiles, automobile parts and accessories, and general telephone service. At the same time, the President recommended revision of the 10 percent excise tax on transportation of persons as part of his proposals for a system of user charges for the airways and waterways. Under these proposals, the 10 percent tax on transportation of persons, other than by air, would have been repealed effective after June 30, 1962, and the tax on transportation of persons by air extended at the 10 percent rate through December 31, 1962. As of January 1, 1963, the tax on air transportation would have been replaced by a 5 percent user charge on transportation of persons and freight by air; the existing net tax of 2 cents per gallon on aviation gasoline would have been extended to jet fuel, with the rate increased to 3 cents a gallon on fuel used in general (private plane) aviation; and a tax of 2 cents per gallon imposed on fuel used in boats on the inland waterways.

These user charge recommendations also were included in the President's message on transportation of April 5, 1962. That message additionally recommended an increase from 5 years to 7 years in the period during which regulated public utilities, including those engaged in transportation, can carry over operating losses.

The President's message on conservation, transmitted to the Congress on March 1, 1962, recommended the creation of a land conservation fund to be used to purchase additional recreational lands. The fund would have been financed by fees from users of Federal parks and recreational areas, receipts from the sale of surplus Federal lands (other than military lands), the 2 cents per gallon of the 4 cents per gallon tax on gasoline which purchasers of gasoline may now have refunded if the gasoline is used in boats, and an annual graduated user charge on pleasure craft.

Revenue Act of 1962

The Revenue Act of 1962, Public Law 87–834, approved October 16, 1962, improves existing law in virtually every area covered by the President's 1961 tax proposals (see 1961 annual report, pp. 23–26). Considerable preliminary work on the bill had been done by the Committee on Ways and Means of the House of Representatives in 1961 (see 1961 annual report, pp. 104–105).

Investment credit.—The President originally proposed a credit against income tax liability measured primarily by investment expenditures in new equipment in excess of current depreciation allowances. In the law as enacted, the credit is not dependent upon depreciation allowances. The tax credit is 7 percent (3 percent in the case of certain public utilities) of investment made after December 31, 1961, in depreciable machinery and equipment used in the United States. The amount of the credit may be offset in full against tax liability not in excess of $25,000, and against one-fourth of the tax liability above this level. A three-year carryback and a five-year carryforward are provided for unused credits. In computing the credit there is taken into account the full cost of property (except that the cost of used property must be reduced by the adjusted basis of similar property disposed of) with an estimated useful life of eight years or more, two-thirds of the cost of property with an estimated life of six to eight years, and one-third of the cost of property with an estimated life of four to six years. All investment in eligible new property and up to $50,000 per year of investment in used property may qualify for the credit. Contrary to the President's recommendation, the law requires a reduction of the depreciable basis of assets by the amount of the investment credit.

Gain from disposition of certain depreciable property.—Gain from the disposition of depreciable property generally has been taxed at capital gains rates, even though such gain may represent, in whole or in part, a recovery of depreciation previously charged against ordinary income. Under the Revenue Act of 1962, the gain on the disposition of depreciable personal property will be taxed as ordinary income to the extent of gain representing depreciation taken after December 31, 1961. In view of the recapture provided for gains reflecting "excessive" depreciation, the law contains a liberalizing change which permits taxpayers to reduce the amount taken into account as salvage value of depreciable personal property with a useful life of three years or more by 10 percent of the cost of the asset. The deduction for charitable contributions of depreciable personal property also is revised to reflect the new treatment of gains from dispositions of depreciable personal property. The deduction is reduced by the amount of any depreciation taken after December 31, 1961, which would have been taxed as ordinary income if the property had been sold at its fair market value at the time of such contribution. This provision prevents a second deduction of an amount already deducted as depreciation.

The President's original recommendation that ordinary income tax treatment be applied to gains on the disposition of real property in the same manner as personal property was not included in the law.

Interest and dividends.—In lieu of the President's recommendation for withholding of tax at source on interest, dividends, and cooperatives' patronage dividends, the new law provides that information returns be filed with the Internal Revenue Service on payments made on or after January 1, 1963, of dividends, interest, or patronage dividends of $10 or more per annum to any person. Similar information statements must be furnished to the recipients of such payments. Under prior law and regulations, dividend payments of $10 or more, interest payments of $600 or more, and patronage dividend payments of $100 or more had to be reported to the Service, and there was no reporting to the recipient.

The President's recommendation for repeal of the dividend credit and exclusion was not included in the law.

Travel, entertainment, and gifts.—The President originally recommended that the cost of certain business entertainment and the maintenance of entertainment facilities, such as yachts and hunting lodges, be disallowed in full as a tax deduction. In addition, he requested that restrictions be imposed on the deductibility of business gifts, business trips combined with vacations, and excessive personal living expenses incurred on business travel away from home.

The Revenue Act of 1962 imposes substantial limitations on deductions for entertainment expenses. The so-called *Cohan* rule (*Cohan* v. *Commissioner*, 39 F. 2d 540), under which taxpayers could estimate the amount of these expenses for tax deduction purposes, is eliminated. Strict substantiation is now required, not only of the amount of such expenses but of their business nature. No deduction is to be permitted for the cost of most business gifts in excess of $25 to any one individual per year. In the case of combined business and vacation travel, if the total time away from home exceeds one week and if the pleasure portion of the trip constitutes 25 percent or more of the time away from home, no deduction is allowed for the portion of the expense which is not allocable to the business activity. Entertainment expenses are disallowed unless they are directly related to—or, in the case of entertainment immediately preceding or following a substantial and bona fide business discussion, associated with—the active conduct of the taxpayer's business. Costs of maintaining entertainment facilities, such as yachts, hunting lodges, and country club dues, are to be allowed as a deduction only if the particular facility is used more than 50 percent in furtherance of the taxpayer's trade or business; and then only with respect to the portion of the cost of such use which is directly related to the active conduct of the taxpayer's trade or business. Exceptions to the new limitations are made for such items as business meals and recreational expenses for employees.

Mutual savings banks and savings and loan associations.—Mutual savings banks and savings and loan associations were virtually free of income tax under prior law because deductions could be taken for additions to bad debt reserves as long as total reserves, surplus, and undivided profits did not exceed 12 percent of deposits. The Treasury Department recommended that these institutions be taxed in a manner more closely comparable to commercial banks. Under the Revenue Act of 1962, the savings institutions may take deductions for additions to reserves for losses on nonqualifying loans (generally loans on other than real property) only to the extent that the deductions are based on loss experience. A special deduction is provided for the reserve for losses on qualifying loans on real property. This deduction is the larger of: (1) 60 percent of retained income (before deductions for bad debt reserves) less the amount of additions to the reserve for nonqualifying loans, but not in excess of the amount necessary to bring the reserve up to 6 percent of real estate loans; (2) the amount necessary to bring the reserve up to 3 percent of real estate loans; or (3) the reserve addition which would be permitted under the loss experience method. More generous provision is made for new companies. It is also provided that the deduction for additions to the loss reserve on real estate loans (unless determined under the experience method) may not exceed an amount which brings the total of reserves, surplus, and undivided profits to 12 percent of deposits or withdrawable accounts. Certain excise tax exemptions previously available to savings and loan associations also were repealed by the new law.

Cooperatives.—Under prior law a cooperative could exclude from its taxable income patronage dividends allocated to patrons in noncash form, even though the patrons had to pay no current tax on such allocations because they had no market value. The act, following the President's recommendation, provides for current taxation of cooperative income, either at the cooperative level or the patron level. In order for patronage dividends to be deductible by a cooperative, at least 20 percent of the face value must be paid in cash. Furthermore, where the patronage dividend is not all paid in cash, the patron is subject to current taxation on the face value of the noncash portion of the dividend (and this portion is deductible by the cooperative) only if it is redeemable in cash within 90 days at the option of the patron or the patron has consented by specified means to be currently taxable thereon.

Mutual fire and casualty insurance companies.—Stock fire and casualty companies are taxed on their total income, that is, income derived from investments and income from underwriting. Mutual fire and casualty insurance companies, on the other hand, have been taxed at corporate rates only upon their investment income, or one percent of their gross receipts, whichever is greater. Underwriting income and losses have not been recognized as part of taxable income. The President recommended the taxation of mutual fire and casualty companies on the same basis as their stock counterparts.

The new law taxes mutual fire and casualty companies on their underwriting income as well as their investment income, except that it defers tax upon a portion of each year's underwriting income, representing a reserve against underwriting losses, for a period of five years and for an indefinite period in the case of one-eighth of each year's underwriting income. Special provisions apply to small companies, companies with concentrated risks, reciprocals or interinsurers, and factory mutuals.

Foreign income.—The Revenue Act of 1962 contains a number of provisions revising the tax treatment of foreign income. As a general rule, the foreign income of foreign corporations owned by Americans is not subject to U.S. tax until such income is distributed to the U.S. owners. The Revenue Act of 1962 eliminates this deferral of U.S. tax for profits of those foreign corporations which have "tax haven" income in excess of 30 percent of total income. The U.S. shareholders of these "tax haven" corporations are subject to current tax in the United States. Tax haven corporations are, in general, those incorporated in countries which impose little or no income tax on operations outside such countries. Tax haven income includes such items as certain types of interest, dividends, royalties, and profits from some sales and service activities. Dividend and interest income to the foreign corporation from less-developed countries which would otherwise be tax haven income will not be taxed if reinvested in less-developed countries. Existing law with respect to the operation of nontax haven foreign corporations, such as manufacturing companies, is not affected by the act. Furthermore, there are two important overall exceptions to the application of current taxation. If U.S. shareholders of a foreign corporation (or a group of foreign corporations) receive a certain "minimum distribution" of aftertax foreign earnings of the corporation, or group of corporations, they will be exempt from the current tax on the tax haven income of such corporation or corporations. Secondly, if, among other things, 75 percent of the foreign company's income came from U.S. exports and sufficient export promotion expenses overseas, its U.S. shareholders will not be taxed on the profits from such export trade income which might otherwise be tax haven income to the extent that such profits are reinvested in assets used in its export trade business.

Another amendment revises the method of computing the U.S. tax on dividends received by U.S. corporations from foreign subsidiaries operating in developed countries, but not as to those operating in less-developed countries. Under prior law, the foreign income tax paid by the foreign subsidiary was deducted from the earnings and profits subject to U.S. tax as a dividend. In addition, the U.S. company was allowed a tax credit (a deduction from its tax liability) for a proportionate part of the foreign income tax paid by the subsidiary. Thus, both a deduction and a credit were allowed for the foreign income tax, so that "double counting" existed. Under the act, the parent corporation receiving dividends from developed area subsidiaries is required, as a condition for obtaining the tax credit, to include in taxable income the amount of the foreign tax, which ensures that the earnings represented by the dividend will bear a tax equal to the present U.S. corporate tax rate of 52 percent.

Earnings of foreign subsidiaries which are realized through a liquidation or sale of the foreign corporation have been taxed as capital gains in the past. Under the act, gains received by certain U.S. shareholders on the liquidation or sale of a controlled foreign corporation will be subject to U.S. tax at ordinary rates (less a credit for foreign taxes), rather than at capital gain rates, to the extent of the undistributed profits of the foreign corporation accumulated after December 31, 1962. Earnings received from less-developed country corporations held for 10 years or more are excluded from the new rule for such years as the subsidiary qualified as a less-developed country corporation and will continue to be taxed as capital gains.

Under prior law, U.S. citizens who were "bona fide residents" of a foreign country were exempt from U.S. tax on their earned income.

The 1962 act limits the amount that can be so excluded to $20,000 per year for the first three years of such residence and $35,000 per year thereafter. The act does not change the provision of existing law that U.S. citizens physically present in a foreign country for 17 out of 18 consecutive months, but not establishing residence abroad, may exclude $20,000 of earned income per year during the period of such presence abroad.

The act corrects the tax advantage to U.S. taxpayers arising from ownership of stock of foreign investment companies which accumulated their income so that these shareholders could, in effect, turn investment income into capital gains when their stock was redeemed or sold. Gain on the sale of stock of foreign investment companies now will be taxed as ordinary income to the extent of the undistributed earnings and profits of the company for taxable years beginning after December 31, 1962. An exception is made if the company elects, beginning in 1963, to distribute 90 percent of its ordinary income and the U.S. shareholders, in addition, report their share of the undistributed capital gains of the company. Stock ownership in foreign investment companies will, thus, have substantially the same tax position as that in domestic investment companies.

Other provisions of the Revenue Act of 1962 relating to foreign income include: The elimination of the exemption of foreign real estate from the Federal estate tax as of July 1964; the taxation at ordinary income rates of sales after calendar 1962 of U.S. patents and like property by U.S. parent corporations to their foreign subsidiaries; the correction of an aspect of the foreign tax credit mechanism relating to interest income which provided an incentive to the transfer of U.S. funds for deposit abroad on a short-term basis; the substantial expansion of the information required to be furnished to the Internal Revenue Service regarding foreign subsidiaries; the full U.S. taxation of U.S. beneficiaries receiving distributions from foreign trusts created by U.S. grantors; and taxation at fair market value rather than, as previously, at cost of distributions of property from foreign corporations.

The act provides that its provisions will control in the event of conflicts with any existing tax treaties. The Treasury Department does not believe that there are any conflicts with such treaties (with one minor exception in the Greek Estate Tax Treaty). Therefore, the provision merely forestalls needless litigation without violating our treaty obligations.

Miscellaneous items.—The act contains a number of amendments not related to the President's tax recommendations.

The legislation permits a deduction as an ordinary and necessary business expense of expenses of appearing before or submitting statements to individual legislators, committees, or legislative bodies in connection with legislative matters. It also permits the deductibility under similar circumstances of dues paid to an organization allocable to such activities by the organization and to the communication of information between the organization and its members with respect to legislation of direct interest to the members and the organization. The legislation does not permit the deductibility of the most significant portion of lobbying expenses, that is, expenses incurred in connection with appeals to the public or segments thereof to support or defeat legislation, commonly referred to as "grassroots" lobbying.

Other amendments of more than limited interest provide that: Expenditures incurred by farmers in the clearing of land may be deducted to the extent of $5,000 or 25 percent of the taxable income from farming for the year, whichever is the lesser; when an individual is entitled in effect to spread his income for tax purposes back over the years to which it is attributable, he may elect to apply the 20- or 30-percent limitation on charitable contributions before the income is spread; there shall be excluded from gross income, for taxable years ending after July 2, 1948, certain awards made pursuant to evacuation claims of Japanese-Americans; and a tenant-stockholder of a cooperative housing corporation may take a deduction for depreciation of his stock if he uses his share of the building for business or the production of income.

Revenue effect.—The following table indicates the revenue effect of the Revenue Act of 1962.

Estimated revenue effect of the Revenue Act of 1962

[In millions of dollars]

	Full year		Fiscal year 1963	
	Gross [1]	Net [2]	Gross [1]	Net [2]
Investment tax credit [3]	−1,020	−580	−985	−530
Capital gains on depreciable property	+100	+50		
Reporting on dividends and interest	[4] +240	[4] +155		
Expense accounts	+100	+65	+5	+5
Mutual savings banks and savings and loan associations	+200	+135	+5	+5
Mutual fire and casualty companies	+40	+25		
Cooperatives	+35	+25		
Foreign items:				
Controlled foreign corporations	+85	+85		
Gross-up of dividends	+25	+25		
All other foreign items	+30	+30	+5	+5
Miscellaneous provisions	−5	−5		
Total	−170	+10	−970	−515

[1] Without taking into account the effect of the provisions on the economy.
[2] After taking into account the estimated effect of the provisions on the economy.
[3] At levels of income and investment estimated for 1962. In estimating the net revenue cost of the investment credit, its favorable effects on the level of investment were computed from statistical relationships in the past years between investment and gradual changes in the cost of capital goods (profitability) and cash flow. This procedure thus does not take into account the especially favorable impact on businessmen's decisions to invest of the sudden major improvements in these factors resulting from the enactment of the credit. Taking this into account should produce more favorable effects than those shown in the table.
[4] Estimated gain from increased compliance because of reporting requirements.

Depreciation developments

On July 11, 1962, the Treasury Department issued its revised *Depreciation Guidelines and Rules* as Revenue Procedure 62–21 (for background see 1961 annual report, pp. 109–111). The new guidelines apply to about 75 broad classes of assets and thus depart from the item by item approach of *Bulletin F* issued in 1942. New guideline lives, on the average, are 30 to 40 percent shorter than those previously suggested, and will permit more rapid depreciation than presently taken on 70 to 80 percent of machinery and equipment. They will not disturb the depreciation on the remaining business assets on which depreciation is now as fast as, or faster than, that provided in the new guidelines. Any taxpayer may use the new guideline lives, or a life longer than the guidelines, as a matter of right for a period of 3 years. In addition, any taxpayer may continue to use even shorter lives if he has already done so in prior years or may adopt shorter lives if supported by the facts and circumstances. Use of the guidelines (or shorter lives) will continue to be accepted thereafter unless there are clear indications that the taxpayer's replacement practices do not conform with the depreciation claimed or are not even showing a trend in that direction. Tax reductions possible from the new depreciation guidelines were estimated to be $1.5 billion in the first year of operation.

A central aim of the new procedure is to provide an objective test, although not an exclusive one, of the appropriateness of the depreciation taken, whether faster, longer, or the same as in the guidelines. This test is provided by the reserve ratio table contained in Revenue Procedure 62–21 which illustrates for various depreciable lives classified by depreciation methods whether retirement and replacement practices are consistent with the class life being used. Class lives may be lengthened or shortened if the actual reserve ratio falls beyond the standards set forth in the reserve ratio table. The reserve ratio test is not exclusive, and, where not met, the taxpayer always will be allowed, as previously, to demonstrate the reasonableness of his depreciation derived on the basis of all pertinent facts and circumstances.

Pensions, social security, and unemployment compensation

The Self-Employed Individuals Tax Retirement Act of 1962 (Public Law 87–792, approved October 10, 1962) permits self-employed individuals to participate in qualified pension and profit-sharing plans. Previously, only employees were permitted to be covered by such plans. Under the legislation, a self-employed person can contribute annually to a pension or profit-sharing plan on his own behalf 10 percent of his personal service income or $2,500, whichever is less. In determining his income tax liability he can deduct one-half of these contributions, so that his maximum annual deduction is $1,250. Under certain conditions, he can contribute (but not deduct) additional amounts within limits. The funds set aside in the plans as well as the earnings accumulated on such funds remain free of tax until withdrawn.

Contributions to the plans can be invested in a wide range of assets held in a trust or a custodial account or invested directly in annuity contracts or a special issue of Government bonds. A plan must provide that self-employed individuals shall not receive benefits before the age of 59½ unless they are disabled before that age. Benefits for the self-employed also must begin before the age of 70½. The retirement benefits received from the plans by self-employed individuals will be taxable as ordinary income. Averaging treatment will be accorded lump-sum distributions.

A self-employed person establishing a plan for himself under the legislation is required to provide comparable coverage in the plan for all his full-time employees with more than three years of service and give them vested rights. A plan is not permitted to discriminate in favor of the self-employed person, highly paid employees, officers, or supervisors.

The legislation is effective for taxable years beginning after December 31, 1962. The revenue loss is estimated at $115 million for a full year of operation.

No changes were made in 1962 in the law governing social security taxes. But substantial amendments were made to the public assistance and child welfare programs under the Social Security Act by the Public Welfare Amendments of 1962, Public Law 87–543, approved July 25, 1962. The new law incorporates recommendations the President made to the Congress in his message of February 1, 1962, on this subject.

In a message to Congress on February 9, 1961, President Kennedy recommended extension of the social security system to include a health insurance program for all persons aged 65 or over who are eligible for social security or railroad retirement benefits (see 1961 annual report, p. 107). This recommendation was repeated in the President's budget message of January 1962. The President's recommendation was incorporated in H.R. 4222, but the bill was not reported out of the committee. A bill similar to H.R. 4222, but extended to provide benefits for those not eligible for social security, was introduced in the Senate as an amendment to H.R. 10606 which became Public Law 87-543. The Senate tabled the amendment.

Tax rate extension and user charges

The President's request for extension of certain tax rates was incorporated in Public Law 87–508, approved June 28, 1962. In addition to a one-year extension of the corporate income tax and the excise taxes on alcoholic beverages, cigarettes, passenger automobiles and parts and general telephone service, the act repealed the 10 percent excise tax on transportation of persons, except by air, as of November 16, 1962. The tax on transportation by air was reduced to 5 percent as of the same date with provision made for repeal of the tax as of July 1, 1963. The domestic portion of international air trips was exempted from tax at the time of the tax reduction. The 10 percent tax on private line communication services was repealed as of January 1, 1963, for services used in a trade or business. The revenue effect of this law is shown in detail in the following table.

Estimated revenue effect of the Tax Rate Extension Act of 1962

[In millions of dollars]

Source	Effect on net budget receipts, fiscal year 1963			Increase, or decrease (−) in revenue, full year
	Increase, or decrease (−) in receipts	Decrease in refunds	Total	
Corporation income tax	1,300		1,300	2,800
Excise taxes:				
Alcohol:				
Distilled spirits	177	138	315	180
Beer	77	9	86	78
Wines	9	5	14	9
Total alcohol taxes	263	152	415	267
Tobacco:				
Cigarettes (small)	235	24	259	240
Manufacturers excise taxes:				
Passenger automobiles	360	50	410	430
Parts and accessories for automobiles	60		60	73
Total manufacturers excise taxes	420	50	470	503
Miscellaneous excise taxes:				
Communications:				
General telephone service	395		395	525
Repeal tax on private or leased wires	−6		−6	−18
Total communications taxes	389		389	507
Transportation of persons:				
Air:				
Rate change	40		40	
Repeal tax on domestic portion of international travel	−2		−2	−4
Other	−3		−3	−46
Total transportation of persons	35		35	−50
Total miscellaneous excise taxes	424		424	457
Total excise taxes	1,342	226	1,568	1,467
Grand total	2,642	226	2,868	4,267

Consideration of the President's airways and waterways user charge proposals was deferred. The Congress also did not act on the land conservation fund recommendation.

Miscellaneous legislation

Income taxes.—Public Law 87–403, approved February 2, 1962, revised the tax treatment of General Motors stock received by individuals as a result of the court order in the *du Pont* antitrust case (*United States* v. *E. I. du Pont de Nemours and Co.*, et al, 365 U.S. 806 (1961)). The receipt of stock by individual shareholders (or any shareholder not entitled to the corporate dividend received deduction) is treated as a return of capital, with capital gains tax to be paid on any excess of the value of the distribution over the stockholders' basis for their du Pont stock. If the bill had not been enacted, individual shareholders would have been required to pay ordinary income tax on the full fair market value of the General Motors stock received.

Public Law 87–426, approved March 31, 1962, permits taxpayers to deduct casualty losses on returns filed for the taxable year immediately preceding the taxable year in which the disaster occurred if the disaster occurred before the time prescribed for the filing of the income tax return for the prior year. To qualify for this treatment, the casualty loss must be attributable to a disaster in an area designated by the President as a disaster area under section 1855 of Title 42 of the United States Code. Since the law is effective for any disaster occurring after December 31, 1961, it was available to taxpayers suffering storm losses in the Atlantic Coast storm of March 1962.

For purposes of the estimated income tax, fishermen are to be accorded the same treatment as farmers, according to the provisions of Public Law 87–682, approved September 25, 1962. The principal advantage provided is the privilege of filing the declaration of estimated tax and paying the estimated tax by January 15 after the end of the year in question (in the case of calendar-year taxpayers).

The President's recommendation in his transportation message to Congress for a 7-year net operating loss carryover for public utilities was adopted in large part in Public Law 87–710, approved September 28, 1962. While corporations generally may carry net operating losses back three years and any remaining unused loss forward five years, this legislation permits regulated transportation corporations (other than pipelines) to carry forward a net operating loss for 7 years if the loss occurs in a taxable year ending after December 31, 1955.

Public Law 87–768, approved October 9, 1962, liberalized the requirements that consumer finance companies must meet to be exempt from personal holding company tax. Previously, the Internal Revenue Code specified that the exempt consumer finance companies must derive 80 percent of their gross income from loans made under limits specified in the Code. Under the new law, consumer finance companies need only meet State restrictions on the amount of interest charged, or the period of loans granted. Income from subsidiaries exempt from personal holding company tax may be included in the 80 percent of gross income which qualifies the finance company for exemption from personal holding company tax.

An amendment to a tariff law, Public Law 87–790, approved October 10, 1962, extended the existing deduction permitted life insurance companies of 2 percent of their premiums from group accident and health insurance contracts to premiums from individual accident and health contracts. Congress has requested the Treasury Department to conduct a study of problems raised by this amendment, including the appropriateness of such a deduction, its desirability as between group and individual contracts, and the desirability of giving a similar allowance to casualty insurance companies.

The Trade Expansion Act of 1962, Public Law 87–794, approved October 11, 1962, includes several forms of adjustment assistance for firms certified as being eligible because of serious injury by increased imports resulting from trade agreement concessions. One relief provision extends the net operating loss carryback from three to five years for any firm certified for tax assistance by the Secretary of Commerce. The 5-year carryback applies only to losses incurred in taxable years ending on or after December 31, 1962.

Public Law 87–858, approved October 23, 1962, adds to the list of organizations for which the additional 10 percent charitable deduction may be taken those organized and operated exclusively to receive, invest, and disburse funds for the benefit of a college which is an instrumentality of a State or a political subdivision thereof.

The law also contains six amendments to Part I of Subchapter L of the Internal Revenue Code, relating to income taxation of life insurance companies. The amendments are concerned with: Taxation of variable annuities for years beginning after December 31, 1962; exemption from tax for capital gains realized under segregated asset accounts for qualified pension contracts; computation of tax where net long-term gain exceeds net short-term capital loss; the order of priority to be used in determining the limit applicable to certain deductions (e.g., policyholder dividends); the definition of a new corporation for purposes of the 8-year loss carryover; and the reduction of tax accounts in the case of certain distributions between January 1, 1962, and December 31, 1963, of stock of given types of controlled insurance corporations.

Public Law 87–863, approved October 23, 1962, increases the general limit on the personal income tax deduction for medical expenses from $2,500 to $5,000 multiplied by the number of exemptions, other than those for age and blindness. The overall maximum deduction for an individual filing a separate return is raised from $5,000 to $10,000; for a joint, head of household, or surviving spouse return, the increase is from $10,000 to $20,000. The allowable medical deduction by an individual or his spouse, one of whom is 65 years of age or older and disabled and not filing separate returns, is increased from $15,000 to $20,000; for a joint return when both are over 65 and disabled, the maximum is increased from $30,000 to $40,000.

Public Law 87–863 also amends prior law to permit exemption from income tax of pension plans which provide medical benefits to retired employees. However, a plan will qualify for exemption only if the medical benefits are subordinate to the retirement benefits.

This act further grants taxpayers a new option to expense intangible drilling and development costs if they previously had exercised an option to capitalize these costs under the Internal Revenue Code of 1939. The new option applies to taxable years beginning after October 22, 1962. A revision also was made in the method of computing the reduction of tax where a taxpayer restores a substantial amount (over $3,000) included in his income in a prior year because it was incorrectly believed to be held by him under a claim of right.

Public Law 87–870, approved October 23, 1962, provides that a terminal railroad corporation is not required to take into income amounts charged for terminal services performed for any railroad corporation which are offset by credits for related charges by the railroad corporation. Similarly, a railroad shareholder of the terminal railroad corporation is not to be considered as having received a dividend or incurred expenses with respect to these amounts so offset. For taxable years ending after its enactment, Public Law 87–870 is not to apply to the extent that it would create (or increase) a net operating loss of the terminal railroad corporation. Special rules are provided for application to closed years and years prior to enactment of the law.

The credit against tax permitted individuals for retirement income, other than social security or similar payments excluded from income, was increased by Public Law 87–876, approved October 24, 1962, in order to relate the value of the credit more closely to recent increases in social security benefits and the outside earnings permitted social security beneficiaries. The maximum amount of retirement income which may be taken into account in computing the credit is raised from $1,200 to $1,524. In addition, instead of earned income in excess of $1,200 reducing the retirement income eligible for the credit on a dollar-for-dollar basis, the dollar-for-dollar reduction will occur only for earnings above $1,700; for earnings between $1,200 and $1,700, the retirement income will be reduced by 50 cents for every dollar of earnings. Moreover, for those retiring under public retirement programs, this new reduction for earned income will apply to those age 62 or over, rather than 65 or over, as under prior law; for those under 62 years of age who are under a public retirement program, the deduction from retirement income of earned income in excess of $900 continues to apply, the same as under prior law.

This act also includes a provision denying mutual savings banks and savings and loan associations, unless otherwise permitted by regulations, the right to deduct in any one year amounts paid or credited to depositors or account holders if such amounts are paid or credited for periods representing more than 12 months.

Excise taxes.—The Tariff Classification Act of 1962, Public Law 87–456, approved May 24, 1962, includes a provision for the transfer of the taxes on imported sugar, petroleum products, coal, copper, lumber, certain animal and vegetable oils and oil-bearing seeds from the Internal Revenue Code to the new tariff schedules. Although these taxes had been incorporated in the Internal Revenue Code, provision always had been made for their assessment and collection as a duty under the Tariff Act. The act also provides for transfer of the taxes on the first domestic processing of coconut and palm oil to the tariff schedules and changes the method of computing the tax on sugar manufactured in the United States. The changes will be effective the tenth day following a proclamation of the President relating to the new tariff schedules. At the end of calendar 1962 such a proclamation had not been issued.

Public Law 87–535, the Sugar Act Amendments of 1962, approved July 13, 1962, extended the excise taxes on domestically manufactured or imported sugar from December 31, 1962, through June 30, 1967.

Expenditures by manufacturers for "local advertising" in cooperation with their distributors, which may be excluded from the selling price on which the manufacturers excise tax is based, were expanded by a section of Public Law 87–770, approved October 9, 1962, to include advertising in magazines or outdoor advertising signs or posters. Previously, the deduction was limited to newspaper, radio, and television advertising.

Public Law 87–858, approved October 23, 1962, includes a section amending the special rule for determining the constructive (taxable) price for manufacturers' sales at retail, or to retailers. The new law permits individual manufacturers, except those producing automobiles, trucks and buses, business machines, and matches, to use the highest price at which they sell to wholesale distributors as a constructive sales price. In the case of the named products, manufacturers may use the constructive price mentioned only if they show that the normal method of sale by manufacturers of the specific type of item is not at retail, or to retailers, or a combination thereof. If such proof is not given, the taxable price for sales to retailers is the actual selling price, and for sales at retail, the lower of the actual price or the highest price for which such articles are sold to wholesalers by manufacturers. Prior to Public Law 87-858, the requirement with respect to automobiles, trucks and buses, business machines, and matches was the rule for all manufacturers excise taxes.

Public Law 87-859, approved October 23, 1962, includes a section which extends from June 30, 1963, to June 30, 1966, the present suspension of the 3 cents per pound tax on the first domestic processing of coconut oil, palm oil, and palm kernel oil. The suspension does not go to the additional tax of 2 cents a pound on coconut oil which is not derived from materials from the Philippine Islands or the Trust Territory of the Pacific (see also Public Law 87-456, above).

Administration, interpretation, and clarification of tax laws

During the fiscal year, the Treasury Department published 39 Treasury decisions, 3 complete regulations (not issued as Treasury decisions), 5 executive orders, and 24 notices of proposed rulemaking relating to tax matters.

The addition of section 456 to the Internal Revenue Code by Public Law 87-109, required the issuance of temporary regulations (T.D. 6596) to inform taxpayers how to make the election permitted by the section, the scope of the election, and how the special transitional rule contained in the section will operate. Section 456 permits certain membership organizations to elect to defer the reporting of prepaid dues income which relates to a liability to render services or make available membership privileges over a period beyond the close of the taxable year of receipt and not exceeding 36 months.

Other Treasury decisions published concerned the election for determining, for years prior to 1961, gross income from the mining of certain clays and shale used in the manufacture of certain products; the election to treat as allowable mining processes the crushing, grinding, and separation of clay or quartzite from waste for certain prior taxable years when used in the manufacture of refractory products; the election to include prepaid subscription income in gross income for the taxable years during which a liability exists to furnish or deliver a newspaper, magazine, or other periodical; the deduction of Maryland ground rent paid on or after January 1, 1962; acquisitions made to evade or avoid income tax and allocation of income and deductions among taxpayers; and real estate investment trusts.

Notices of proposed rulemaking published during the year concerned the use of taxpayer account numbers; excise tax on motor vehicles; copyright royalties for purposes of personal holding company tax and small business investment companies; credits and refunds for certain excise taxes on sales and services; excise tax on toilet preparations; and valuation of shares of open-end investment companies.

Federal-State tax relations

Significant developments occurred in the area of Federal-State administrative cooperation. In February 1962, the Secretary of the Treasury submitted to the Congress draft legislation which would permit the Internal Revenue Service (1) to make special statistical studies from tax data upon written request from States (and other governmental and private organizations) on a reimbursable basis, and (2) to provide training facilities for representatives of State, local, and foreign governments at a reasonable fee. Money received in payment for work or other services would be retained in a special account and used to reimburse the appropriation for these activities. Public Law 87-870, approved October 23, 1962, gave effect to the Secretary's recommendation.

Exchange of tax information between the Internal Revenue Service and the States was increased by the negotiation of cooperative agreements with additional States. This program was initiated in 1950 as an income tax audit exchange and revised in 1957 to cover all types of tax information. Prior to 1961 cooperative agreements were in effect with seven States. As of July 1, 1962, agreements had been negotiated with 13 States, and three additional States came into the program before the end of 1962.[1]

During the year, agreements between the Treasury and the States for withholding of State income taxes on salaries of Federal employees by Federal departments and agencies were entered into with four additional States (Wisconsin, Minnesota, New Mexico, and Virginia). With the exception of six States, all States imposing income taxes now provide for withholding of tax on wages and salaries, and the Treasury has agreements with all these.

International tax matters

The major legislative developments during the year in international taxation were included in the Revenue Act of 1962 and have been discussed in earlier paragraphs with the domestic aspects of that act.

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[1] Cooperative agreements are in effect with: California, Colorado, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Montana, North Carolina, Ohio, Oregon, Utah, West Virginia, and Wisconsin.

During 1962, Treasury discussions were conducted with several countries for the purpose of negotiating new tax treaties or amending existing treaties. Talks with Japan were concluded and a protocol was signed on August 14, 1962, which modifies and supplements the existing income tax convention. The protocol is designed to bring the Japanese convention into closer conformity with other income tax conventions to which the United States is a party. The changes relate particularly to the treatment of income from interest, dividends, and royalties.

As a result of discussions concerning the application to the Netherlands Antilles of the U.S. tax treaty with the Netherlands, it was agreed that for this purpose there should be modifications of three articles relating to the tax treatment of interest, dividends, and royalties. These modifications would eliminate the abuse of the convention by persons residing outside the Antilles who create companies incorporated in the Netherlands Antilles for the purpose of investing in the United States and deriving income subject to the reduced withholding taxes or to tax exemption under the treaty.

Discussions as to modification of the income tax treaty with Sweden, which began before fiscal 1962, were continued. Further negotiations took place with Germany and the Netherlands with a view to modifying existing treaties, but were not concluded by the close of the fiscal year. Exploratory talks were held with Portugal for the purpose of considering an income tax convention to eliminate double taxation.

Treasury representatives comprised the U.S. delegation to the Fiscal Committee of the Organization for Economic Cooperation and Development (OECD) which has been engaged in developing a model income tax convention to serve as a basis for treaties between the member countries and ultimately, perhaps, as a basis for a multilateral accord. The Fiscal Committee established two new working groups during the year, each headed by the U.S. delegation. One is charged with the development of a treaty provision to cope with the abuse of income tax conventions by persons who are nonresidents of a given country but establish legal entities there to receive income generated elsewhere to get the benefit of that country's tax treaties. The other working group is preparing recommendations on tax measures that might be taken by industrialized countries to promote private investment in developing countries.

For additional materials on taxation see exhibits 17–28.

International Financial Affairs

The U.S. balance of payments and gold and dollar movements

The U.S. balance of payments.—The U.S. overall balance-of-payments position continued to improve in the first half of the calendar year 1962, but much remains to be done before equilibrium is reached in our international accounts. (The overall balance is the sum of changes in gold and convertible currency holdings of U.S. monetary authorities plus changes in gross liquid liabilities to foreigners.) After overall deficits averaging \$3.7 billion per year in the calendar years 1958–1960, the deficit was cut to \$2.5 billion in 1961 and in the first half of 1962 was running at an annual rate of \$1.4 billion.

Our "basic balance" (the balance on goods and services, Government assistance, and long-term capital account, which represents all of our recorded international transactions exclusive of U.S. private short-term capital outflow and foreign commercial credits to the United States) averaged \$3.3 billion per year in the calendar years 1958–1960, then was sharply reduced to a little over \$400 million in 1961. In the first half of 1962 it was running at an annual rate of \$568 million.

Part of the improvement in our balance-of-payments position has been due to debt prepayments by foreign countries to the U.S. Government. In the first half of 1962, much of the reduction in our overall deficit was apparently due to the payments difficulties experienced by Canada in that period. (Preliminary figures indicate that, as our net receipts from Canada were to a large extent reversed following the improvement of the Canadian international position, our overall deficit with all areas rose somewhat to an annual rate for the first nine months of 1962 of about \$1.8 billion.)

Analyzing the recent situation in the broadest of terms, a fundamental indication of the strengthening of our international payments position has been the reduction of our deficits, as variously measured, in spite of a rise in nonmilitary merchandise imports. In the first half of 1962, our merchandise imports rose to \$15.9 billion at an annual rate, an increase of \$1.4 billion over our imports for the full year 1961. In spite of this, our basic balance in the first half of 1962 worsened by only \$170 million at an annual rate while the overall deficit was lower by \$1 billion on an annual rate basis.

For a detailed statistical analysis of the balance-of-payments data for 1960, 1961, and the first half of 1962, see table 111. Data on the U.S. international investment and gold position, which reflect changes in our international assets and liabilities resulting from our balance of payments and investments abroad, are presented in table 110.

In March 1962 the Secretary of the Treasury submitted a public report to the President reviewing the various measures which had been taken by the administration, and the tasks which remained to be accomplished, in order to cope with the urgent balance-of-payments problem faced by the United States. (The report is reproduced as exhibit 35. Other statements on the balance-of-payments situation by the Secretary, Under Secretary Fowler, and the Under Secretary of the Treasury for Monetary Affairs are presented in exhibits 38, 40, and 41.)

Gold and dollar movements.—The gold and liquid dollar holdings of foreign countries (excluding gold holdings of the USSR and other Eastern European countries and China Mainland) amounted to an estimated $43.6 billion on June 30, 1962. Of this amount, official gold reserves were $22.6 billion, official and private short-term dollar assets held with banks in the United States were $19.6 billion, and estimated official and private holdings of U.S. Government bonds and notes were $1.3 billion. The total represented an increase of $3.6 billion over the amount held as of June 30, 1961 (see table 108).

Western European countries increased their gold and liquid dollar assets during fiscal 1962 by $3.2 billion, accounting for most of the foreign gains. Most European countries shared in the gains, with France registering the largest increase (over $800 million); but Germany, which had the largest gain in fiscal 1961 in spite of large debt prepayments, sustained a reduction of almost $300 million in fiscal 1962. Latin American holdings rose by $222 million, reversing a loss of approximately the same amount in fiscal 1961. Asiatic holdings rose by only $109 million, substantially below the fiscal 1961 gain, as Japanese holdings declined by $157 million. Canadian holdings were reduced by $235 million. The holdings of the rest of the world rose by $349 million, including a $279 million gain by the Union of South Africa.

The gold and liquid dollar assets held by international institutions rose by $168 million, amounting to $7.6 billion at the end of fiscal 1962.

The estimated official gold holdings of the world (excluding the USSR, other Eastern European countries, and China Mainland) were $41.3 billion as of June 30, 1962. Of this amount the United States held $16.5 billion and international institutions $2.1 billion.

Treasury foreign exchange reporting system.—Data relating to capital movements between the United States and foreign countries have been collected by the Treasury Department since 1935. The data are obtained from monthly reports by banks and brokers and quarterly reports by nonfinancial concerns to the Treasury Department through the Federal Reserve Banks. The reports provide information on liabilities to foreigners, claims on foreigners, and securities transactions with foreigners, and constitute the basis for statistics on the dollar holdings of foreign countries and international institutions and other statistics on capital movements which enter into the U.S. balance of payments.

The program begun during fiscal 1961 to enlarge the coverage and to improve the reliability of the reports was continued during fiscal 1962. Substantial improvements were made in the coverage of reporting by nonbanking firms. In consultation with other interested Government agencies and with the Federal Reserve System, a broad review of the foreign exchange reporting system was begun with a view to appraising the need for developing additional types of data and the feasibility of obtaining them. Some of these proposals were discussed with a number of banks and nonbanking concerns. By the end of the fiscal year preparations were in an advanced stage for the introduction of a new report from nonbanking concerns on their liquid assets abroad. (This report was put into effect in August 1962.) These steps were part of the continuing program to ensure the reliability of the capital movements statistics.

Foreign exchange stabilization operations

The operations which were begun in the fiscal year 1961 were continued and expanded during fiscal 1962. After many years of controls exercised by most foreign countries over their international payments, the major world currencies became convertible for nonresidents in 1959 and funds were permitted to flow much more freely in international money markets. Movements of short-term funds in search of favorable interest rates or in response to doubts about currency stability made it highly desirable for the United States to protect the dollar against temporary and disorderly exchange rate movements by means of official operations in the exchange markets. These operations are of particular importance at a time when the U.S. balance of payments is in deficit. Transactions of this nature have, of course, been conducted for years by many other countries and were also carried on by the United States before World War II.

The first of these operations was reported in 1961. It consisted of intervention in the forward exchange market for Deutschemarks following the revaluation of the mark in March 1961, and was successfully completed in the latter half of the calendar year. All forward commitments were liquidated, and with the strengthening of the dollar it proved advantageous to purchase moderate amounts of Deutschemarks on a spot basis for use in future operations. A portion of the marks so acquired was employed during the latter part of the fiscal year 1962 at times of temporary pressure on the dollar. With the usefulness of such operations firmly established, the Treasury broadened its activities during the fiscal year by diversifying into other major currencies and by testing and activating new techniques of intervention in the exchange markets.

One major operation undertaken by the Treasury involved the sale of forward Swiss francs to offset "hot money" inflows into Switzerland, which had temporarily swelled Swiss dollar reserves in the wake of the Berlin crisis in the fall of 1961. In order to provide cover for

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these forward transactions, a line of credit was arranged with the Swiss National Bank, and a portion ($46 million) of this line was utilized by the issuance of three-month certificates of indebtedness denominated in Swiss francs to supply the Treasury with additional Swiss franc balances. In the second half of the fiscal year the flow of dollars into Switzerland was reversed. Consequently, the borrowings were repaid, the forward obligations substantially reduced, and some gold was purchased from Switzerland by the United States. These operations of the Treasury to even out the flow of U.S. dollars to and from Switzerland were also of assistance to the Swiss authorities by introducing new methods to help offset the excessive liquidity in the Swiss market that tends to be created by the occasional inflows of short-term funds into a traditional "safe haven."

Early in the fiscal year a balance of Netherlands guilders was acquired, for such use as might later prove desirable. In January, when a substantial premium on the forward guilder encouraged dollar inflows into the Netherlands and deterred outflows for short-term investment purposes, it was decided to test operations in the forward guilder market. The subsequent decline in the premium on the forward guilder and also a weakening in the spot guilder rate allowed additional purchases of spot guilders to cover the Treasury's forward commitments and also left a balance to permit further occasional intervention in the market.

Owing to a continuing balance-of-payments surplus in Italy, that country's dollar reserves increased substantially during the period and created a potential gold demand on the United States. To lessen the accumulation of dollars by Italy, the Treasury took over a substantial bloc of forward contracts from the Italian exchange authorities and also began to operate in the spot market in lire, using for this purpose lire borrowed against the issuance of certificates of indebtedness denominated in lire. These operations have been continued and expanded up to the present time.

The foreign currency borrowing operations in Swiss francs and Italian lire were the first such borrowings undertaken since 1918. They proved a particularly useful tool, giving the United States foreign currency balances for operational needs in a manner mutually advantageous to the United States and the foreign monetary authorities concerned.

Early in 1962 the Federal Reserve began foreign exchange operations with policy objectives identical to those of the Treasury, and coordinated through the Federal Reserve Bank of New York which acts as agent for both. Federal Reserve operations during the period took the form of a series of swap arrangements with seven countries totaling $700 million, which added greatly to the U.S. resources available for exchange operations. The usefulness of such swap arrangements to foreign countries as well as to the United States was shown in the case of Canada where a Federal Reserve swap played an important role in the Canadian Government's stabilization program of June 1962, designed to reinforce Canada's efforts to defend the Canadian dollar.

The usefulness of these operations is not limited to the immediate effects of the transactions themselves. The fact that the United States, in cooperation with the monetary authorities of other leading countries, has brought into being facilities to protect the dollar in international exchange markets against temporary pressures in itself provides reassurance and deters speculative movements. Thus, the exchange markets remained relatively calm at the time of the worldwide stock market declines of May and June 1962, a gratifying development that may be explained, at least in part, by the existence of cooperative facilities to protect currency values. (See exhibit 44.)

Treasury exchange and stabilization agreements

During the fiscal year Treasury exchange agreements were signed with Costa Rica, El Salvador, and the Philippines, and the agreements with Mexico and Argentina were renewed or replaced. As of June 30, 1962, agreements were in force with five countries, Argentina, Brazil, Costa Rica, Mexico, and the Philippine Republic, in the total amount of $226 million. A one-year exchange agreement with Chile, in the amount of $15 million, ended on February 9, 1962. The one-year exchange agreement with El Salvador, in the amount of $6 million, which would have expired on July 14, 1962, was terminated at the request of El Salvador on May 4, 1962.

The Treasury Department on September 7, 1961, concluded a one-year $6 million exchange agreement with Costa Rica to assist that country in simplifying its foreign exchange rate structure and in achieving an exchange system free of restrictions. This exchange agreement supplemented a $15 million standby arrangement with the International Monetary Fund, which was announced on September 6, 1961. (See exhibit 46.)

The existing Treasury exchange agreement with Mexico for $75 million was renewed for two years on December 22, 1961. The agreement was extended to support Mexico's exchange rate, in conjunction with an International Monetary Fund standby arrangement for $90 million and also an Export-Import Bank credit of $90 million which had been announced on August 2, 1961.

The $50 million exchange agreement between the U.S. Treasury Department and Argentina signed on June 7, 1962, replaced one for a similar amount signed on December 28, 1961. This agreement was supplementary to an International Monetary Fund standby arrangement of June 6, 1962, in the amount of $100 million, for the purpose of assisting the Argentine Government in continuing its stabilization efforts. During the fiscal year Argentina repaid $12 million against advances totaling $25 million made under an exchange agreement in force in 1959. No drawings were made by Argentina in the fiscal year 1962. (See exhibit 48.)

On June 19, 1962, a $25 million Treasury exchange agreement with the Philippine Republic was signed. The Treasury agreement added to the financial support provided by the $40,400,000 standby arrangement between the International Monetary Fund and the Philippines, which went into effect on April 11, 1962. (See exhibit 49.)

During the fiscal year the Government of Brazil made several drawings under the $70 million exchange agreement concluded in May 1961 between the Brazilian Government and the Treasury Exchange Stabilization Fund. (See annual report for 1961, p. 122, exhibit 23 and this report exhibit 47.) A drawing of $35 million was made on September 26. A special 45-day drawing of $30 million made on October 31 was repaid on December 14, 1961. Another $9.5 million was drawn on April 27, 1962.

The International Monetary Fund

Drawings from the Fund were made by 21 countries during fiscal 1962 in various currencies equivalent to over $2.5 billion. The United Kingdom and Canada, respectively, drew $1.5 billion and $300 million. The remaining $700 million was acquired by less-developed countries.

The drawing by the United Kingdom, in August 1961, was accompanied by a standby arrangement with the Fund under which the United Kingdom could draw an additional $500 million during the following twelve months. These facilities, constituting the largest ever provided by the Fund, were in support of a series of fiscal and monetary measures and certain other policies designed to restore a strong United Kingdom balance-of-payments position at the existing rate of exchange and without the imposition of restrictions on trade and current payments. During the following months, the United Kingdom position improved markedly, and through repurchases by the United Kingdom and drawings of sterling by other members, over $900 million of past United Kingdom Fund drawings were repaid by June 30, 1962.[1]

The drawing by Canada, its first, represented part of a total of $1,050 million in the form of short-term financial assistance extended in June 1962 to defend the stability and convertibility of the Canadian

[1] Subsequently the entire drawing was repaid, but the standby continued in effect.

dollar at the recently established par value. Additional assistance was provided by the Export-Import Bank ($400 million), the Federal Reserve System ($250 million), and the Bank of England ($100 million). Another industrialized country, Japan, also received Fund assistance in the form of a $305 million standby arrangement for one year beginning January 1962; as of June 30, 1962, no currency drawing had been made under this arrangement.

Among the less-developed countries which made drawings on the Fund during the fiscal year, the largest use of Fund resources was by India ($250 million), followed by Argentina ($110 million), Indonesia ($82 million), the United Arab Republic ($60 million), and Mexico ($45 million). Ten additional Latin American countries and four in other areas also made drawings.

In all, ten currencies were drawn from the Fund during the fiscal year: Continental European currencies (German marks, French francs, Netherlands guilders, Italian lire, Belgian francs, and Swedish kronor) totaling $1.4 billion, U.S. dollars totaling $760 million, sterling totaling $215 million, $75 million in Canadian dollars, and $80 million in Japanese yen. At the time of the United Kingdom drawing, the Fund replenished its holdings of dollars and other currencies needed by the sale of $500 million of its gold, of which $150 million was sold to the United States. Repayments to the Fund totaled $1.4 billion, including $1.2 billion of currencies repurchased by countries against earlier drawings, $38 million of repayments in gold, and $155 million through drawings of currencies by other members.

Standby arrangements were in effect as of June 30, 1962, with 21 countries against which about $1.9 billion of currencies could be drawn. Nearly $1.3 billion of this amount was available to the United Kingdom. Upon expiry of the existing United Kingdom arrangement in August 1962, a new one-year standby arrangement of $1.0 billion was concluded.

During the fiscal year steps were taken toward strengthening the international monetary system by a special borrowing arrangement between the Fund and the ten leading industrial countries or their central banks (the United States, the United Kingdom, France, Italy, Japan, Canada, the Netherlands, and Belgium, and the central banks of Germany and Sweden.) This followed intensive discussions of the requirements of the international monetary system and of the ability of the Fund to meet exceptional demands for its resources arising chiefly as the result of more widespread currency convertibility and temporary major disturbances due to short-term international capital movements. The arrangement was embodied in a decision of January 8, 1962, and an exchange of letters among the countries concerned in December 1961. The Fund decision set forth the terms and conditions on which the Fund would borrow supplemental resources and make such resources available to a potential drawing country. Proposals for the borrowing by the Fund of the currencies of the principal industrial countries had been previously discussed at the Annual Meeting of the Fund Board of Governors in Vienna in September 1961. In December representatives of the United States and the nine other interested governments, meeting in Paris, reached agreement on the terms and conditions under which they would be prepared to lend their currencies to the Fund. These terms and conditions were set forth in an exchange of letters between Secretary Dillon and the French Minister of Finance, dated December 15, 1961, and by similar letters exchanged between the French Minister and the other governments.

Under these arrangements, the participants would be prepared to lend their currencies to the Fund up to specified amounts whenever the Fund, together with these countries, considered that additional resources were needed to forestall or cope with an impairment of the international monetary system. The total amount of such resources would be the equivalent of $6 billion, including a U.S. credit arrangement of $2 billion.

On February 2, 1962, the President requested legislation to authorize U.S. participation in the Special Borrowing Arrangements.[1] In support of the legislation Secretary Dillon testified before the House Committee on Banking and Currency in February (see exhibit 32) and before the Senate Foreign Relations Committee in March. The authorizing legislation was enacted on June 19, 1962 (Public Law 87-490). The borrowing arrangements became effective on October 24, 1962, when the United States formally adhered to the Fund decision.

In accordance with arrangements under which members of the Fund which have accepted the convertibility obligations of Article VIII of the Agreement consult with the Fund on a voluntary basis, the first annual consultation between the Fund and the United States was held in March 1962.

Programs for financing economic development

The International Bank.—New loans authorized by the International Bank (IBRD) during fiscal 1962 totaled over $880 million, and were extended for development projects in nineteen countries. Loans for electric power accounted for over one-half the total, followed by transportation projects ($241 million), and industrial and other purposes ($148 million).

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[1] The President's message and the relevant documents are contained in the National Advisory Council on International Monetary and Financial Problems, Special Report, *On Special Borrowing Arrangements of the International Monetary Fund*, January 1962.

Disbursements of loan funds during the period totaled $485 million. Continuing its recent practices, the IBRD sold, without its guarantee, $319 million of portions of its loan portfolio. The Bank's outstanding funded debt increased by $292 million, as new borrowings and receipts from transactions arranged earlier, mostly outside the United States, amounted to $463 million, and repayments and refundings totaled $171 million.

During the entire period of its operations the IBRD has extended loans totaling over $6.5 billion, excluding cancellations, terminations, and refundings. Principal repayments to the Bank totaled $542 million and portions of loans sold or agreed to be sold amounted to $1.3 billion. Disbursements totaled $4.8 billion. Excluding the early postwar reconstruction loans to European members totaling about $500 million, IBRD development loans amounting to $2.2 billion have been made in Asia and the Middle East, $1.6 billion in the Western Hemisphere, $947 million in Europe, $885 million in Africa, and $418 million in Australia.

The IBRD continued during fiscal 1962 to provide various advisory services and technical assistance to its members. In the furtherance of the mobilization of capital from the industrialized countries for investment in countries formulating comprehensive development plans, the IBRD has taken an active role in the formation and coordination of consultative groups. During the year groups for Nigeria and Tunisia met under the chairmanship of the IBRD. Requests by other countries for the formation of such groups are being considered. The financial consortia of countries interested in providing major assistance to India and Pakistan held a number of meetings during the year, and additional financing commitments were made in support of the development plans of these nations.

The International Development Association.—The International Development Association (IDA), an affiliate of the International Bank providing development financing on lenient terms, had by June 30, 1962, extended $235 million in credits since the commencement of its operations in November 1960. Eighteen credits totaling $134 million were extended during the fiscal year.

The initial resources of the IDA are contributed by the member governments according to a schedule of installments over a five-year period ending in 1964. Of the total initial subscriptions, amounting to about $917 million on the basis of the membership as of June 30, 1962, the U.S. share is $320,290,000. The three remaining U.S. installments of $61.7 million each are payable in November 1962, 1963, and 1964.

As of June 30, 1962, IDA's freely convertible resources, including subscription installments to be received, available for additional credits amounted to about $520 million. This figure does not include the 90 percent portion of the subscriptions of the Part II members which is payable in their own currencies. Discussions of the question of the replenishment of IDA resources commenced during the year, and at the Annual Meeting of the Board of Governors held in Washington in September 1962, it was agreed that the Executive Directors would study this question and make specific recommendations.

The International Finance Corporation.—The International Finance Corporation (IFC), an affiliate of the International Bank which invests in productive private enterprises, made nine investment commitments during the year totaling $18.4 million. An underwriting commitment of $2.9 million also was made. The cumulative total of investment commitments, net of cancellations, reached $62.5 million as of June 30, 1962, in addition to the underwriting commitment, comprising investments in 20 countries. IFC investments sold or agreed to be sold to private investors totaled $10.1 million. Cumulative disbursements amounted to about $45 million and uncommitted funds available for operational activities totaled $55.3 million.

The IFC Articles of Agreement were amended during fiscal 1962 to remove the restriction on equity investment. Most new commitments undertaken since the amendment became effective in September 1961 included the acquisition by the IFC of some common stock, along with fixed-interest obligations.

Inter-American Development Bank.—On June 30, 1962, the Inter-American Development Bank (IDB) completed its first full year of operations. Since its first loan in February 1961, it had approved 69 loans totaling $224 million in almost every Latin American country. Forty-eight loans totaling $156 million were made from ordinary capital and twenty-one loans totaling $68 million were made from the Fund for Special Operations. Loans have been made in the fields of both industry and agriculture and most have financed private enterprise projects.

The IDB's authorized resources total $1 billion, but because Cuba did not become a member, actual resources are about $959 million; composed of about $813 million in ordinary capital and $146 million in the Fund for Special Operations. The ordinary capital consists of about $382 million in paid-in capital with the remainder in callable capital. The paid-in portion is made up of 50 percent gold or U.S. dollars and 50 percent in the currency of the member country; it is paid in three installments, the last of which is due by October 31, 1962. The aggregate U.S. participation in the IDB amounts to $450 million, comprising a subscription of $150 million for paid-in shares of capital stock, a subscription of $200 million to the callable capital stock, and a quota of $100 million in the resources of the Fund for Special Operations. Also included in the Bank's ordinary resources is about $24 million in Italian lire, raised by a bond issue in Italy in April 1962 in the Bank's first borrowing operation.

The payment of about $146 million in contributions to the Fund for Special Operations was completed in October 1961. These are calculated on the basis of quotas separate from the capital subscriptions but are also paid 50 percent in gold or U.S. currency and 50 percent in member's currency. Loans from the Fund for Special Operations are made on terms appropriate for dealing with special circumstances and, unlike those from ordinary capital, are usually repayable in the currency of the borrower.

On June 19, 1961, the IDB entered into an agreement with the United States which entrusted to the Bank the administration of the Social Progress Trust Fund, comprising $394 million of the funds appropriated by the Congress on May 27, 1961, for the Inter-American Social and Economic Cooperation Program (Public Law 87–41). Under the Trust Fund Agreement, the IDB is empowered to use the resources to extend loans and provide technical assistance to Latin American countries on flexible terms and conditions to support their own efforts in specified fields of social development. As of June 30, 1962, thirty-six Social Progress Trust Fund loans had been extended for a total amount of $224 million to 14 Latin American countries, and $1.1 million had been extended in the form of nonreimbursable technical assistance.

The Third Annual Meeting of the Board of Governors of the IDB was held in Buenos Aires, Argentina, in April 1962. The U.S. delegation was headed by Secretary of the Treasury Dillon, as U.S. Governor. During the meeting the Governors approved resolutions directing the Executive Directors to study the question of enlarging the resources of the Bank and the question of export financing in Latin America.

The Alliance for Progress.—President Kennedy, on March 13, 1961, called upon the peoples of Latin America to join in an "Alliance for Progress" to work cooperatively in a concerted effort to satisfy basic needs for homes, work, land, health, and schools. He requested the convocation of a special meeting of the Inter-American Economic and Social Council at the ministerial level to discuss this program. The meeting was held at Punta del Este, Uruguay, in August 1961. As leader of the U.S. delegation, Secretary of the Treasury Dillon outlined the objectives of the Alliance and suggested specific proposals for the pursuit of these objectives during the decade of the sixties. He indicated that the United States would be prepared to provide over a billion dollars of assistance for the first year of the Alliance. He said that if Latin America took the necessary internal measures it might reasonably expect its own efforts to be matched by an inflow of capital during the next decade amounting to at least $20 billion from all sources of external financing, public and private.

The Charter of Punta del Este, adopted at the meeting, established the framework of the Alliance for Progress, which places emphasis on the responsibilities of the Latin American countries to undertake administrative reforms, including both land and tax reforms, and to prepare plans and implementing measures to promote balanced economic and social growth. It was agreed that the development plans and programs of individual countries would be reviewed by a panel of experts selected by the Inter-American Economic and Social Council of the Organization of American States.

During the fiscal year 1962, the U.S. Government authorized assistance in the form of loans and grants in excess of $1.1 billion to Latin America in pursuance of the Alliance for Progress. The sources of this assistance included the Agency for International Development ($475 million), loans by the Export-Import Bank having a maturity of more than five years ($263 million), the Social Progress Trust Fund administered by the Inter-American Development Bank ($224 million), Food for Peace ($147 million), and the Peace Corps ($7 million).

The Agency for International Development.—Pursuant to the Foreign Assistance Act of 1961 (Public Law 87–195) the International Cooperation Administration and the Development Loan Fund were abolished, and the foreign economic assistance program established by the legislation was assigned to the new Agency for International Development (AID) in the Department of State, which was created on November 4, 1961. Among the authorities entrusted to AID were development lending, development grants and technical cooperation, investment guarantees, supporting assistance, surveys of investment opportunities, and development research. In addition, AID was made responsible for administering part of the funds provided under the Inter-American Program for Social Progress (Public Law 86–735) and for negotiating loans involving U.S.-owned local currencies, including those acquired under sections 104(e) and 104(g) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended.

During fiscal 1962, AID dollar commitments amounted to $2.5 billion. Of the total, dollar repayable loans authorized accounted for $1.6 billion. About $920 million was authorized for loans to countries in the Near East and South Asia, more than one-half this amount to India. Loan authorizations to Latin America totaled about $455 million, loans to Africa about $165 million, and loans to Far Eastern countries about $62 million.

Under the provisions of the Foreign Assistance Act, the AID continued the recent policy of maximizing expenditures within the United States of foreign assistance funds. Commodity procurement was prohibited from specified countries other than less-developed countries, and the portion of assistance transferred to foreign countries in the form of dollars rather than U.S. goods and services was being reduced.

The Export-Import Bank.—The total of the loans, guarantees, and export credit insurance authorized by the Export-Import Bank during the fiscal year amounted to over $1.8 billion, representing the largest volume of business done by the Bank in any year since the large postwar reconstruction loans were extended to European countries. Development project credits totaled $555 million, and emergency foreign trade loans $500 million. Included within the latter were $400 million in short-term standby credits for Canada extended in June 1962 to be used, if needed, to maintain Canada's trade with the United States. This amount was additional to credits made available by the International Monetary Fund, the Federal Reserve System, and the Bank of England to assist in the maintenance of the par value of the Canadian dollar. The Export-Import Bank also extended exporter credits and guarantees amounting to $462 million, and committed $345 million for export credit insurance through the Foreign Credit Insurance Association (FCIA).

The FCIA, an unincorporated group of over 70 major American marine, casualty, and property insurance companies, which began operations in February 1962, was formed in response to a request by the Export-Import Bank for participation by the insurance companies with the Bank in providing export credit insurance for U.S. exporters. This was one of the activities started during the year to implement the President's directive to prepare a new program to place U.S. exporters on a basis of full equality with their competitors in other countries. Comprehensive policies issued by the FCIA cover both political and credit risks and are available for short-term (usually up to 180 days) and, beginning July 16, 1962, for medium-term (six months to five years) credit transactions. The Export-Import Bank underwrites all of the political risks and half of the credit risk on policies issued by FCIA.

Another new program instituted by the Export-Import Bank during the year was a system of guarantees for commercial banks and other financial institutions providing medium-term export financing without recourse on the U.S. exporter. Under this program the commercial banks assume the credit risks on the early maturities of the foreign buyer's obligations, and the Export-Import Bank guarantee covers political risks on all maturities and credit risks on the later maturities.

The Export-Import Bank disbursed $943 million during the fiscal year, and export guarantees and insurance amounting to $807 million were financed privately. In addition, the Bank sold $300 million of its portfolio paper to private U.S. banks. Its earnings from interest and fees were $165 million. Interest paid to the U.S. Treasury on borrowed money was $57 million, and a $35 million dividend was declared on the stock of the Bank held by the Secretary of the Treasury. The Bank's uncommitted lending authority on June 30, 1962, was $846 million.

Other international organizations and conferences

The Organization for Economic Cooperation and Development.—The Organization for Economic Cooperation and Development (OECD) [1] is the successor of the Organization for European Economic Cooperation (OEEC). The OECD took the place of the OEEC in September 1961. The United States and Canada joined the new organization although they had not been members of the old one.

Under Secretary of the Treasury Fowler attended the first Ministerial Council meeting of the OECD in Paris on November 16–17, 1961. At this meeting the Council of Ministers determined that OECD member countries as a group should try to increase real output by 50 percent in the decade of the sixties.

The Economic Policy Committee of the OECD held regular meetings throughout the year in order to discuss the overall economic situation in the member countries. Under Secretary Roosa was a regular U.S. delegation member to these meetings.

The Treasury has participated in the activities of two Working Parties of the Economic Policy Committee. The Working Party on Policies for the Promotion of Better Payments Equilibrium (Working Party 3) meets regularly at intervals of approximately six weeks; Under Secretary Roosa is the Chairman of the U.S. delegation to this Working Party. These meetings review the situations of both surplus and deficit countries, and aim at achieving joint cooperation toward the goal of international monetary stability.

A second study group of the Economic Policy Committee, the Working Party on Policies for the Promotion of Economic Growth (Working Party 2), since its inception has been concerned with implementing the 50 percent collective growth target adopted by the OECD Ministerial Council in November 1961.

[1] Members of the OECD include the United States, Canada, Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

The Development Assistance Committee (DAC) of the OECD has investigated and considered means whereby development aid could be made available on a more effective basis and with a greater degree of harmonization. DAC membership includes Belgium, Canada, France, Germany, Italy, Japan,[1] the Netherlands, Portugal, the United Kingdom, the United States, and the Commission of the European Economic Community.

The total flow of long-term official and private financial resources from DAC members to the developing countries increased from $7.4 billion in the calendar year 1960 to $8.7 billion in 1961. The Annual Aid Review of the DAC provides for careful study and examination of each member's program and enables a comparison of relative aid burdens and general aid policies. The Treasury Department participated in the U.S. review which was held in June.

The Economic Development and Review Committee of the OECD annually reviews the economies of the member countries and issues a public report; the Treasury participates in the Committee's formal examination of the U.S. economy and in the drafting of the public report that follows. The Treasury also participates in the work of the Fiscal Committee of the OECD and supplies the U.S. delegate to the meetings. Other OECD Committees in which the Treasury has an interest include the Trade Committee and the Committee for Invisible Transactions.

The European Economic Community.—The movement toward European economic integration intensified during the fiscal year 1962. The members of the European Economic Community (EEC) (France, Italy, Germany, Belgium, the Netherlands, and Luxembourg) cut their internal tariffs by ten percent on December 31, 1961; at the same time they abolished intra-EEC quota restrictions on industrial goods. In addition, the member nations moved, on December 31, 1961, from Stage I to Stage II of the timetable which was established for the EEC. Entry into the second stage entailed arriving at agreement on a common agricultural policy for the Six.

In May 1962, it was announced that a "speed-up" decision had been made to cut tariffs by an additional ten percent on July 1, 1962. As a result, on July 1, 1962, tariffs within the Common Market were 50 percent below what they were in 1957 on industrial products. The reduction of basic duties on a large number of agricultural products reached 35 percent. The rate at which customs duties have been cut has placed the EEC two years ahead of the timetable laid down in the original Treaty.

Great Britain applied in August 1961 for full membership in the European Economic Community; Ireland, Denmark, and Norway

[1] Japan is not an OECD member but participates in the DAC.

have also applied for full admission. A number of other European countries have applied for associate membership.

The General Agreement on Tariffs and Trade.—The nineteenth session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) was held during the fiscal year. This session and the work of various committees of the GATT were concerned as usual with a very broad range of problems affecting world trade. There was evident, however, a new stress on the need for adaptation of the GATT program to deal more effectively with certain special problems, notably those of agricultural trade and the need of the less-developed countries for expanded export markets. An impetus was given to more vigorous attention to the latter problem by a Ministerial Meeting under GATT in November 1961, at which 44 countries were represented. A Declaration on the Promotion of the Trade of Less-Developed Countries was adopted by the Contracting Parties as a basis for future work in this field.

With the continued strengthening of the currencies of the major trading countries, representatives of the United States pressed, both in GATT meetings and on other occasions, for further progress toward eliminating nontariff restrictions by the major developed countries. The quantitative restrictions by the economically-strong countries in Western Europe against nonagricultural products have been relaxed to a point where they have only minor significance. Other nontariff restrictions, however, continue to present obstacles to U.S. exports.

The United States has continued to direct major effort toward relaxing agricultural restrictions. One forum for this effort has been in GATT Committee II, which is now seeking "practical measures for the creation of acceptable conditions of access to world markets for agricultural commodities." There have also been direct high-level U.S. negotiations with officials of EEC and its member governments, designed to protect the trading rights and opportunities of the United States in the Common Market. Intensive study is now being given by the interested departments, including the Treasury, of the indirect barriers to U.S. exports. A program of action is to be undertaken when the nature and significance of these barriers is more completely understood.

Negotiations with the EEC countries were of central importance in the GATT Tariff Negotiations Conference which convened in Geneva in September 1960. These complex negotiations involved two phases. The first phase was concerned mainly with questions of compensation where rates of duty previously bound in GATT were to be increased through the establishment by the EEC of a single common external tariff to replace the various tariffs of the member countries. These "compensation" negotiations were substantially completed by May 1961. Then began a general round of negotiations for reciprocal reductions of tariff levels, involving negotiations by many countries, not only with the EEC, but also among themselves.

In this phase, the United States negotiated agreements for reciprocal tariff reductions with the EEC and 14 other countries. By far the most important of these agreements, measured by the amount of trade affected, was the one with the EEC. Next in importance was the agreement with the United Kingdom. Both phases of the negotiations were formally concluded in July 1962, when the final act authenticating the results of the Tariff Conference was opened for signature.

International conferences.—The Annual Meeting of the Boards of of Governors of the International Monetary Fund and the International Bank and its affiliates was held in Washington in September 1962. The U.S. delegation was headed by Secretary Dillon as U.S. Governor and Under Secretary of State Ball as Alternate Governor. Under Secretary Fowler, Under Secretary of the Treasury for Monetary Affairs Roosa, Assistant Secretary Leddy, and Mr. Frank A. Southard, Jr. (U.S. Executive Director of the Fund) acted as temporary Alternate Governors. The delegation included members of the agencies constituting the National Advisory Council on International Monetary and Financial Problems, members of congressional committees, and other officials of the Government concerned with the affairs of the international financial organizations.

President Kennedy addressed the Governors on September 20 and emphasized the necessity for the other developed countries to assume a greater share of the free world's financial burdens. The President also announced the interest of the United States in an expansion of resources of the International Development Association. At the meeting of the Fund Governors, Secretary Dillon (see exhibit 39) reviewed domestic developments in the United States and noted the improvement in the international position of the dollar and of the international payments system generally. In the meeting of Governors of the Bank and its affiliated institutions, the Executive Directors of the International Development Association were requested to prepare a report on the need for increasing its resources.

Secretary of the Treasury Dillon headed the U.S. delegation to the Special Meeting of the Inter-American Economic and Social Council at the Ministerial level held at Punta del Este, Uruguay, August 5–17, 1961 (see exhibit 29). The Charter of Punta del Este and the Declaration to the peoples of America were signed at this Conference. In December, Secretary Dillion attended the

North Atlantic Treaty Organization Ministerial meeting in Paris. Under Secretary Fowler represented the Treasury Department at the First Meeting of the Joint United States-Japan Committee on Trade and Economic Affairs, held at Hakone, Japan, November 2–4, 1961.

Secretary Dillon led the U.S. delegation at the seventh meeting of the Joint Canadian-United States Committee on Trade and Economic Affairs held in Ottawa, January 12–13, 1962. He also headed the U.S. delegation to the Third Annual Meeting of the Board of Governors of the Inter-American Development Bank held in Buenos Aires, Argentina, April 23–26, 1962 (see exhibit 37).

Secretary Dillon and Under Secretary Roosa addressed the American Bankers Association meeting held in Rome, May 15–18. Secretary Dillon reviewed the U.S. balance-of-payments problem and stressed the importance of the development of European capital markets (see exhibit 38). Under Secretary Roosa outlined U.S. activities in foreign exchange markets (see exhibit 42).

Lend-lease silver

During World War II the United States transferred a total of 410.8 million ounces of Treasury silver to certain foreign countries under authority of the Lend-Lease Act of March 11, 1941. Although the agreements differed somewhat in detail, they provided that the debtor countries were to return a like kind and quantity of silver within five years after termination of the national emergency as determined by the President. Accordingly, the lend-lease silver was due to be returned by April 27, 1957, although the agreements with several of the countries permitted a postponement of part of the repayment for two additional years. Prior to June 30, 1960, the entire amount of silver due from the Governments of Australia, Belgium, Ethiopia, the Netherlands, and the United Kingdom (also acting for the Government of the Fiji Islands) had been returned and taken into the account of the Treasurer of the United States. In addition, a large portion of the silver furnished during the war under lend-lease for use in undivided India had been returned and taken into the Treasurer's account pursuant to arrangements concluded in 1957, whereby the U.S. Government agreed to a division of liability for this silver between India and Pakistan. (See annual reports for 1957, pages 49 and 50; 1958, pages 56 and 57; and 1959, page 65.) Saudi Arabia commenced repayments during fiscal 1961.

In the course of fiscal 1962, a total of 15.6 million fine troy ounces of silver, consisting of 3.6 million ounces from India, and 12.0 million ounces from Pakistan was returned and taken into the account of the Treasurer of the United States. Cash repayments of $13.7 million made by Saudi Arabia were received and taken into the Treasurer's account. Converted on the basis of the market price for silver on the dates of receipt of such repayments, this is equivalent to 14.4 million fine troy ounces of silver. On June 15, 1962, the United States and Pakistan concluded an agreement providing for an extension in connection with the balance remaining outstanding on account of Pakistan's obligation. Pursuant to this agreement, the outstanding balance, which amounts to approximately 4.6 million ounces, is to be returned in three annual installments commencing in 1962. Repayment may be made either in silver or in dollars on the basis of the market price of silver on the date the payment is made.

Lend-lease silver transactions as of June 30, 1962

[In millions of fine ounces except where otherwise specifically indicated]

	Silver transferred from the Treasury to lend-lease for account of foreign governments	Silver returned and taken into the account of the Treasurer of the United States	Silver being returned	Dollar repayments *(millions)*	Silver to be returned
Australia	11.8	11.8			
Belgium	.3	.3			
Ethiopia	5.4	5.4			
Fiji	.2	.2			
India	172.5	172.2	0.3		
Netherlands	56.7	56.7			
Pakistan	53.5	47.9	1.0		[3] 4.6
Saudi Arabia	[1] 22.3	-1.4		[2] $13.7	5.5
United Kingdom	88.1	88.1			
Total	410.8	384.0	1.3	[2] $13.7	10.1

[1] Includes 1,031,250 ounces lost at sea while in transit.
[2] Equivalent to 14.4 million fine troy ounces of silver converted on basis of the market price on the date of receipt.
[3] Under an agreement originally concluded with Pakistan in 1957 and modified in 1962, the balance is being returned in annual installments.

Foreign Assets Control

For the purpose of preventing Communist China from obtaining foreign exchange through the exportation of merchandise to the United States, the Foreign Assets Control Regulations prohibit the unlicensed purchase and importation into the United States of Communist China or North Korean merchandise, as well as numerous other commodities therein specified which are of types that have historically come from China. The Control does not issue licenses authorizing importation of Chinese-type merchandise unless satisfactory evidence of its non-Communist Chinese origin is presented.

Importation under general licenses is authorized with respect to specific shipments of Chinese-type merchandise certified to be of non-Communist Chinese origin by the Government of a foreign country from which they were directly exported, provided that the country in question has set up procedures for certification pursuant to standards agreed to by the Treasury Department. The following Governments now have such certification procedures: Australia, Belgium, Canada, Formosa, France, the Federal Republic of Germany, Hong Kong India, Italy, Japan, the Netherlands, the Republic of Korea, Spain, Switzerland, the United Kingdom, and Vietnam. Notices of the availability of certificates of origin for particular commodities and of the governments prepared to issue them are published from time to time in the *Federal Register*. During the year a number of additional items became available for certification.

The enforcement measures of the Control resulted in a number of successful criminal prosecutions. A total of $64,894 was collected by the Government in forfeitures, fines, and other penalties as a result of proceedings under the Foreign Assets Control Regulations.

The Cuban Import Regulations were issued on February 6, 1962, under Proclamation 3447 and section 620(a) of the Foreign Assistance Act of 1961 to implement the embargo proclaimed by the President on trade with Cuba (see exhibit 50). As initially issued they prohibited the importation of all goods of Cuban origin and all goods imported from or through Cuba, except pursuant to license. On March 23, 1962, the Regulations were extended to include imports of goods manufactured in third countries containing Cuban components. As amended, they were issued under the additional authority of section 5(b) of the Trading with the Enemy Act.

ADMINISTRATIVE REPORTS

Management Improvement Program[1]

Continued emphasis in the Treasury Department on the potentialities of management and their realization was reflected during the fiscal year 1962 in a wide variety of actions taken to improve administrative operations.

Identifiable annual savings from management improvements during the year amounted to $12.7 million, the second highest reported during the past sixteen years. Of this total, $1.9 million resulted from the incentive awards program. In addition, there were numerous accomplishments which contributed to the efficiency of administration but which cannot be measured in terms of savings in money or manpower.

The more significant management improvements of Treasury bureaus are covered in the administrative reports of the specific operational bureaus in this report. Selected activities of a more general nature are discussed below. A detailed account is presented in the annual report *Progress in Management Improvement* obtainable from the Office of the Secretary.

Special studies and projects

Several revisions were made in the internal organizational structure of the Office of the Secretary to improve and strengthen the alignment and coordination of Treasury functions.

A special appraisal of the long-range planning of all Treasury bureaus and offices was completed and appropriate implementation of recommendations was under consideration at the end of fiscal 1962.

Staff of the Office of the Secretary visited 81 Treasury offices in 8 metropolitan areas in connection with the field appraisal project directed toward greater emphasis on the Treasury's management improvement program and increased field participation.

A study was completed of the administrative and training aspects of the Treasury Law Enforcement Officer Training School, and steps were being taken at the close of fiscal 1962 to effect improvements in it.

The Treasury Department Plan for Appraisal of Field Organization and Management, designed for the individual needs of the bureaus, was completed and submitted to the Bureau of the Budget. The special reviews called for in the plan have been conducted or will be completed in the near future.

In 10 metropolitan areas where the Civil Service Commission established Federal executive boards during the year, 79 Treasury field officials were designated to participate as members.

A comprehensive study of the roles and missions of the U.S. Coast Guard was completed and 80 recommendations were submitted for approval and implementation. The study group, which participated actively during a nine-month period, included staff members from

[1] See bureau reports for significant bureau accomplishments.

the Treasury Department, the Bureau of the Budget, and the Department of Defense.

Financial management [1]

In connection with the Government-wide responsibility of the Department for central accounting and financial reporting, that portion of the Treasury's system of central accounts which relates to accounting in the regional accounting offices of the Bureau of Accounts was streamlined effective July 1, 1961. Improvement of the new procedures continued throughout fiscal 1962. It is expected that these improvements and others planned will result in an increase in annual recurring savings from the $94,686 reported for fiscal 1962 to $150,000 thereafter.

Responsibility for fiscal internal auditing and administrative accounting for appropriations and funds was transferred from the Fiscal Assistant Secretary and the Commissioner of Accounts to the Administrative Assistant Secretary by Treasury Order No. 170–9 dated July 28, 1961 (see exhibit 51). This, together with his responsibilities in the areas of budgeting, personnel, and management and organization, represents a significant step toward a "controller type" of organization. Internal issuances relating to accounting were reviewed and a new series of accounting policy statements were prepared and issued, with the old series rescinded as obsolete.

The Department conducted a general overall preliminary evaluation of the internal audit programs of all Treasury bureaus. Also, full appraisals were made of the fiscal internal audit systems in actual operation in two bureaus. In addition substantial departmental assistance was provided in the revision of the internal audit system and programs of one bureau, and similar assistance was being extended to two other bureaus.

Personnel management

Significant advances were made toward achieving the following Office of Personnel objectives: Improved service to management at all levels in the Department; effective leadership in personnel administration; and improved cooperation and better utilization of available resources within and outside the Department.

President Kennedy's Executive Orders 10987 and 10988 on agency appeals systems and employee-management cooperation in the Federal Service constituted two of the year's most significant personnel developments. Regulations implementing these orders and revised standards of conduct were prepared cooperatively by representatives of the bureaus and the Office of Personnel.

The fifth Treasury Department orientation program was held for middle and upper management personnel from the bureaus and the Office of the Secretary. The Secretary of the Treasury and his key assistants briefed 110 employees at the training sessions on Treasury organization and functions.

A comprehensive study of qualifications and classification standards of Treasury enforcement agents was initiated and virtually completed during the year.

[1] See detailed statement in the *Annual Report to the Secretary of the Treasury on Improvements in Financial Management.*

Delegations of personnel authority were rewritten and approved by the Secretary. Bureaus were aided in developing classification and qualification standards. Guides on manpower utilization were issued. A new system for reporting training was devised, and analyses of training programs were made and supplied to bureau heads and top departmental staff. A new system was devised for reporting activities in the equal employment opportunities areas.

In keeping with management's emphasis on measures to increase productivity, there was a significant growth in employee-training throughout the Department. More than 95,000 courses were completed, representing some 3.5 million man-hours of training, an increase over 1961 of 47 percent in courses completed, and 36 percent in man-hours of training. The largest number was in the technical, scientific, and professional area which accounted for 54 percent of the total courses completed and 87 percent of the total man-hours of training.

The Office of the Secretary stressed the development of executive skills, and emphasized the effective use of available training resources within and outside the Federal service in meeting Treasury training requirements. Among the external resources used by the Department in the training of high level personnel were: the Industrial College of the Armed Forces; the National War College; the Depart- of State's Foreign Service Institute; the Brookings Institution; the Woodrow Wilson School of Public and International Affairs at Princeton University; and the Civil Service Commission.

The first State-Treasury personnel exchange program was initiated in consonance with a recommendation of the Subcommittee on National Policy Machinery of the Senate Committee on Government Operations.

A plan was developed with the Civil Service Commission for nationwide inspection of Treasury personnel management in fiscal 1963 which provided for Department participation in the Civil Service Commission inspection and utilization of Civil Service Commission evaluations.

Incentive awards program

The Department continued to stimulate interest in the incentive awards program with particular emphasis on encouraging employees to make worthwhile suggestions. This emphasis on useful suggestions resulted in a slight drop in the number of suggestions received and those adopted. There was an increase of 75 percent in the estimated tangible savings over those in 1961. There was also a 20 percent increase in the number of performance awards. The payment of awards for superior work performance provided a valuable incentive for increased production on routine jobs.

Safety program

For calendar 1961 the Treasury Department and the Department of the Army shared the President's Safety Award for establishments having more than 75,000 employees. The disabling injury frequency rate (the number of lost time injuries per million man-hours) was reported as 3.5, the lowest ever recorded by the Treasury Department. The number of injuries dropped from 633 in calendar 1960 to 590 in calendar 1961 reflecting the success of accident prevention efforts.

Property management

The Department continued its vigorous efforts to dispose of excess real and personal property promptly and to take full advantage of surplus property available from other agencies.

Eight properties, consisting of land and improvements with a total acquisition cost of $85,000, were declared excess. Four other properties previously declared excess were sold for $28,000. Of real property not involving acreage, 87 parcels, having a total acquisition cost of $1,700,000, were disposed of, and 86 additional parcels, having a total acquisition cost of $669,000, were approved for disposal. In addition to financial receipts, the disposal of these properties will reduce maintenance and protection costs.

Treasury bureaus were moved into new buildings at 10 locations. In several instances these moves permitted the housing under one roof of offices formerly widely scattered. This resulted in: saving time, salaries of employees, and transportation costs; bringing together various phases of related work; and, greater convenience to the public.

During fiscal 1962, the Treasury Department received from other Federal agencies without reimbursement excess personal property with an original acquisition cost of about $2 million, and declared excess personal property with an original acquisition cost of about $14 million.

Bureau of the Comptroller of the Currency [1]

The Bureau of the Comptroller of the Currency is responsible for the execution of laws relating to the supervision of national banking associations. The duties of the office include those incident to the formation and chartering of new national banking associations, the examination of all national and District of Columbia banks, the establishment of branch banks, the consolidation of banks, the conversion of State banks into national banks, recapitalization programs, and the issuance and redemption of Federal Reserve notes.

There were numerous significant developments in the Bureau of the Comptroller of the Currency during the fiscal year 1962. A policy of full public disclosure has been established. Public hearings now are held on all matters involving issues of national interest with respect to mergers, consolidations, applications to organize new national banks, branch applications, and other related matters. This approach has exposed operations of the Comptroller's office to full public view, thus assuring timely and objective action compatible with the views, principles, and laws involved. In addition to the policy of full public disclosure, a program was established for distributing to all national banks and other interested parties copies of communications relating to policies and procedures of the Comptroller's office. To accomplish this, the publication of *The Weekly Bulletin* was instituted to announce receipt of and action taken on applications for new charters, branches,

[1] Additional information concerning the Bureau of the Comptroller of the Currency is contained in the separate *Annual Report of the Comptroller of the Currency.*

mergers, consolidations, purchase of assets, assumption of liabilities, name and location changes, conversions, and other information of interest to national banks and the entire financial community.

Effective August 1, 1962, the Comptroller's office established 14 regional offices in lieu of the old system of 12 district offices. This regionalism of the National Banking System eliminated split States, resulted in a better distribution of examination work among field offices, facilitated optimum utilization of bank examining manpower, and gave long overdue recognition to the economic growth in the Northwestern States, the Rocky Mountain States, and the Southern States.

A broad and intensive study was made of the practical problems which confront the National Banking System in coping with the ever-changing factors of our modern dynamic economy. The Comptroller of the Currency sought and received the cooperation and assistance of this country's bankers who face the day-to-day practical problems of modern banking. Twenty-four of the leading bankers served as advisers to the Comptroller in order to prepare the study. A complete and thorough reexamination was made of the entire structure of the National Banking System, including laws, regulations, policies, procedures, forms, and examinations. The study which was submitted to the Comptroller on September 11, 1962, has thrown light on those factors which have impeded the proper functioning of the commercial banks. Prompt action will be taken on all matters which can appropriately be the subject of new and revised regulations issued by the Comptroller within the framework of present laws. Where needed, additional legislation will be proposed to provide greater flexibility and additional capacity to national banks, so that they may more effectively meet the needs of the public and business for credit and other banking services.

Other major improvements resulting from changes within the Bureau are speedier action on applications for charters, mergers, and branches. All persons concerned with these functions were notified and a system of reporting was established to assure adherence to time standards. This approach has greatly expedited business of the utmost importance to the banking community. Under former procedure, bank examination reports were sent to the Washington headquarters of the Comptroller's office where employees of the central office dealt directly with national bank officials on all matters requiring attention. It is now the policy of this Office to have regional chief national bank examiners deal directly with national bank officials on these matters.

There have been many other accomplishments in the Bureau of the Comptroller of the Currency during the past year. Though there are many more to be made, the new program has given the banking community a new spirit of progress and accomplishment. The vigor, energy, enterprise, and initiative which banks throughout the country are displaying are clearly evident in the constant flow of proposals for new charters, new branches, additional capital flotations, as well as in plans for mergers, consolidations, and for the formation of bank holding companies. Fresh capital is being committed in increasing amounts to new banking ventures at home, and opportunities abroad are being explored at an accelerating rate. Confidence in the national banking community is at a high level.

Abstract of reports of condition of active national banks on the date of each report from June 30, 1961, to June 30, 1962

[In thousands of dollars]

	June 30, 1961 (4,524 banks)	Sept. 27, 1961 (4,523 banks)	Dec. 30, 1961 (4,513 banks)	Mar. 26, 1962 (4,498 banks)	June 30, 1962 (4,500 banks)
ASSETS					
Loans and discounts, including overdrafts	63,439,852	65,126,699	67,308,734	67,464,993	69,770,562
U.S. Government securities, direct obligations	33,397,413	35,613,945	35,959,763	34,928,617	34,382,833
Obligations guaranteed by U.S. Government	124,680	124,167	127,915	126,471	125,219
Obligations of States and political subdivisions	10,123,742	10,630,990	11,077,350	11,898,873	12,808,791
Other bonds, notes, and debentures	1,419,736	1,590,467	1,569,230	1,525,106	1,772,265
Corporate stocks, including stocks of Federal Reserve Banks	337,241	340,572	359,281	367,439	381,100
Total loans and securities	108,842,664	113,426,840	116,402,273	116,311,499	119,240,770
Cash, balances with other banks, and cash items in process of collection	25,274,240	24,489,635	31,078,445	25,161,121	26,860,010
Bank premises owned, furniture and fixtures	1,774,055	1,807,908	1,849,848	1,884,555	1,931,130
Real estate owned other than bank premises	53,978	58,226	61,365	66,398	65,176
Investments and other assets indirectly representing bank premises or other real estate	187,073	191,515	191,196	195,312	187,289
Customers' liability on acceptances	441,638	459,098	479,808	477,513	453,726
Other assets	725,347	750,041	746,117	741,979	820,783
Total assets	137,298,995	141,183,263	150,809,052	144,838,377	149,558,884
LIABILITIES					
Demand deposits of individuals, partnerships, and corporations	59,212,875	60,131,865	67,138,117	60,143,776	60,704,744
Time and savings deposits of individuals, partnerships, and corporations	40,338,073	41,379,308	42,034,484	44,710,715	46,974,830
Deposits of U.S. Government and postal savings	3,756,972	4,843,695	3,527,015	3,976,499	5,639,542
Deposits of States and political subdivisions	9,762,861	9,164,153	10,270,143	9,845,648	10,389,793
Deposits of banks	7,848,020	8,252,977	10,463,584	8,163,124	8,277,623
Certified and officers' checks, etc.	1,566,137	1,399,562	2,077,274	1,404,524	1,741,128
Total deposits	122,484,938	125,171,560	135,510,617	128,244,286	133,727,660
Demand deposits	78,891,899	80,512,872	89,965,459	79,725,825	82,834,181
Time and savings deposits	43,593,039	44,658,688	45,545,158	48,518,461	50,893,479
Mortgages or other liens on bank premises and other real estate	3,338	3,447	3,773	3,552	3,574
Rediscounts and other liabilities for borrowed money	355,466	1,085,863	224,615	1,253,307	379,445
Acceptances outstanding	448,976	467,225	489,640	484,797	462,658
Other liabilities	2,567,224	2,776,551	2,705,101	2,807,585	2,742,687
Total liabilities	125,859,942	129,504,646	138,933,746	132,793,527	137,316,024
CAPITAL ACCOUNTS					
Capital stock	3,478,403	3,510,219	3,577,244	3,651,736	3,682,475
Surplus	5,620,169	5,655,738	5,935,779	6,058,057	6,123,886
Undivided profits	2,071,321	2,237,432	2,080,103	2,067,971	2,164,235
Reserves and retirement account for preferred stock	269,160	275,228	282,180	267,086	272,264
Total capital accounts	11,439,053	11,678,617	11,875,306	12,044,850	12,242,860
Total liabilities and capital accounts	137,298,995	141,183,263	150,809,052	144,838,377	149,558,884

Changes in the condition of active national banks

The total assets of the 4,500 active national banks in the United States and possessions on June 30, 1962, amounted to $149,559 million, as compared with the total assets of 4,524 banks amounting to $137,299 million on June 30, 1961, an increase of $12,260 million during the year. The deposits of the banks in 1962 totaled $133,728 million, which was $11,243 million more than in 1961. The loans in 1962 were $69,771 million, exceeding the 1961 figure by $6,331 million. Securities held totaled $49,470 million, an increase of $4,067 million during the year. Capital accounts of $12,243 million were $804 million more than in the preceding year.

Summary of changes in number and capital stock of national banks

The authorized capital stock of the 4,502 national banks in existence on June 30, 1962, consisted of common stock aggregating $3,682 million, and preferred stock aggregating $3.2 million. The common stock of the 4,525 national banks in existence a year earlier amounted to $3,478 million, and preferred stock to $1.3 million. During the year charters were issued to 47 national banks having an aggregate of $17.1 million of common stock and $2 million of preferred stock. There was a net decrease of 23 in the number of national banks in the system by reason of voluntary liquidations, statutory consolidations and mergers, conversions to and mergers or consolidations with State banks under the provisions of the act of August 17, 1950 (12 U.S.C. 214), and one receivership.

More detailed information regarding the changes in the number and capital stock of national banks in 1962 is shown in the following table.

Organizations, capital stock changes, and liquidations of national banks, fiscal year 1962

	Number of banks	Capital stock	
		Common	Preferred
Charters in force June 30, 1961, and authorized capital stock [1]	4,525	[r] $3,477,504,359	$1,323,300
Increases:			
Charters issued	47	17,106,000	2,000,000
Capital stock:			
232 cases by statutory sale		45,753,295	
506 cases by statutory stock dividends		122,443,591	
1 case by stock dividend under articles of association		25,000	
31 cases by statutory consolidation		15,970,540	
31 cases by statutory merger		12,033,367	
Total increases	47	213,331,793	2,000,000
Decreases:			
Voluntary liquidations	18	2,720,000	
Statutory consolidations	22		
Statutory mergers	13		
Conversions into State banks	3	675,000	
Merged or consolidated with State banks	13	3,866,200	
Receivership	1	25,000	
Capital stock:			
6 cases by statutory consolidation		980,650	
3 cases by statutory merger		225,500	
4 cases by retirement			163,660
Total decreases	70	8,492,350	163,660
Net change	−23	204,839,443	1,836,340
Charters in force June 30, 1962, and authorized capital stock [1]	4,502	3,682,343,802	3,159,640

[r] Revised.
[1] These figures differ from those in the preceding table. The figures as of June 30, 1961, include one new bank not yet open for business, and one bank in the process of merging or consolidating with and into a State bank under the provisions of the act of Aug. 17, 1950 (12 U.S.C. 214), and exclude one bank consolidated with another national bank under the provisions of the act of Nov. 7, 1918, as amended (12 U.S.C. 215). The figures as of June 30, 1962, include two new banks not yet open for business, one bank in the process of going into voluntary liquidation, one bank in the process of merging or consolidating with and into a State bank, and exclude three banks consolidated with and one bank merged with other national banks under the provisions of the act of Nov. 7, 1918, as amended (12 U.S.C. 215).

Bureau of Customs

The major responsibility of the Bureau of Customs is to administer the Tariff Act of 1930, as amended. Primary duties include the assessment and collection of all duties, taxes, and fees due on imported merchandise, the enforcement of customs and related laws, and the administration of certain navigation laws and treaties. As an enforcement organization, the Bureau of Customs is concerned primarily with combating smuggling and frauds on the revenue. It also enforces the regulations of numerous other Federal agencies.

Collections

Revenue collected by the Customs Service during the fiscal year 1962 was an alltime record of approximately $1,624 million, or 14.1 percent, more than the $1,423 million collected in 1961. These figures include customs duty collections, excise taxes on imported merchandise collected for the Internal Revenue Service, and certain miscellaneous collections. Larger customs collections than in fiscal 1961 were reported by 42 out of 45 customs districts. Collections by customs districts are shown in table 21.

Customs duty collections alone amounted to more than $1,171 million, 16.2 percent more than the $1,008 million collected in 1961. Collections by Customs of internal revenue taxes on imported liquors, wines, perfumes, etc., amounted to almost $445 million, 9.5 percent more than the $406 million collected in 1961. Miscellaneous collections amounted to almost $8 million, a decrease of 14.9 percent from those collected in 1961. The major classes of all collections by the Customs Bureau are shown in table 22.

Of all imports into the United States during fiscal 1962, more than 38 percent were duty free. Included were some commodities, such as copper and iron and steel scrap, imported free for Government stockpile purposes, or authorized by special acts of Congress for free entry although dutiable under the Tariff Act of 1930, or taxable under the Internal Revenue Code. The 62 percent which was dutiable constituted the basis of customs duties on imports.

Customs operations in 1962

Vehicles and persons entering.—Nearly 158 million persons were subject to customs inspection in fiscal 1962. More than 45.4 million carriers entered U.S. harbors, international airports, or crossed U.S. borders, bringing nearly 128 million passengers. In addition, approximately 30 million persons walked across the borders. There was an 0.4 percent increase in carriers and an 0.3 percent increase in persons entering the United States as compared with fiscal 1961. Statistics for the two years are contained in tables 98 and 99.

Entries of merchandise.—The volume of imports into the United States in fiscal 1962 resumed its long-term rise, breaking the record set in fiscal 1960. The value totaled $15.5 billion, up $1.7 billion from fiscal 1961. Formal entries of merchandise, comprising consumption, warehouse, and rewarehouse, exceeded one million for the seventh consecutive year, and 1.5 million for the first time in history. There were 1,547,940 formal entries filed during fiscal 1962, a 10.7 percent increase over 1961. Baggage declarations and informal entries covering mail importations and other shipments valued at less than

$250 totaled 7,079,926, an increase of 29.1 percent. The volume of entries handled by customs officers during the past two years is shown in table 96.

Drawback transactions.—Drawback allowance on the importation of merchandise manufactured from imported materials and for certain other export transactions usually amounts to 99 percent of the customs duties paid at the time the goods are entered. The total drawback paid in fiscal 1962 was $14,756,430, an increase of 27.3 percent over 1961. The principal imported materials used in manufactured exports in 1962 were petroleum and its products; chemicals; citrus fruit juices; tobacco, unmanufactured; coal-tar products; sugar; watch movements; copper and manufactures; iron and steel semimanufactures; aluminum; and medicinal preparations. Table 97 shows the drawback transactions for 1961 and 1962.

Appraisement of merchandise (including Customs Information Exchange).—The number of invoices filed during fiscal 1962 increased 8.5 percent; 2,366,771 compared with 2,181,008 in 1961. The number of packages examined by appraisers' personnel totaled 1,504,689, an increase of 9.3 percent over the 1,377,351 examined in fiscal 1961.

The backlog of unappraised invoices more than 30 days old rose to 307,000, reflecting an increase of 58.2 percent over the 194,000 on hand at the close of fiscal 1961. This sharp rise may be attributed to the initiation in January 1962 of the U.S. import duties annotated verification program (USIDA) which requires customs examiners to be responsible for the verification of four statistical elements, i.e., country of origin, commodity code number, unit of quantity, and value with respect to each item on each invoice of imported merchandise. During the first 5 months of operation, 652,759 entries were verified. These comprised 1,145,531 individual items, each requiring four verifications. There were 289,322 items (25.3 percent of the total) which required correction of one or more of the verified elements.

Under the Antidumping Act of 1921, as amended (19 U.S.C. 160–171), 16 complaints were received, compared with 32 in 1961. The disposal of 33 cases left 12 under investigation at the end of fiscal 1962, compared with 29 the previous year. For a determination as to possible injury to American industry four cases were referred to the U.S. Tariff Commission. One new case on countervailing duty was received in addition to the three cases carried over from 1961. Three cases were closed, leaving one outstanding.

Two new cases involving convict labor were received during the year in addition to the one case carried over from 1961. One case was closed, leaving a balance of two cases.

The activities of the Customs Information Exchange in New York, N.Y., continued at approximately the same high level as that of 1961. Appraisers' reports of classification and value, covering a cross section of imported merchandise received at each port, totaled 76,000 compared with 78,000 in 1961. These reports indicate the relative number of commodity items received at any given port for the first time, as well as regularly received items at new prices or subject to different terms of sale from previous shipments.

Classification and value differences indicate the number of instances where the value or classification of merchandise information varied among ports or when the conclusions of appraising officers differed. In the latter, additional study and analysis were required before a uniform price or rate could be established. There were 6,775 reports of value differences during fiscal 1962, as compared with 7,243 in 1961. Differences in classification totaled 4,693 during 1962 compared with 4,803 in 1961, indicating a decrease in new commodities received.

Detailed investigations abroad to obtain information for appraisement decreased from 215 in fiscal 1961 to 212 in 1962. The low incidence of inquiries was ascribed to the continuing effect of the elimination of foreign value as a basis of appraisement under the terms of the Customs Simplification Act of 1956 (19 U.S.C. 1402) and to the current regulation which permits a foreign inquiry only as a last resort in securing value information.

Technical services.—The laboratories of the Technical Services Division analyzed about 132 thousand samples in fiscal 1962, an increase of 6.5 percent over those in 1961. The increase in the number of samples was general with approximately two-thirds of the classes reflecting an increase. Imported merchandise samples submitted for appraisement and tariff classification information made up the large majority of those analyzed. Other types analyzed were those taken from seizures, mainly of narcotics and other prohibited merchandise; preshipment samples of merchandise intended for shipment to the United States analyzed to assist in establishing proper classification; and samples tested for other Government agencies.

Chief chemists analyzed cargo sample weighing data to assure that accuracy and precision were within control limits. Studies were made of 20 cargoes of raw sugar, 47 cargoes of refined sugar, and 58 cargoes of tobacco. Statistical evaluation of the verification of liquidations by comptrollers (final determination of duty and taxes) and the development and furnishing of investigative aids for enforcement officers were continued.

The division recommended tentative approval of bulk weighing and sampling equipment at three locations. Installations at two other locations were being considered at the close of the fiscal year.

A contract was awarded for the construction of a 75-ton capacity truck scale in Brooklyn, N.Y.

In cooperation with the Immigration and Naturalization Service, plans and specifications were prepared and contracts were awarded for the construction of a border station and two residences at the following locations: Lancaster, Minn.; Opheim, Mont.; Antler, Fortuna, Hannah, Sarles, and Walhalla, N.D. Several of these construction projects have been completed. Construction plans of various projects involving space for Customs prepared by the General Services Administration or engineering firms were reviewed and appropriate changes recommended. The General Services Administration has awarded contracts for an inspection station at Massena, N.Y., and at Sault Ste. Marie, Mich. Other major General Services Administration border projects now under way include Jackman, Lubec, Vanceboro, and Van Buren, Me.; Derby Line and Highgate Springs, Vt.;

Lewiston Bridge, N.Y.; Del Rio and El Paso (Cordova Island), Tex.; Nogales, Ariz.; Pigeon River, Minn.; Sweetgrass, Mont.; and Pembina, N.D.

Export control.—The following table shows the volume of export control activities:

Activity	1961	1962	Percentage increase, or decrease (−)
Export declarations authenticated	4,758,249	4,721,709	−0.8
Shipments examined	596,457	641,489	7.5
Number of seizures	222	196	−11.7
Value of seizures	$656,903	$504,707	−23.2
Export control employees	173	201	16.2

Protests and appeals.—Protests filed by importers against the rate and amount of duty assessed and other decisions made by collectors of customs increased 4.6 percent. Appeals for reappraisement filed by importers who did not agree with appraisers as to the value of merchandise decreased 37.1 percent. The following table shows the number of protests and appeals filed during fiscal 1961 and 1962.

Protests and appeals	1961	1962	Percentage increase, or decrease (−)
Protests:			
Filed with collectors by importers (formal)	35,627	37,270	4.6
Filed with collectors by importers (informal)	n.a.	52,374	
Allowed by collectors	3,532	n.a.	
Denied by collectors and forwarded to customs court	27,907	n.a.	
Appeals for reappraisement filed with collectors	27,281	17,164	−37.1

n.a. Not available.

Marine activities.—Vessels in the American merchant marine continued to increase during fiscal 1962. At the end of the year the documented fleet totaled 52,730, an increase of 3.2 percent. During the year 1,476 vessels were removed from documentation so that approximately 3,100 vessels (roughly the total number of all sizes built) never before documented were added. Approximately 8,700 were documented as yachts and almost 44,000 were authorized through documentation to be used in commercial activities in foreign, coasting, or fishing trades. There was an increase of 16 percent in the number of vessels documented as yachts. The following table compares the volume of marine documentation during fiscal years 1961 and 1962.

Activity	1961	1962	Percentage increase, or decrease (−)
Total vessels documented at end of year	51,115	52,730	3.2
Documents issued (registers, enrollments, and licenses)	17,396	17,286	−.6
Licenses renewed and changes of master endorsed	47,440	49,238	3.8
Mortgages, satisfactions, notices of lien, bills of sale, abstracts of title, and other instruments of title recorded	14,954	15,707	5.0
Abstracts of title and certificates of ownership issued	7,754	7,597	−2.0
Navigation fines imposed	2,919	n.a.	
Tonnage tax payments	23,731	n.a.	
Certificates and permits	1,152	1,493	29.6
Name changes	929	1,110	19.5

n.a. Not available.

Total gross tonnage of vessels documented at the end of fiscal 1962 was 25,489,871. The decrease in tonnage during the year was less than in other recent years, because a number of large vessels previously under foreign flag were admitted to American registry. As in 1961 such transfers apparently were made to qualify for participation in the transportation of foreign-aid cargoes under the Cargo-Preference Act, as amended (46 U.S.C. 1241(b)) which requires that at least 50 percent of such cargoes be shipped in American-flag vessels.

The Bureau redefined the rig classifications used in the documentation of vessels and added certain designations for new types of vessels, such as hydrofoil and nuclear craft. The Bureau eliminated distinctions between types of unrigged or nonself-propelled vessels, since such distinctions were no longer useful, and designated all such vessels as barges. Sail-propelled vessels were so designated, and distinctive rig designations such as "bark," "sloop," and "ketch," were eliminated.

Development of a simplified system of ship registry was continued. A packet of forms and an outline of procedures were being reviewed at the end of the year preparatory to transmittal to other appropriate Government agencies and to steamship companies and associations for further review and comment. The proposed changes will require legislation, which is in preliminary draft.

The Bureau of Customs continued to represent the Treasury Department on the Water Transportation Facilitation Committee, chaired by the Department of Commerce, and composed of all Government agencies interested in shipping problems. The committee continued work on developing an international program for simplifying entry and clearance controls. Attention has been focused on the Draft Convention for the Facilitation of International Waterborne Transportation in the Western Hemisphere, proposed as a regional agreement for adoption by the Organization of American States (OAS) through the Inter-American Ports and Harbors Conference. The convention, which is sponsored by the Permanent Technical Committee on Ports of the Conference, is modeled along the lines of the International Civil Aviation Organization (ICAO) agreement covering aircraft procedures and has attached an annex of standards and recommended practices. The committee was also active in assisting in the formulation of U.S. policy for the approaching meeting of a committee on travel and transport of the Intergovernmental Maritime Consultative Organization (IMCO), which is considering similar action on the broader international scope of the latter group. The United States has suggested to IMCO that the OAS draft convention and annex might serve as a basis for consideration in implementing its own program. The Customs Bureau is vitally interested in the work of the Water Transportation Facilitation Committee because the first impetus of the work program in the facilitation field is expected to be in the area served by Customs. This agency has a wide interest in the whole field of waterborne transportation procedures through its responsibilities for assisting other agencies with enforcement of regulations. These include: Manning and inspection requirements of the U.S. Coast Guard; quarantine requirements of the U.S. Public Health Service; and immigration requirements of the U.S. Immigration and Naturalization Service.

It is expected that the Bureau will be represented on the U.S. delegations to the meeting of the IMCO group in London, England, in November 1962 and in the OAS meeting which is scheduled to follow the IMCO meeting.

The Subcommittee on Tonnage Measurement, Intergovernmental Maritime Consultative Organization, met in London, England, from December 11 through 15, 1961. The U.S. delegation, headed by Customs, presented for consideration a simplified formula for the admeasurement of cargo and passenger vessels. The subcommittee set up a working group to consider as a matter of urgency and recommend to the subcommittee proposals for the treatment of shelter-deck ships for tonnage-measurement purposes. The working group also is to develop detailed proposals for a universal system of tonnage measurement based upon unification of existing systems or national proposals for new systems, such as the U.S. simplified formula.

The U.S. delegation is participating in the program of the working group and is studying and evaluating the foreign proposals. Work is continuing within the United States to refine and extend the coverage of the U.S. proposals in the light of foreign evaluations and our own national requirements. At the end of fiscal 1962, the Tonnage Measurement Subcommittee of the U.S. Shipping Coordinating Committee, also headed by Customs, was drafting a proposal dealing with shelter-deck treatment for consideration of the working group and recommendation to the IMCO subcommittee.

The shelter-deck spaces are cargo spaces between decks and the superstructures of vessels. It is desired to continue the present exemptions of shelter-deck spaces from inclusion in tonnage without requiring the tonnage openings and other features now required. Domestic legislation would be required to put the U.S. proposals into effect.

Amending legislation enacted on August 17, 1961 (46 U.S.C. 35) permits that U.S. vessels sold while abroad may be documented anew as vessels of the United States in such manner and under such circumstances as prescribed by the Secretary of the Treasury. Previously, the vessels could not be redocumented until they returned to the United States. Legislation was enacted on August 30, 1961 (46 U.S.C. 404a) to permit a fishing vessel to transport without monetary consideration the catch of another U.S. fishing vessel from the high seas to a port in the United States without having to exchange their fishing licenses for registers. By an amendment to the Ship Mortgage Act of 1920, dated September 26, 1961 (46 U.S.C. 922), preferred mortgages may be placed on towboats, barges, scows, lighters, car floats, canal boats, or tank vessels of not less than 25 gross tons. Previously, preferred mortgages could be placed on such vessels only if they measured 200 gross tons or more. Pursuant to an act of June 30, 1961 (46 U.S.C. 289b), passengers may be transported on Canadian vessels in southeastern Alaska, and passengers and merchandise may be transported on Canadian vessels between Hyder, Alaska, and other points in Alaska and other points in the United States, until the Secretary of Commerce determines that U.S. flag service is available to provide such transportation. Several legislative proposals were reviewed which would exempt foreign vessels in certain circumstances from the prohibition against transporting merchandise between points in the United States.

The exemption of water-ballast spaces from gross tonnage was reviewed in the light of the adaptation and availability of such spaces. As a result, new requirements connected with the granting of exemptions from gross tonnage for water-ballast spaces were put into effect and provisions made for a Bureau review of all cases where such exemption exceeds 30 percent of the vessel's gross tonnage, calculated without any allowance for water ballast.

Instructions were issued to clarify the treatment of water-ballast spaces bounded by wood. This action was predicated upon Coast Guard rulings that water-ballast spaces in hull compartments bounded by wood could not be considered properly constructed and are not useable for water ballast. It was determined that such spaces should be included in gross tonnage.

The United States added Greece to the list of countries whose admeasurement rules it recognizes. Consequently, Greek vessels, the registers of which indicate gross and net tonnages determined under its national rules, are taken in ports of the United States to be of the tonnage so expressed.

Applications for admeasurement of yachts increased at some ports during the spring and summer; however, the overall backlog of applications was reduced through the use of additional personnel. The applications received at the end of fiscal 1962 were being processed and the yachts scheduled for admeasurement within a reasonable time. Two hydrofoil vessels were measured during the year, one of which was built in the United States as an experimental vessel for the U.S. Maritime Administration. New vessels built for oceanographic research and existing vessels being converted to such service were also measured.

A procedure to facilitate the frequent exchange of information between the Panama Canal admeasurers and Customs has resulted in a better understanding of Canal admeasurement practices and is expected to prove helpful in the Bureau's issuance of Panama Canal tonnage certificates.

At the request of the Military Sea Transportation Service, Department of the Navy, waiver of the navigation laws of the United States was granted pursuant to the authority contained in the act of December 27, 1950 (46 U.S.C. 1 note), to permit certain foreign-flag vessels under time charter to Military Sea Transportation Service to transport military cargo and passengers between Cape Canaveral, Fla., and San Juan and Mayaguez, P.R., for a period of two years from December 9, 1961.

At the request of the Acting Secretary of the Army, waiver of the navigation laws was granted to the extent necessary to permit Canadian vessels to be employed in dredging, towing, and transporting of merchandise and passengers in connection with the dredging of

Wolfe Island Cut on the Saint Lawrence River. This operation is related to the Saint Lawrence Seaway project.

Instructions were issued requiring vessels leaving ports in Alaska and Hawaii for noncontiguous territories of the United States to clear and present export declarations in the same manner as vessels departing from any other State. Instructions also were issued requiring that portable deck tanks be listed on a vessel's inward manifest as cargo regardless of their customs status otherwise. Vessels clearing for ports in the Sino-Soviet bloc, Hong Kong, Macao, or Cuba, were held to be subject to the requirement for filing, before departing, outward manifests and export declarations for the cargo aboard destined only for such ports and not for cargo destined for other ports on the same voyage.

Australia was added to the list of countries whose yachts may obtain licenses to cruise in U.S. waters without entering and clearing at each domestic port of call and without paying tonnage taxes and other entry fees. This was done in anticipation of the imminent arrival of an Australian competitor in the American cup races and upon satisfaction that yachts of the United States were granted reciprocal privileges by the Australian Government.

The following table compares entrances and clearances of vessels in fiscal 1961 and 1962.

Vessel movements	1961	1962	Percentage increase, or decrease (−)
Entrances:			
Direct from foreign ports	48,364	47,463	−1.9
Via other domestic ports	38,459	39,631	3.0
Total	86,823	87,094	.3
Clearances:			
Direct to foreign ports	46,421	45,772	−1.4
Via other domestic ports	38,193	39,667	3.9
Total	84,614	85,439	1.0

Law enforcement and investigative activities.—The Customs Agency Service conducted 20,356 investigations during 1962, compared with 18,828 in 1961, an increase of 8.1 percent. These investigations were made under the customs, navigation, and related laws administered by the Bureau of Customs and several laws administered by other Government agencies and enforced by Customs. Table 101 shows the number and types of cases investigated during 1961 and 1962.

As in other recent years, the most active enforcement districts were: Laredo, Tex., with 637 arrests and 245 convictions; Los Angeles, Calif., with 499 arrests and 285 convictions; and New York, N.Y., with 99 arrests and 59 convictions.

Customs agents made 1,429 arrests and convicted 685 violators, compared with 1,483 arrests and 743 convictions in fiscal 1961. The following table shows the number of arrests and dispositions during fiscal 1961 and 1962.

Activity	1961	1962	Percentage increase, or decrease (−)
Arrests	1,483	1,429	−3.7
Convictions	743	685	−7.8
Acquittals	34	33	−3.0
Nolle prossed	101	67	−33.7
Dismissed	399	283	−29.1
Not indicted	14	4	−71.4
Under, or awaiting indictment	r 396	456	15.2
Turned over to State and other Federal authorities for prosecution	208	297	42.8

r Revised.

Officers of the Customs Agency Service cooperated during fiscal 1962 with Federal, State, and local law enforcement agencies and with officials of foreign governments in 6,127 cases, 937 more than in fiscal 1961.

Customs agents and enforcement officers made 5,819 seizures during fiscal 1962, as compared with 4,017 seizures in 1961. Fines and penalties incurred in fiscal 1962 totaled $21,374,970 compared with $28,469,300 in 1961.

Although included in statistics for the Customs Agency Service as a whole, the customs port investigators made 344 arrests during fiscal 1962, as compared with 265 the year before. They also made 3,753 seizures of merchandise in fiscal 1962, compared with 2,579 in 1961, with a total appraised value of $8,728,834 and $8,409,141, respectively.

Between September 1961 and April 1962, a task force was formed of representatives of the Office of the Secretary of the Treasury, the Bureau of the Budget, and the Bureau of Customs to survey and determine the enforcement requirements of the Customs Agency Service. The group visited more than a dozen ports including the New York International Airport. The study included utilization of personnel, management and supervision, equipment, duty assignments, geographical areas requiring enforcement coverage, efficiency of personnel, radio and automotive equipment, and electronic investigative aids. The task force study concluded: That the concept of basic customs enforcement is in harmony with present policy and will remain so in the foreseeable future; that the present system of customs enforcement is as efficient as current resources permit; and that the request of the Bureau of Customs for an increase in personnel and equipment to meet its enforcement responsibilities is justified. It recommended that the Customs Agency Service force be increased to 1,200 customs port investigators, the build-up to be extended over a three-year period. The task force concluded that the Bureau's enforcement efficiency has reached the highest level in its history limited only by inadequate strength. The consolidation of the intelligence gathering and investigative arm with the basic enforcement functions has resulted in a balanced law enforcement organization with adequate authority, and professional standards in the concept, training, morale, and dedication to duty of national significance.

Customs seizures of narcotic drugs during fiscal 1962 declined from the unusually large amounts for 1961 as detailed in the following table.

Seizures of narcotic drugs

Drug seizures	Fiscal years 1961	Fiscal years 1962	Percentage increase, or decrease (−)
Narcotic drugs: (weight in grams)			
Heroin	11,177.13	2,357.80	−78.9
Number of seizures	147	111	−24.5
Raw opium	27,364.23	7,553.59	−72.4
Number of seizures	9	8	−11.1
Smoking opium	17,383.99	7,651.75	−56.0
Number of seizures	19	10	−47.4
Others	3,790.64	9,347.15	146.6
Number of seizures	153	283	85.0
Marihuana: (weight in kilograms)			
Bulk	3,645.573	9,176.824	151.7
Number of seizures	397	429	8.1
Cigarettes—(Number)	3,255	1,766	−45.8
Number of seizures	176	139	−21.0

Cocaine has declined in prominence with two seizures of about four pounds each. In both cases the indicated source was Bolivia.

Mexico continues to supply at least 95 percent of the marihuana consumed in the United States. During fiscal 1962 several important gangs trafficking in this commodity were put out of business. One of the most active operated from El Paso, Tex., to New York, N.Y. In a year-long investigation customs agents arrested 9 members of this gang, who were all sentenced to periods varying from 2 to 15 years. Another investigation brought into custody 13 members and employees of a Chicago gang, several of whom received sentences of 2 to 10 years, while others are fugitives, having forfeited substantial bail. Another investigation resulted in the apprehension of 8 members of a gang in Junction, Tex., operating between Mexico and Detroit, Mich. The most recent conspiracy case, not concluded at the end of fiscal 1962, involved the arrest of 14 defendants who were engaged in smuggling marihuana through El Paso, Tex., and shipping it to Los Angeles, Calif.

Information developed by customs officers stationed abroad was responsible for the capture of several lots of narcotics destined for the United States. The largest involved 40 pounds of smoking opium and 13 pounds of heroin which Chinese crewmembers had smuggled aboard a British naval vessel in Singapore, and which the captain located between Honolulu and San Francisco, along with diamonds and jade valued at $70,000. Customs officers at Honolulu also seized $5,000 worth of Chinese medicines which crewmembers had smuggled into that port.

Seizures of merchandise throughout the country by all types of customs officers during fiscal 1962 for violation of laws enforced by the Customs Service numbered 16,475 with an appraised value of $26,853,303, compared with 14,658 seizures in 1961, appraised at $15,850,918. This reflected an increase of 12.4 percent in the number of seizures and 69.4 percent in the appraised value from the year before. Title to only a fraction of the merchandise captured passed to the Government, as most was destroyed or returned to the owners upon payment of fines or penalties. Details of seizures are shown in table 100.

Foreign trade zones.—During fiscal 1962 the value of merchandise received in Foreign Trade Zone No. 1 at New York, N.Y., increased by almost $5 million or 13 percent. Long tons delivered from the zone increased 4.3 percent over last year, although the value of such merchandise was 7.1 percent less. Three ships berthed to lade domestic ship's stores and 27 ships used the zone facilities for discharging cargo from foreign countries. Large quantities of refined sugar, radios, piece goods of wool and cotton, bulk and bottled liquor, cameras, Brazil nuts, steel, chemicals, machinery, caviar, talc, cutlery, zinc and lead ingots, and tungsten ore were stored and more than 6,700 manipulations operations were performed in the zone.

The number of entries received in Foreign Trade Zone No. 2 at New Orleans, La., increased 10.9 percent over last year. Duties and taxes collected increased 24.3 percent. Fishing lures were brought into the zone, commingled with American made lures, and assembled into kits. Other articles brought into this zone were Brazil nuts, casein, burlap, chemical compounds, chicory, chinaware, cotton, earthenware, fish meal, fish netting, lead and lead oxide, logs, lumber, musical instruments, mustard seed, sugar, tile, sewing machine heads, transistor radios, waste bagging, whiskey, wire rope, and personal and household effects. A grant for the establishment of Foreign Trade Subzone No. 2A, at New Orleans, was issued on February 14, 1962, by the Foreign Trade Zones Board.

There were decreases in all activities at Foreign Trade Zone No. 3 at San Francisco. No vessels used the zone facilities for discharging cargo, nor were any ships berthed to lade domestic ship's stores. There were 615 manipulations performed in the zone during the year.

The number of entries received at Seattle, Wash. (No. 5) increased 21.6 percent over fiscal 1961. Long tons received in the zone increased 40.7 percent and the value of goods received increased 27.2 percent. All activities at this zone increased with the exception of long tons and value of goods delivered from the zone. A wide variety of articles from many countries was received in the zone for the Seattle World's Fair. Largest tonnage commodities were ball and roller bearings, camp lanterns and stoves from Japan; waterproof wearing apparel from Norway; mung beans from Thailand; chemicals and machinery from Canada; cotton waste from Mexico; and exhibition material from France.

Foreign Trade Zone No. 7 began operations at Mayaguez, P.R., on August 21, 1961. Activities within this zone, which is 4½ miles inland from the piers, consisted of repacking and remarking of dental instruments, the marking of books, pamphlets, and wool sweaters with the country of origin, and the manufacture of raw cotton into cotton card laps.

Foreign Trade Subzone 7A opened at Penuelas, P.R., on May 1, 1962. Two vessels used the zone facilities for discharging cargo from foreign countries and two ships berthed in the zone to lade domestic ship's stores.

Foreign Trade Zone No. 8 at Toledo, Ohio, began operations on August 28, 1961. Goods entering this zone consisted of 14 different commodities from 9 countries of origin. Construction began in May 1962 to expand this zone's facilities by an additional 35,000 square feet.

The following table contains a brief summary of foreign trade zone operations during fiscal 1962.

Trade zone	Number of entries	Received in zone		Delivered from zone		Duties and internal revenue taxes collected
		Long tons	Value	Long tons	Value	
New York	5,182	42,868	$39,821,181	46,263	$37,109,941	$3,701,750
New Orleans	3,783	28,411	13,029,855	39,969	19,207,748	1,425,618
San Francisco	5,282	1,527	1,855,054	1,930	2,244,635	241,654
Seattle	800	418	701,388	337	557,841	110,247
Mayaguez	22	246	246,759	239	147,251	9
Penuelas	7	34,667	665,216	21,322	1,085,640	15,337
Toledo	291	12,146	7,088,575	7,937	4,723,879	24,025

Customs ports of entry, stations, and airports.—The limits of the ports of Atlanta, Ga., and Sitka, Alaska, were extended and redescribed to include areas not theretofore covered. The ports of entry at Beaufort and Morehead City, N.C., were consolidated as the port of Beaufort-Morehead City. A new customs station was established at Salisbury, Md. The designations of Hodgon and Littleton, Maine, as customs stations were revoked. The International Seaplane Base at Ranier, Minn., was designated as an international airport (airport of entry).

The following offices of the Appraiser of Merchandise, were established as principal customs field offices: District No. 47, Colorado; District No. 34, Dakota; District No. 40, Indiana; District No. 42, Kentucky; District No. 1, Maine and New Hampshire; District No. 19, Mobile; District No. 15, North Carolina; District No. 16, South Carolina; and District No. 43, Tennessee.

Cost of administration

Regular nonreimbursable customs employment increased 3.3 percent in fiscal 1962. Total employment increased 3.9 percent. Export control employment, financed by funds from the Department of Commerce, increased 16.2 percent, and employment financed by funds transferred from the Department of Agriculture increased 13.3 percent.

Customs operating expenses totaled $65,917,528, including export control expenses and the cost of additional inspection reimbursed by the Department of Agriculture.

The following table shows man-year employment data in fiscal 1961 and 1962.

Operation	Man-years 1961	Man-years 1962	Percentage increase
Regular customs operations:			
Nonreimbursable	7,328	7,573	3.3
Reimbursable [1]	302	315	4.3
Total regular customs employment	7,630	7,888	3.4
Export control	173	201	16.2
Additional inspection for Department of Agriculture	188	213	13.3
Total employment	7,991	8,302	3.9

[1] Salaries reimbursed to the Government by the private firms who received the exclusive services of these employees.

Management improvement program

Significant improvements were made in many areas of customs activity with annual recurring savings of over $137,000. Of this, approximately $42,500 was realized during the year and was used to finance Customs' half of the construction of one border station and two residences at Walhalla, N.D., a joint Customs-Immigration project. The full recurring amount will be applied to meet increased costs of a steadily rising workload. It is estimated that these expenses in fiscal 1963 will be at least 8 percent higher than those of 1962, the previous peak.

Travel and air commerce.—A new procedure was adopted to accelerate the clearance of in transit air passengers through the United States. These passengers may now check their baggage through the United States to the port of departure without examination by customs officers. Previously, unless the baggage was forwarded under bond, baggage examination was required even though the passenger was transiting the United States en route to another country.

A bilingual customs inspector participated in a European tour conducted by U.S. firms engaged in international passenger transportation. The inspector explained customs procedures and provided information to encourage foreigners to visit the United States.

Duty paid by returning U.S. residents on articles shipped to them from overseas and later claimed to be free under their exemption is now refunded before verification of the claim. Under previous procedures the claim had to be verified before the refund was made.

Entry of merchandise.—Entry offices were established at four additional airports during the year to facilitate the clearance of merchandise. This service, now provided at our six largest airports, enables importers of air cargo to complete all necessary customs requirements at the airport.

The procedures for forwarding imported air cargo from the port of first arrival to another port for entry were simplified by an optional plan which eliminated the necessity for preparing additional in-bond manifests.

Importers of alcoholic beverages were authorized to pay internal revenue taxes on a semimonthly basis. This deferred payment procedure extends to importers the same privileges previously granted to firms withdrawing domestic liquor from internal revenue bonded warehouses.

As another convenience to importers, Customs now collects both duty and internal revenue tax due on imported tobacco products. Before this change, importers were required to make payments to two separate services.

A new procedure permits joint examination by the United States and Canadian Customs of theatrical effects exported by rail from the United States to Montreal, or Toronto, Canada, for temporary use. The railroad cars are examined by Canadian Customs for import purposes and by United States Customs for export purposes jointly at the importers' premises, thus eliminating one examination formerly performed at the border and resulting in a saving of time to the theatrical companies.

Government military agencies, the General Services Administration, and the Atomic Energy Commission were authorized to obtain immediate delivery permits for indefinite periods of time on importations for their respective agencies. Before this, the permits had to be renewed yearly with resulting inconvenience and delay if not renewed on time.

The application for special license to lade or unlade and the request for overtime services were combined into one form for airline companies, with a provision for automatic yearly renewal.

Procedures were revised to permit importers of carpet wool to retain liability for use of the wool unless specific requests were made for relief of such liability under the importer's bond. This procedure also provides Customs with a better method of controlling the use of imported carpet wool.

The release of merchandise entered under informal entries was expedited by permitting customs brokers to prepare serially numbered informal entries under the control of customs officers.

The customs form under which vessels are permitted to proceed from one domestic port to another was revised to require a listing of each foreign port which the vessel touches while so proceeding. This will provide more complete information for the collectors of customs at succeeding American ports in meeting accountability requirements for foreign cargo aboard.

Other improvements made during the year were: Customs employees were authorized to accept personal checks from individuals importing merchandise for their personal use, rather than requiring cash, when banking facilities are not available; three forms were combined into one for use in reporting discrepancies between manifested merchandise and landed merchandise to provide for a simpler method of rectifying any discrepancies; a packing list was required of imported merchandise to enable customs to make a representative examination while selecting fewer packages; and four days were added to the two already allowed within which an entry must be filed under certain special immediate delivery procedures.

Liquidation of entries.—The backlog of import entries awaiting tentative determination of duties and taxes due was reduced to 458,000 as of June 30, 1962, almost 100,000 less than the number of such entries on hand a year earlier. This reduction of more than 17 percent was accomplished by a continued high rate of individual production, improved procedures, and by the addition of some personnel.

Enforcement activities.—A system of radio telephones was installed in customs patrol cars at four selected seaports. This new communication system has increased the effectiveness of enforcement operations by permitting closer supervision of waterfront areas and by releasing personnel previously assigned to offices to outside activities. Both incoming and outgoing calls are handled directly from patrol cars with this equipment which supplements the two-way radio system already in use.

An electronic status console was installed at the customs enforcement headquarters in New York, N.Y. This console, which is patterned after similar devices used by several major police departments, consists of an illuminated map of the New York pier area showing the location of all docked ships by lights and the location of customs patrols by small magnetized cars. All calls, to and from the dispatcher, previously recorded by hand, are now automatically recorded on reuseable magnetic tape. The use of this console has increased the efficiency of enforcement in the New York area and has released some office personnel for outside enforcement activities.

Other management improvements.—The Canadian query program, established several years ago to provide accurate information on U.S. customs requirements to Canadian exporters was expanded by the designation of four additional appraisers' offices to provide this service. This expansion has brought the source of the information closer to the recipients and has resulted in better compliance with customs requirements by Canadian businessmen.

The quality of import statistics furnished to the Bureau of the Census was improved by a new plan, under which any changes in quantity, value, classification, rate, or description of imported merchandise are corrected before the statistical copies are transmitted to Census. This change benefits both the Government and industry by providing more accurate data on imported merchandise.

As a convenience to importers, brokers, and customs personnel, all requirements for additional invoicing information were consolidated into the customs regulations.

A forms management program, which provides for the continuous review and control of all customs forms, was adopted with an officer designated in the Washington headquarters and in each principal customs field office to carry out the program. During the fiscal year, 25 customs forms were abolished, 61 were revised, 2 were consolidated, and 2 new forms were created. The establishment of a uniform paper stock for printing entry forms saved $4,000 in annual printing costs.

Management teams from the Washington headquarters inspected 46 collection, appraisement, agency, and laboratory districts during the year. In the course of the inspections manpower requirements were reevaluated in terms of existing and anticipated workloads, simplified procedures were installed, and other changes were made to improve the efficiency of field operations.

Under the incentive awards program, 780 suggestions were received and 230 were adopted with awards of $5,300. The 230 suggestions adopted represent a slight increase over those adopted in fiscal 1961. Total identifiable savings resulting from the suggestions amounted to $17,500.

Future plans and programs.—A task force of citizens, appointed in fiscal 1961 to study ways of improving customs procedures and facilities for foreign tourists and U.S. citizens returning from abroad, completed its report. The report, made public on February 21, 1962, contained 32 recommendations. On March 19, 1962, the Secretary of the Treasury appointed a steering committee to study the recommendations of the task force. Those found to be desirable will be put into effect.

Future plans for Customs include: The preparation of detailed plans to improve internal accounting and fiscal procedures; the application of electronic data processing to accounting operations at New York, N.Y.; a continuation of the study of mail parcels designated as gifts to determine whether there is widespread abuse of the statutory exemption for gift parcels which may require corrective action; and completion of the project to establish improved procedures for the designation of international airports according to their capability to process aircraft arriving from abroad.

Office of Defense Lending

The Office of Defense Lending, established July 1, 1957, by Treasury Department Order No. 185, is responsible for the following functions which had been transferred to the Secretary of the Treasury.

Activities under the Defense Production Act

The making and administering of loans to private business enterprises under the authority of section 302 of the Defense Production Act of 1950, as amended (50 App. U.S.C. 2153), were assigned to the Secretary of the Treasury by Executive Order No. 10489, dated September 26, 1953. Under section 302, this Office can consider only applications for loans which are certified as essential for national defense purposes by the Office of Emergency Planning of the Executive Office of the President.

No new loans were authorized during the fiscal year 1962. Loans outstanding were reduced from $121.6 million to $121.3 million and commitments from $13.6 million to $1.5 million during the year. Gross reductions in borrowing during the fiscal year amounted to $13.9 million, but borrowing of $11.9 million was necessary to purchase an outstanding commitment, thus making a net reduction of $2 million in notes payable to the Treasury. Interest payments of $3.5 million were made.

Activities under the Federal Civil Defense Act

The lending functions under section 409 of the Federal Civil Defense Act were transferred to the Secretary of the Treasury on September 28, 1953, pursuant to section 104 of the Reconstruction Finance Corporation Liquidation Act (50 App. U.S.C. 2261). Since the close of fiscal 1955 no administrative expense allowance has been authorized for this program, and no applications for new loans have been accepted. As of July 1, 1961, the loans outstanding amounted to $798,344 and deferred participation commitments to $1,776,138. These loans had been reduced to $691,687 and the commitments to $1,308,343 as of June 30, 1962. Notes payable to the Treasury were reduced by $140,000. Interest paid amounted to $19,295.

Liquidation of Reconstruction Finance Corporation assets

The Reconstruction Finance Corporation was abolished effective at the close of June 30, 1957, pursuant to the provisions of Reorganization Plan No. 1 of 1957. Its remaining assets, liabilities, and obligations were transferred to the Secretary of the Treasury, the Administrator of the Small Business Administration, the Housing and Home Finance Administrator, and the Administrator of General Services. The Secretary of the Treasury is responsible for completing the liquidation of business loans and securities with individual balances as of June 30, 1957, of $250,000 or more, securities of and loans to railroads, securities of financial institutions, and the windup of corporate affairs.

Net income and proceeds of liquidation amounting to $2.5 million were paid into the Treasury as miscellaneous receipts in fiscal 1962, thus making a total of $47 million paid since July 1, 1957. The portfolio of RFC loans, securities, and commitments amounted to $8.3 million on June 30, 1962, a reduction of $7.8 million from the

$16.1 million outstanding a year earlier. Total reductions effected have amounted to $47.2 million, approximately 85 percent of the portfolio of $55.5 million transferred to the Secretary of the Treasury on July 1, 1957.

The Office of Domestic Gold and Silver Operations

The Office of Domestic Gold and Silver Operations was established in the Office of the Under Secretary for Monetary Affairs in accordance with Treasury Department Order No. 193 dated October 9, 1961 (see exhibit 51). The duties transferred to the Under Secretary by the October 9, 1961, amendments to Parts 54 and 80 of Title 31 of the Code of Federal Regulations were delegated to the Director, Office of Domestic Gold and Silver Operations, by Treasury Department Order No. 193–1 of October 20, 1961.

Assistance is given by this Office to the Under Secretary for Monetary Affairs in the formulation, execution, and coordination of policies and programs relating to gold and silver, in both their monetary and their commercial aspects.

Information and statistics relating to the use of gold and silver are prepared for his guidance in meeting these responsibilities.

The Office administers the Treasury Department Gold Regulations relating to the purchase, sale, and control of industrial gold, issues licenses and other authorizations for industrial, professional, and artistic use of gold, both in the United States and abroad, receives and examines reports of operations, and investigates and supervises the activities of users of gold. Investigations into possible violations of the Gold Regulations are correlated with the U.S. Secret Service or other enforcement agencies.

The Office develops, implements, administers, and executes regulations and procedures pertaining to silver, particularly newly-mined silver, including records, reports, and other related matters.

Bureau of Engraving and Printing

The Bureau of Engraving and Printing designs, engraves, and prints U.S. currency, Federal Reserve notes, securities, postage and revenue stamps, and various commissions, certificates, and other forms of engraved work for Government agencies. The Bureau also prints bonds and postage and revenue stamps for the governments of insular possessions of the United States.

Deliveries of all classes of work to the customer agencies in the fiscal year 1962 totaled 27,715,972,318 pieces, as compared with 26,746,227,150 pieces in 1961, an increase of 969,745,168, or approximately 3.5 percent, in the deliveries of Bureau products.

Changes were made in the organizational structure during the year in order to improve operating efficiency.

Management attainments

The Director of the Bureau held frequent conferences and meetings with supervisory personnel for the purpose of providing constant stimulation and leadership. An Employment Policy Review Board was established to receive, investigate, and evaluate complaints of discrimination. The Bureau's concern in promoting and maintaining high morale among employees was reflected in the employee development and training policy, and in the employee relations policy which embraces fair employment practices, favorable working conditions, and safety and health services.

Manpower requirements were reviewed throughout the year and each vacancy was evaluated before a request was made for a replacement. The reduction of personnel from 3,038 employees at the beginning of the fiscal year to 2,943 at its close, a decrease of 95, was largely the result of the application of management improvement techniques.

The Bureau conducted industrial engineering studies, analyses of production processes, and quality control surveys to improve work methods and operations, increase industrial efficiency, and insure development and practice of sound quality control systems. Improvements in equipment as well as in the processes employed in the manufacture of currency and postage stamps were made. To facilitate operations, further modifications were made on sheet-fed rotary currency presses and web-fed rotary stamp presses. Other Bureau research activities to improve the quality of its products related to paper, tape, labels, film, adhesives, plate wear, presses, and equipment.

Close liaison was maintained with representatives of the Department of Agriculture concerning the expanded food stamp program and with the Post Office Department in planning future requirements for regular and commemorative postage stamps.

Reviews and audits made by the Bureau's Internal Audit Staff indicate that Bureau policies have been carried out effectively. In fiscal 1962, 74 financial and management type audits, containing 91 audit recommendations, were released. Ninety-six recommendations were cleared and only 41 audit recommendations were still under consideration at the close of the year.

Through the excess property program the Bureau received $1,771 from the sale of obsolete equipment and material declared excess, and obtained equipment valued at $187,120 at no charge through the Federal utilization program.

It is estimated that annual recurring savings of $24,671 will accrue from employee suggestions adopted during the fiscal year. Through the records management program 672 cubic feet of noncurrent records were transferred from office space to the records storage area and 311 cubic feet of obsolete records were destroyed. In response to 1,126 requests, 75 new forms were prepared, 36 were eliminated, 35 consolidated, and 347 were improved and revised in connection with the forms management program.

The Bureau continued to emphasize the Treasury Department safety program. April 1962 marked the second month in the history of the Bureau safety program in which no disabling injuries occurred. The injury frequency rate has been decreasing yearly.

The second major application of machine accounting, payroll and labor distribution, was developed during the year. This included the installation of punch-card time and attendance reporting, programming and wiring of the control panels, and labor cost distribution. Payroll operations were being reviewed at the end of fiscal 1962 for further refinement and improvement.

The Bureau conducts continuing employee development programs which encompass both outside and internal training and orientation. The course of supervisory development conferences was completed by 69 employees. The objectives were to increase skills in the human relations aspects of the supervisors' jobs and to increase their knowledge of the pertinent laws and regulations. A 35-mm color slide presentation of the salary and wage program prepared by Bureau personnel was used for the first time.

Estimated savings resulting from management improvements during fiscal 1962 totaled nine man-years and approximately $73,300 on a recurring annual basis. All realized savings were applied against the cost of products and have been reflected either in the Bureau's billing rates or in decreases in appropriation requests by the Office of the Treasurer of the United States for funds for the purchase of currency.

New issues of postage stamps and deliveries of finished work

New issues of postage stamps delivered by the Bureau in fiscal 1962 are shown in table 105. A comparative statement of deliveries of finished work for fiscal 1961 and 1962 appears in table 103.

Finances

The Bureau operations are financed by reimbursements to a working capital fund authorized by law. Balance sheets and a statement of income and expense as of June 30, 1962 and 1961, follow.

Balance sheets as of June 30, 1962 and 1961

Assets	June 30, 1962	June 30, 1961
Current assets:		
Cash with Treasury	$3,314,240	$3,294,070
Accounts receivable	2,081,938	1,274,673
Inventories: [1]		
Raw materials	800,032	762,520
Work in process	3,954,540	3,669,498
Finished goods	3,138,817	2,996,548
Stores	1,064,505	1,097,054
Prepaid expenses	56,248	61,396
Total current assets	14,410,320	13,155,759
Fixed assets: [2]		
Plant machinery and equipment	19,684,923	19,505,859
Motor vehicles	94,300	88,317
Office machines	193,714	193,843
Furniture and fixtures	442,275	435,031
Dies, rolls, and plates	3,955,961	3,955,961
Building appurtenances	2,196,607	2,138,720
Fixed assets under construction	305,030	36,789
	26,872,810	26,354,520
Less portion charged off as depreciation	12,370,307	11,008,940
	14,502,503	15,345,580
Excess fixed assets (estimated realizable value)	819	360
Total fixed assets	14,503,322	15,345,940
Deferred charges	64,632	104,623
Total assets	28,978,274	28,606,322

Footnotes at end of table.

Balance sheets as of June 30, 1962 and 1961—Continued

Liabilities and investment of the United States	June 30, 1962	June 30, 1961
Liabilities: [3]		
Accounts payable	$452,127	$400,910
Accrued liabilities:		
Payroll	1,019,555	883,639
Accrued leave	1,643,968	1,475,161
Other	97,776	115,196
Trust and deposit liabilities	576,777	564,063
Other liabilities	1,082	4,876
Total liabilities	3,791,285	3,443,845
Investment of the U.S. Government:		
Principal of the fund:		
Appropriation from U.S. Treasury	3,250,000	3,250,000
Donated assets, net	22,000,930	22,000,930
Total principal	25,250,930	25,250,930
Earned surplus, or deficit (−) [4]	−63,941	−88,453
Total investment of the U.S. Government	25,186,989	25,162,477
Total liabilities and investment of the U.S. Government	28,978,274	28,606,322

[1] Finished goods and work in process inventories are valued at cost. Except for the distinctive paper which is valued at the acquisition cost, raw materials and stores inventories are valued at the average cost of the materials and supplies on hand.

[2] The act of August 4, 1950, establishing the Bureau of Engraving and Printing fund, specifically excluded from the assets of the fund the land and buildings occupied by the Bureau (31 U.S.C. 181a). These assets are valued at about $9,000,000. However, under the Supplemental Appropriation Act of 1961 (74 Stat. 514), $1,250,000 was appropriated for emergency repairs to the Bureau of Engraving and Printing Annex Building. Plant machinery and equipment, furniture and fixtures, office machines, and motor vehicles acquired on or before June 30, 1950, are stated at appraised values. Additions since June 30, 1950, and all building appurtenances are valued at acquisition cost. Dies, rolls, and plates were capitalized as of July 1, 1951, on the basis of average unit costs developed for the fiscal year 1950 reduced to recognize their estimated useful life. Since July 1, 1951, all costs of dies, rolls, and plates have been charged to operations in the year acquired.

[3] Outstanding commitments, consisting of undelivered purchase orders and unperformed contracts, totaled $3,626,842 as of June 30, 1962, compared with $3,617,362 as of June 30, 1961; of these amounts, $2,296,113 as of June 30, 1962, and $2,497,766 as of June 30, 1961, related to contracts entered into prior to June 30, but not to be performed until the ensuing fiscal years.

[4] The act of August 4, 1950, provided that any surplus accruing to the fund in any fiscal year be paid into the general fund of the Treasury as miscellaneous receipts except that any surplus would be applied first to restore any impairment of capital by reason of variations between prices charged and actual costs (31 U.S.C. 181a).

Statement of income and expense for the fiscal years 1962 and 1961

Income and expense	1962	1961
Operating revenue: Sales of engraving and printing	$24,681,845	$24,235,583
Operating costs:		
Cost of sales:		
Direct labor	9,366,156	9,438,947
Direct materials used	3,946,379	4,033,564
Prime cost	13,312,535	13,472,511
Overhead costs:		
Salaries and indirect labor	7,307,064	7,184,555
Factory supplies	1,061,617	1,110,591
Repair parts and supplies	288,218	246,372
Employer's share personnel benefits	1,274,941	1,294,445
Rents, communications, and utilities	488,086	457,983
Other services	294,843	293,681
Depreciation and amortization	1,578,862	1,945,966
Losses on disposal or retirement of fixed assets	56,539	236,308
Sundry expense (net)	36,694	9,217
Total overhead	12,386,864	12,779,118
Total costs [1]	25,699,399	26,251,629

Footnotes at end of table.

Statement of income and expense for the fiscal years 1962 and 1961—Continued

Income and expense	1962	1961
Operating costs;—Continued		
Cost of sales:—Continued		
Less:		
Nonproduction costs:		
Shop costs capitalized	164,125	115,275
Cost of miscellaneous services rendered other agencies	450,630	431,151
Net increase, or decrease (−) in finished goods and work in process inventories	427,311	1,444,333
Total	1,042,066	1,990,759
Cost of sales	24,657,333	24,260,870
Operating profit, or loss (−)	24,512	−25,287
Nonoperating revenue:		
Sales of card checks		213,392
Operation and maintenance of incinerator and space utilized by other Treasury activities	385,779	379,457
Other services	64,851	49,072
	450,630	641,921
Nonoperating costs:		
Purchase of card checks		173,520
Freight out-card checks		36,167
Other costs of miscellaneous services rendered other agencies	450,630	431,151
	450,630	640,838
Nonoperating profit		1,083
Net profit, or loss (−) for the year [2]	24,512	−24,204

[1] No amounts are included in the accounts of the fund for (1) interest on the investment of the Government in the Bureau of Engraving and Printing fund, (2) depreciation on the Bureau's buildings excluded from the assets of the fund by the act of August 4, 1950, and (3) other costs incurred by other agencies on behalf of the Bureau.

[2] The act of August 4, 1950, provided that any surplus accruing to the fund in any fiscal year be paid into the general fund of the Treasury as miscellaneous receipts except that any surplus would be applied first to restore any impairment of capital by reason of variations between prices charged and actual cost (31 U.S.C. 181a).

Fiscal Service

The Fiscal Service consists of the Office of the Fiscal Assistant Secretary, the Bureau of Accounts, the Bureau of the Public Debt, and the Office of the Treasurer of the United States. The Fiscal Assistant Secretary, in addition to being responsible for the operations of these offices, gives general supervision to the Office of Defense Lending. He is responsible for administration of the cash position of the Treasury, which includes the distribution of funds between Federal Reserve Banks and other Government depositaries, and participates in planning Treasury financing operations. He also is responsible for the general direction of the fiscal agency operations of Federal Reserve Banks and the Treasury's central agency participation in the joint financial management improvement program with the Bureau of the Budget and the General Accounting Office.

The reports which follow detail the operations under the responsibilities of the Fiscal Assistant Secretary as they relate to the three components of the Fiscal Service.

BUREAU OF ACCOUNTS

The Bureau's functions are mainly Government-wide in scope and include the maintenance of the Government's system of central accounts; issuance of the Government's central financial reports;

accounting and reporting for foreign currencies acquired by the Government without purchase with dollars; disbursing for virtually all civilian agencies of the Government; general direction and designation of Government depositaries; determination of qualifications and underwriting limitations of surety companies to write fidelity and other surety bonds covering Government activities; investment of social security and other trust funds; administration of loans and advances by the Treasury to Government corporations and other agencies; and participation with the Office of the Fiscal Assistant Secretary in the joint financial management improvement program.

Technical guidance is furnished to Treasury bureaus and other agencies on accounting systems and related matters affecting the central accounting and reporting function. Periodic audits relating to funds administered in the Bureau are conducted and special audits within the Department are supervised and coordinated. The collection of amounts due and the payment of claims under certain international agreements are administered. The Bureau performs other fiscal work as may be required.

Reorganization Plan III, dated April 2, 1940, established the Bureau of Accounts, and on December 12, 1952, the Bureau was reorganized pursuant to Treasury Department Order No. 164. On July 28, 1961, Treasury Department Order No. 170-9 transferred from the Fiscal Assistant Secretary and the Commissioner of Accounts, certain responsibilities relating to the development of regulations and the general administration of fiscal internal auditing and administrative accounting for appropriations and funds as they affect the various bureaus of the Department. (See exhibit 51.)

Accounting and Reporting

Systems improvement

Under the direction of the steering committee for the joint financial management improvement program, Bureau staff continued to participate with the General Accounting Office and the Bureau of the Budget during the fiscal year 1962 in the following studies: Current practices of the executive branch relating to programming, budgeting, accounting, reporting, pricing, and billing for reimbursable services and supplies furnished by the agencies (a preliminary report was made in July 1961); identification and appraisal of the financial reporting practices of the executive branch as a whole, to determine possibilities for consolidation, coordination, simplification, etc., and to develop appropriate recommendations (a preliminary report was submitted in June 1961); and, a study to determine improved methods of recording and reporting motor vehicle operations and related cost data as a basis for managing Federal fleet operations.

Agreements with Minnesota and Wisconsin were completed by the Bureau for the withholding of State income taxes from compensation of Federal employees, pursuant to the act of July 17, 1952, as amended (5 U.S.C. 84b, 84c), and appropriate instructions were issued to Government agencies. The staff continued to advise and assist Federal and State agencies in the solution of mutual problems on the withholding of State income taxes.

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Other systems work carried out during fiscal 1962 included the following diverse matters: Cooperation was given Federal Reserve Banks and the Internal Revenue Service in solving problems relating to revenue accounting and depositary receipt operations, including conversion to electronic data processing (EDP). Staff continued to serve on a board of Civil Service examiners for the purpose of rating applicants for accounting positions in the Government. Treasury and Fiscal Service regulations and instructions to Government agencies were prepared on a wide range of fiscal and accounting matters. The Office of the Treasurer was assisted in initiating development of an accounting manual for fiscal operations, and in simplifying certain daily reporting. A report was prepared on the costs of mailing payroll checks direct to employees. Improvements were made in the method of allocating withheld income and social security taxes. New procedures were developed for handling Federal unemployment tax and railroad unemployment insurance contributions. The Bureau also participated in studies to determine the feasibility of converting to computer systems the payroll operations of the Fiscal Service and the central accounting and reporting operations.

Central accounting

The central accounts for the receipts, expenditures, appropriations, and related cash operations of the Government are maintained by the Division of Central Accounts in accordance with section 114 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 66b), and Treasury Department Circular No. 945, as amended. The central accounting system integrates the transactions of all collecting and disbursing officers and the Treasurer of the United States, the appropriation, fund, and receipt accounts of the Government, and budget results, with a disclosure of the related cash assets and liabilities. The data required for such central reports as the *Monthly Statement of Receipts and Expenditures of the United States Government* and the annual *Combined Statement of Receipts, Expenditures and Balances of the United States Government* have as their source the central accounting system.

By using deposit in transit accounts, the system of central accounts provides a Government-wide control over deposits reported by collecting and disbursing officers for credit to the account of the Treasurer of the United States. The central accounting system also provides the means by which the data on checks issued as reported by disbursing officers are integrated with the detailed check reconciliation of disbursing officers' accounts by the Office of the Treasurer of the United States and with the expenditure data affecting appropriations and funds.

Under revised procedures placed in operation during fiscal 1962, Treasury regional offices now keep control accounts for all transactions at the level of each agency accounting station for which the Treasury disburses. Agency accounting stations, on the basis of their own records, furnish the Division of Central Accounts monthly statements of transactions, classified by the individual appropriation, fund, and receipt accounts involved. The classified transactions reported are then reconciled to the control accounts maintained in the Treasury regional accounting offices. A significant streamlining of the system has resulted in an estimated first-year saving of $94,686 and estimated annual recurring savings of $150,000.

Expenditure transfer and adjustment documents (previously recorded in agency station control accounts by Treasury regional offices) are now handled centrally in the Division of Central Accounts. This procedure minimizes the number of points of contact for agency stations with respect to reconciliations with Treasury control accounts.

A total of 3,881,951 accounting items was processed during fiscal 1962 by the central and regional accounting offices of the Division of Central Accounts. The total for fiscal 1961 was 4,155,787.

Central reporting

In the survey of Government-wide financial reporting in fiscal 1961 the representatives of the joint financial management improvement program determined that the information published in the major financial reports of the Government was being utilized but would be of more value if updated and if certain additional data were included.

Accordingly, the Treasury in fiscal 1962 took steps to make the data in certain of its reports more timely and somewhat wider in scope. The principal reports compiled in the Division of Central Reports include: The *Monthly Statement of Receipts and Expenditures of the United States Government*, the monthly statement of *Budgetary Appropriations and Other Authorizations, Expenditures and Unexpended Balances*, the monthly *Treasury Bulletin*, the annual *Combined Statement of Receipts, Expenditures and Balances of the United States Government*, the *Annual Report of the Secretary of the Treasury*, the *Semiannual Consolidated Report of Balances of Foreign Currencies Acquired Without Payment of Dollars*, the semiannual *Report on Foreign Currencies in Custody of the United States*, and the monthly and quarterly reports on foreign currency transactions under Public Law 480, as amended. In an effort to comply with the requests of the users, the following improvements were made.

Monthly Statement of Receipts and Expenditures of the United States Government.—The format was revised to provide for the reporting of refunds of receipts to identify their application to budget accounts or trust accounts, with the refund of trust account receipts reported in amounts reimbursed from trust funds as deductions from trust receipts.

Treasury Bulletin.—Most of the 18 statistical series appearing monthly which were not already covering the month immediately preceding the month of publication were updated. More than 45 tables for the issues of November and December 1961 and January 1962 gradually were rescheduled to accelerate their publication by at least one month. Statements of financial condition for Government corporations and certain other business-type activities beginning with the February 1962 issue have been published a month sooner than those for the year before.

Four new tables were added. Under the Exchange Stabilization Fund, information on current stabilization agreements has appeared quarterly beginning with the November 1961 issue. U.S. gold stock, and holdings of convertible foreign currencies by U.S. monetary authorities have been shown monthly beginning with July 1961 in a table of international financial statistics. A new series, with explanatory headnote, on foreign currencies acquired by the United States without purchase with dollars was begun in the issue for February 1962. Transactions and balances in Treasury accounts were shown for fiscal years beginning with 1954, and for agency accounts beginning with the fiscal year 1958.

Combined Statement of Receipts, Expenditures and Balances of the United States Government.—New tables added showed: Clearing accounts for taxes withheld from salaries of Government employees, by organizational units; interfund transactions excluded from receipts and expenditures of certain trust accounts; and legislative actions on authorizations to expend from public debt receipts, with a brief textual statement of an historical and explanatory nature.

Control of foreign currencies

The operations of the Division of Central Reports relating to the accounting and reporting of foreign currencies continued to expand during fiscal 1962. The Foreign Assistance Act of 1961, approved September 4, 1961 (22 U.S.C. 2363(c)), requires each department and agency to submit semiannually to the Secretary of the Treasury an inventory report showing by country of origin all foreign currencies on hand which have been acquired without payment of dollars, their consolidation into a single report, and its transmittal to the Congress. To implement this legislation, Department Circular No. 930 was revised to provide for central accounting for foreign currencies and uniform valuation and reporting by all executive agencies. The consolidated report of the Treasury which is submitted to the Congress semiannually shows the required information by agencies, countries, units of currency, and U.S. dollar equivalent. During fiscal 1962, the first two semiannual reports required were submitted to the Congress as of June 30, 1961, and December 31, 1961.

Summary of holdings of foreign currencies acquired without payment of dollars, June 30, 1962

Holder	U.S. dollar equivalent (in thousands)
Agency for International Development	$1,423,992
Department of Agriculture	------------
Department of Defense	17,999
Department of Justice	467
Department of State	709
Treasury Department	1,284,610
United States Information Agency	556
Total	2,728,281
Country-owned counterpart funds held in foreign government accounts	267,518
Total	2,995,851

Approximately $2,142 million of the total held by the United States, as of June 30, 1962, was generated under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended; $286 million generated under the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961; and the balance of $300 million generated under the lend-lease, surplus property, and other legislation.

The foreign currency transactions occurring during the year in Treasury custody accounts are summarized as follows: Collections generated under various Government programs amounted to the equivalent of $1,318.2 million; transfers for authorized uses without reimbursement amounted to the equivalent of $1,086.2 million; and withdrawals for sales to Government agencies for dollars to the equivalent of $242.1 million.

Internal auditing

Audits were made during the year under review of certain major trust funds, including the unemployment trust fund, Federal old-age and survivors insurance trust fund, and the highway trust fund. The procedures relative to administrative accounting and the various cash funds of the Bureau also were audited, and comprehensive audits were made of regional disbursing offices in Chicago, Denver, Dallas, and Portland. Other work carried out during the year included an audit of unissued stocks of Federal Reserve notes, an audit of administrative accounts and records in the Office of the Comptroller of the Currency, the annual confirmation of outstanding loans on the books of the Office of Defense Lending, and the verification of discount rates applicable to the weekly offering of U.S. Treasury bills.

Disbursing Operations

During fiscal 1962 the Division of Disbursement, through fifteen regional disbursing offices, performed disbursing services for over 1,500 offices of agencies located throughout the United States, its possessions, and the Philippines. The Division services all executive agencies, except the Department of Defense, the Post Office Department, and a few relatively small agencies. Technical supervision also is exercised over the disbursing operations delegated by the Chief Disbursing Officer to U.S. disbursing officers located at embassies and consulates in foreign countries, and to assistant disbursing officers and cashiers attached to agencies located throughout the United States and foreign countries. Under arrangements with the Department of State payments are made also in behalf of domestic civilian agencies requiring disbursing services in foreign countries.

The computer system in the Chicago regional disbursing office, which began operation in January 1961, continued to operate through the fiscal year 1962 with a high degree of productivity and efficiency. More than 80 million checks were produced by the Chicago computer system during the year, comprising payments for veterans' benefits, social security benefits, income tax refunds, national service life insurance dividends, Federal employees' salaries, and public debt interest.

Two additional computer systems of more advanced design began operation in January 1962 in the Philadelphia and Kansas City regional disbursing offices. Through June 30, 1962, these two systems had produced a total of more than 35,900,000 checks. The demonstrated capability and lower cost of the Philadelphia and Kansas City systems have resulted in a decision to replace the Chicago computer system with similar equipment next year.

After a review of the workload remaining in regional disbursing offices affected by the conversion of a high volume of payments to electronic data processing, the decision was made to close the Salt Lake City regional disbursing office as of June 30, 1962.

Significant improvements were made in other areas also. Further conversion of payment files was made from addressograph plates to punched cards. Checks were prepared from punched cards furnished by Social Security Administration payment centers covering new, adjusted, or reinstated cases. Machine utilization was improved. Key punch machines were replaced by printing key punches, and the use of key verifiers was substituted for manual verification of punched cards. A new method was employed to ship Government checks to regional disbursing offices. Work was realigned and work methods revised following comprehensive surveys of regional disbursing office operations. Recurring annual savings realized during the year under the management improvement program amounted to $546,698.

The average unit cost of processing checks and bonds in fiscal 1962 was 3.73 cents compared with 4.13 cents in 1961, exclusive of nonrecurring EDP site preparation costs.

The volume of work completed in fiscal 1962, as compared with that of 1961, follows:

Classification	1961	1962
	Number	
Payments:		
Social security	146, 249, 107	163, 629, 154
Veterans' benefits	62, 736, 556	63, 256, 915
Income tax refunds	40, 317, 753	40, 470, 741
Veterans' national service life insurance dividend program	7, 096, 822	6, 013, 284
Other	43, 386, 926	44, 113, 436
Adjustments and transfers	250, 683	178, 784
Savings bonds issued	3, 739, 793	3, 999, 111
Total	303, 777, 640	321, 661, 425

Deposits, Investments, and Related Operations

Federal depositary system

The Federal Reserve Banks and commercial banking institutions in the United States, insular possessions, and foreign countries are, by designation of the Secretary of the Treasury, Government depositaries authorized to furnish Government agencies with a variety of banking and financial services. These depositaries, which include more than 11,500 commercial banking institutions (some of which furnish more than one type of banking service) supplement the services provided by the Treasurer of the United States. This established depositary system provides for local deposit of Government collections by various Government officers and the subsequent transmission of collections to the Treasurer's operating accounts maintained in Federal Reserve Banks.

The various types of depositary services and the number of commercial banking institutions which, as of June 30, 1962, were authorized to provide these services, are shown in the following table.

Type of service provided by depositaries	Number of banking institutions
Receive proceeds from deposits of taxpayers and sale of public debt securities for credit in Treasury tax and loan accounts	11,439
Receive deposits from directors of internal revenue, military finance officers, and other Government officers	883
Maintain official checking accounts of postmasters, clerks of United States courts, and other Government officers	4,127
Furnish bank drafts to Government officers in exchange for collections	2,222
Service State unemployment compensation benefit payment and clearing accounts	59
Operate limited banking facilities at military installations:	
In the United States and its outlying areas	284
Overseas	173

Investments

The Secretary of the Treasury, under specific provisions of law, is responsible for investing various Government trust funds. The Department also furnishes investment services for other funds of Government agencies (see table 67).

Trust funds are invested in marketable Government securities and, where authorized by law, in special public debt obligations issued specifically to the fund. The legislative authority to issue special public debt obligations applies only to the major trust funds and the law usually specifies the interest rates; however, in some cases the Secretary has discretionary authority to establish the rates. Where specified by law, it is either a fixed rate or is based on a formula using the average coupon rates on designated classes of outstanding Government securities.

During fiscal 1962, further uniformity in interest rates was achieved by relating the rates on special obligations to market yield rates. The Civil Service Retirement Act, as amended by the act of October 4, 1961 (5 U.S.C. 2267(d)), provides: That interest rates on special obligations issued to the civil service retirement and disability trust fund shall equal the average market yield, computed as of the end of the month immediately preceding the date of issue, on all marketable interest-bearing public debt obligations not due or callable until 4 years from the end of such month; and that beginning with the calendar year 1962 special issues held by the fund prior to enactment of the amending act shall be redeemed and reinvested as nearly as practicable in equal annual amounts over the period of 10 calendar years.

Loans and advances by the Treasury

Under provisions of law, various Government corporations and agencies are authorized to borrow from the Treasury to finance certain programs. The Bureau of Accounts administers the loan agreements and maintains accounts for the loans, advances, and subscriptions to capital stock of U.S. Government and international corporations. Tables 119 and 120 show the status of loans and advances as of June 30, 1962.

Panama Canal Company

The Panama Canal Company Act, approved June 29, 1948 (62 Stat. 1076; 2 Canal Zone Code 245–258), created the Panama Canal Company and, among its provisions, directed the Company to pay interest to the Treasury on the net direct investment of the Government in the Company. Pursuant to section 246(b) of the Code, the direct investment of the Government in the Company, as of June

29, 1948, was certified to the Treasury in the amount of $358,795,-305.36 on which the interest is computed. This figure is subject to change on the basis of subsequent certifications to the Treasury as to the value of increases or decreases in transfer of assets. Cumulative net reductions in the Government's direct investment had reduced the amount thereof to $340,215,042 as of June 30, 1962, including a net increase of $341,028 in the direct investment during the fiscal year 1962. Section 246(c) of the Code provides certification by the Secretary of the Treasury as to the annual rate of interest to be paid by the Company. Interest payments received by the Treasury in the fiscal year 1962 amounted to $9,364,406.

Surety bonds

The Secretary of the Treasury, under the act of July 30, 1947 (6 U.S.C. 8), issues certificates of authority to qualified corporate sureties for the execution of bonds in favor of the United States. These certificates are renewable on May 1 each year, and a list of companies holding such certificates is published annually in the *Federal Register* (Department Circular No. 570, Revised). Applications of companies requesting authority to write Federal bonds are examined by the Bureau, and the qualifications of companies so authorized are reviewed on a current basis. As of June 30, 1962, a total of 236 companies held certificates of authority. During the year a total of 36,836 bonds and consent agreements were approved as to corporate surety.

The head of each executive agency is required by the act of August 9, 1955 (6 U.S.C. 14) to obtain blanket, position schedule, or other types of surety bonds covering employees required by law or administrative ruling to be bonded. Premiums are paid by the Government rather than by the employees. The law permits the legislative and judicial branches to follow the same procedure.

A summary follows of the information reported by agencies for transmittal to Congress by the Secretary of the Treasury, showing the number of officers and employees covered, the aggregate penal sums of the bonds procured, and the premiums paid by the Government as of June 30, 1961 and 1962.

	June 30, 1961	June 30, 1962
Number of officers and employees covered:		
Executive branch	1,003,613	1,006,059
Legislative and judicial branches	1,342	1,522
Total	1,004,955	1,007,581
Aggregate penal sums of bonds procured:		
Executive branch	$3,522,501,050	$3,538,697,750
Legislative and judicial branches	10,317,000	11,318,500
Total	3,532,818,050	3,550,016,250
Annual premium paid by Government:		
Executive branch	285,589	280,775
Legislative and judicial branches	2,268	2,091
Total	287,857	282,866
Administrative expenses:		
Executive branch	38,515	45,295
Legislative and judicial branches	595	582
Total	39,110	45,877

Foreign Indebtedness

World War I

A total of $396,049.36 in semiannual payments was received in fiscal 1962 by the Treasury from the Government of Finland under the funding and moratorium agreements covering World War I indebtedness. In accordance with the act of August 24, 1949 (20 U.S.C. 222), these funds were used to finance certain educational exchange programs with Finland. The status of World War I indebtedness of foreign governments to the United States is shown in tables 115 and 116.

World War II

Under lend-lease and surplus property agreements, debtor governments made dollar payments during the year aggregating $119.7 million (including the dollar value of silver repayments). Payments made in local currencies were equivalent to $26.2 million. Since the inception of these programs, total payments and credits against the original indebtedness have amounted to $3,552.2 million, as indicated in table 118, which shows the status as of June 30, 1962.

The Government of France, under agreement of January 30, 1958, was granted an option to defer certain annual installments under its lend-lease and surplus property agreements. Accordingly, the 1958 and 1959 installments were postponed until 1981 and 1982. However, on April 19, 1962, the French Government made an accelerated payment of $59,622,516.54, representing both of the postponed installments. This payment was additional to the annual installment of principal and interest due and paid on July 1, 1961.

Credit to the United Kingdom

Under the terms of the financial aid agreement of December 6, 1945, the United Kingdom borrowed $3,750,000,000 from the United States which was repayable in 50 annual installments, beginning December 31, 1951, with interest at 2 percent per annum. The agreement was amended March 6, 1957, to permit deferral of any seven principal and interest installments due after 1956, with interest charged at the same rate on any installments of principal or interest deferred. The United Kingdom elected to defer payment of interest installments due in 1956 and 1957, amounting to $70,385,447.48 and $69,406,431.45, respectively. Also, payment of the principal installment of $49,929,818.55, due in 1957, was deferred. Payment was made of the amount due December 31, 1961, consisting of $54,045,641.36 as principal and $65,290,608.64 as interest. Through June 30, 1962, cumulative payments totaled $489,585,390.49 as principal, leaving a principal balance of $3,260,414,609.51 plus deferred interest installments of $139,791,878.93, or a total balance of $3,400,206,488.44.

Germany, postwar (World War II) economic assistance

Under the External Debt Settlement Agreement, as amended, the Federal Republic of Germany agreed to repay to the United States $1 billion for postwar (World War II) economic assistance. The Treasury received payment of interest during the fiscal year 1962 in the amount of $9,752,288.56. As of June 30, 1962, cumulative payments on principal amounted to $799,629,452.21, leaving a principal balance of $200,370,547.79. The next principal installment is not due until January 1, 1966, because of the advance payments which have been made.

Claims Against Foreign Governments and Nationals

Foreign Claims Settlement Commission

Under the International Claims Settlement Act of 1949, as amended (22 U.S.C. 1642–1642p), the Foreign Claims Settlement Commission has docketed over 4,000 claims of American nationals for losses resulting from confiscation of property by the Government of Czechoslovakia. The Commission began in March 1960 to certify awards to the Secretary of the Treasury. Payments made on awards are within the limits of amounts realized from the sale of certain blocked Czechoslovakian assets, following a prescribed order of priority as set forth in the act. Initially, all awards of $1,000 or less are paid in full, and awards in excess of $1,000 are paid to the extent of $1,000; additional pro rata payments are made on the balance of awards until the fund is exhausted or until all awards have been paid in full. The Commission had until September 15, 1962, to complete its affairs in connection with the settlement of these claims.

The Foreign Claims Settlement Commission has completed adjudication of the Bulgarian, Hungarian, Rumanian, Italian, and Soviet claims programs, pursuant to the International Claims Settlement Act of 1949, as amended (22 U.S.C. 1641–1641q). In addition to the initial payment of a maximum of $1,000 on all awards under these programs, pro rata payments have been authorized, consisting of two from the Rumanian claims fund, four from the Bulgarian claims fund, and one from the Soviet claims fund. The Italian awards, including accrued interest, have been paid in full. Additional funds for further payments on the Soviet awards are not expected.

The origin and history of the claims of American nationals against these five governments were summarized in the 1958 annual report, page 112. For the status of the claims funds as of June 30, 1962, see table 106.

The Governments of Poland and the United States signed an agreement on July 16, 1960, for the settlement of claims of American nationals. Under the agreement Poland will pay $40,000,000 to the United States in twenty annual installments of $2,000,000 each. On January 10, 1962, the second installment was received. The time for filing claims with the Foreign Claims Settlement Commission against the Government of Poland expired March 31, 1962.

Mixed Claims Commission, United States and Germany

On April 2, 1962, the Treasury received the annual payment of $3,700,000 from the Federal Republic of Germany (on World War I debts) as provided for by the External Debt Settlement Agreement signed with the Federal Republic on February 27, 1953. These funds were used to make an additional distribution to award holders amounting to 8.9 percent of the interest accrued on Class III awards (those over $100,000), which includes the award under Private Law 509, approved July 19, 1940. The status of the claims fund as of June 30, 1962, is shown in table 104.

Divested property of enemy nationals

As of June 30, 1962, the balance on deposit in the Treasury as the net proceeds of property divested by the Attorney General of the United States, pursuant to the act of August 9, 1955 (22 U.S.C. 1631a(a)), totaled $694,625. The funds are being held in the names of individuals who are nationals of Bulgaria ($94,144), Hungary ($408,907), and Rumania ($191,574). Through June 30, 1962, the Department of Justice has authorized refunds to individuals aggregating $170,252.

Other Operations

Management improvement program

Under the Bureau's continuing program to bring about operating economies through management, improvements were adopted during the year which created annual recurring savings of $649,312. This included the amount of $546,698 realized in disbursing operations and $94,686, which was the first-year estimated savings realized in the central accounting modification, both of which were referred to earlier.

Incentive awards program.—Efforts were continued to promote additional employee interest in the program, with employees encouraged to make worthwhile suggestions for the improvement of operations and reduction of operating costs. Of the 160 suggestions made during the year, 77 were adopted and accounted for a total annual recurring saving of $7,928.

Safety program.—Monthly inspection, by designated employees on a rotational basis, of all space occupied by the Bureau continues to eliminate safety hazards and create widespread awareness of the importance of an effective accident prevention program. The success of the monthly inspection program is evidenced by the fact that the Bureau, while employing approximately 2,000 employees, experienced only five lost-time accidents during calendar 1961.

Personnel administration.—Surveys were made during the year of the personnel administration programs in the Birmingham, Chicago, Dallas, Portland, and San Francisco regional offices. These surveys were part of the biannual program initiated in fiscal 1961 in which all major regional offices are being covered.

Increased emphasis was placed on recruiting qualified college graduates for employment with the Bureau. Additional classification authority (to grade GS–7) was delegated to four additional regional offices.

Training.—Training was completed of programmers to staff the EDP computer installations in Philadelphia and Kansas City. Similar training was initiated for the computer installations in Birmingham and San Francisco. In conjunction with this technical training the EDP programmers were also given supervisory training.

The scope of management training was broadened during the year, with new appointees in technical and professional positions afforded an opportunity to develop through on the job performance and through formal training in a variety of institutions. Bureau efforts are being directed toward a further refinement of the established program.

Donations and contributions

"Conscience fund" contributions received in the Bureau of Accounts during the year and deposited into the Treasury amounted to $29,125. Other unconditional donations totaled $102,027, including $15,745 contributed by a single donor. Such receipts by other Government agencies amounted to $10,295 and $17,258, respectively. Conditional gifts, amounting to $5,685, were received to further the defense effort.

In accordance with the act of June 27, 1961 (31 U.S.C. 901(a)), authorizing the Secretary of the Treasury, on behalf of the United States, to accept gifts of money or property to reduce the public debt, a special account was established on the books of the Treasury for this purpose. Gifts of money and the proceeds of real or personal property credited to this account in fiscal 1962 amounted to $8,962, of which $8,000 was used to purchase and retire public debt securities.

Government losses in shipment

A self-insurance plan, supplanting contracts with private insurance companies, was established by the Government Losses in Shipment Act, as amended (5 U.S.C. 134–134h; 31 U.S.C. 528, 738a, 757c(i)), under which the Government assumes the risk of losses on its shipments of money, bullion, securities, and other valuables. Payments are made from a revolving fund for valuables lost, destroyed, or damaged while in shipment, for losses incurred in the erroneous payment of U.S. savings bonds by paying agents, and for certain losses by the Postal Service. Claims totaling $67,271 were paid in the fiscal year 1962. Table 126 shows the status of the fund and details of operations under the act.

Deposits of interest charged on Federal Reserve notes

The Board of Governors of the Federal Reserve System is authorized by section 16 of the Federal Reserve Act, as amended (12 U.S.C. 414), to charge Federal Reserve Banks interest on the unredeemed Federal Reserve notes issued to the Banks in excess of gold certificates held as collateral against the notes. By exercising this authority annual interest payments from 1947 through 1958, equal to approximately 90 percent of the net earnings of the Federal Reserve Banks, have been received by the Treasury. Beginning with the calendar year 1959, the amount paid has been equal to 100 percent of the net earnings, after payment of statutory dividends to member banks.

In fiscal 1962 the deposit was $718,350,488.38; since 1947 total deposits have aggregated $6,325,479,299.15 (see table 23).

Payment of pre-1934 Philippine bonds

In accordance with the act of August 7, 1939, as amended (22 U.S.C. 1393(g)(4)(5)), the Treasury maintains a trust account for deposits by the Philippine Government, representing amounts payable as principal and interest on pre-1934 bonds of the Philippines. For the status of the account as of June 30, 1962, see table 86.

Withheld foreign checks

The delivery of U.S. Government checks to payees residing in certain foreign areas continued to be prohibited during fiscal 1962 in accordance with Department Circular No. 655, dated March 19, 1941, as amended. These foreign areas are listed in the 1960 annual report, page 117.

Depositary receipts

The Internal Revenue Code requires employers to withhold from the salaries of employees amounts of Federal income and Federal insurance contribution act (FICA) taxes. Regulations provide that where the total taxes withheld, plus the FICA tax on the employer, exceed $100 each month, the taxes must be paid monthly to the Treasury by purchase of a depositary receipt through a local Government depositary designated for that purpose, or directly to a Federal Reserve Bank. Depositary receipts are validated by Federal Reserve Banks at the time the taxes are paid and returned to the employers for use as evidence of payment in filing their quarterly tax returns with District Directors of Internal Revenue.

When the depositary receipt procedure was established in 1944, its application was limited to the deposit of withheld individual income taxes (26 U.S.C. 3402). Since then withholding requirements have been extended to cover FICA taxes, beginning in 1950 (26 U.S.C. 3101 and 3111); railroad retirement taxes, beginning in 1951 (26 U.S.C. 3201 and 3221); and certain excise taxes, beginning in 1953 (section 477.2(b) of Treasury Decision No. 6025, approved July 31, 1953). The increases in the earlier years were attributable to the extension of the system to additional tax classes, while in later years they have been due to increased tax rates, a greater number of employers and employees, and the enforcement activities of the Internal Revenue Service. The following table shows the volume of depositary receipts since inception of the accelerated collection system.

Fiscal year	Income and social security taxes	Railroad retirement taxes	Federal excise taxes	Total
1944	3,516,012			3,516,012
1945	3,527,611			3,527,611
1946	3,699,158			3,699,158
1947	3,887,630			3,887,630
1948	3,989,195			3,989,195
1949	3,922,399			3,922,399
1950	4,481,451			4,481,451
1951	4,664,374			4,664,374
1952	4,895,784	10,802		4,906,586
1953	5,600,904	11,395		5,612,299
1954	5,425,723	11,025	701,243	6,137,991
1955	6,316,929	11,128	652,971	6,981,028
1956	7,632,789	11,707	694,125	8,338,621
1957	8,142,296	12,776	682,014	8,837,086
1958	8,481,465	10,947	681,210	9,173,622
1959	8,961,762	10,751	604,933	9,577,446
1960	9,469,057	10,625	598,881	10,078,563
1961	9,908,068	10,724	618,971	10,537,763
1962	10,477,119	10,262	610,026	11,097,407

BUREAU OF THE PUBLIC DEBT

The Bureau of the Public Debt, in support of the management of the public debt, has responsibility for the preparation of Treasury Department circulars offering public debt securities, the direction of the handling of subscriptions and making of allotments, the formulation of instructions and regulations pertaining to each security issue, the issuance of the securities, and the conduct or direction of transactions in those outstanding. The Bureau is responsible for the final audit and custody of retired securities, the maintenance of the control accounts covering all public debt issues, the keeping of individual accounts with owners of registered securities and authorizing the issue of checks in payment of interest thereon, and the handling of claims on account of lost, stolen, destroyed, or mutilated securities.

Of the four offices maintained, the principal one, which includes the headquarters of the Bureau, is in Washington, D.C. This office is charged with the receipt and custody of all new securities and their issuance directly to owners or to the Federal Reserve Banks and branches or other authorized issuing agents. Except for savings bonds, the office conducts transactions in all outstanding securities (including securities of the Government-owned corporations for which the Treasury acts as agent), and audits and maintains custody of the securities when retired and interest coupons when paid. An office in Chicago, Ill., conducts transactions relating to all savings bonds outstanding and maintains the issue and retirement records of the paper type savings bonds except the retirement records of Series E bonds reissued since January 1, 1962. A field branch audit office in Cincinnati, Ohio, audits retired paper type savings bonds except Series E bonds retired on reissue since January 1, 1962, and transmits retirement information to the Chicago office for recording. All issue and retirement records of the punch-card type savings bonds and retirement records of Series E paper type bonds reissued since January 1, 1962, are prepared and maintained in a field office in Parkersburg, W. Va., where the major auditing, accounting, and record keeping operations are performed by a large scale electronic data processing (EDP) system. Decision has been made to close the Cincinnati office during the early part of fiscal 1963 and to transfer its operations to the Parkersburg and Chicago offices.

Under Bureau supervision many transactions in public debt securities are conducted by the Federal Reserve Banks and their branches as fiscal agents of the United States. Selected post offices, private financial institutions, industrial organizations, and others (approximately 19,100 in all) cooperate in the issuance of savings bonds. About 15,600 private financial institutions redeem savings bonds.

Management improvement

New transistor equipment was installed in the Parkersburg office of the Bureau to update the system used to process and maintain alphabetical and numerical records of Series E savings bonds in punch-card form. The new equipment was placed in operation on a rental basis on February 1, 1962. All stubs and bonds shipped to the Parkersburg office on and after January 2, 1962, have been processed under the new system, and all alphabetical and numerical tape records relating to transmittals before that date have been converted. The updating of the system will result in annual savings of approximately $450,000, mainly in reduced equipment rental fees and tape costs. The greater speed, flexibility, and capacity of the new equipment also made it possible to plan for expansion to include savings bond work previously performed in other Bureau offices.

Effective January 1, 1962, the use of a punch-card bond of single form and design was initiated for Series E savings bond transactions requiring the issue of a replacement bond after original issue. This new type eliminates the cumbersome and costly procedures involved in maintaining stocks of separate bond designs for each change in the series or form of Series E bonds, and will result in continuing reductions in printing and storage costs and substantial savings in Federal Reserve Bank reimbursable expenses. This will also free the electronic equipment in the Parkersburg office for greater use in processing issue and retirement data, and enable the Bureau to replace with automated procedures certain operations previously performed manually or on conventional tabulating equipment.

The closing of the Cincinnati Savings Bond Audit Branch, which has been auditing, processing, and classifying all retired paper savings bonds, was approved by the Secretary of the Treasury. The final closing of the office is scheduled for December 1962. Effective July 1, 1962, the audit and classification of all Series F, G, H, J, and K savings bonds were transferred to the Chicago office, which performs other related activities in connection with bonds of these series. Effective August 1, 1962, the audit and classification of Series A, B, C, D, and E bonds in paper form were transferred to the Parkersburg office. These bonds constitute the bulk of the paper bond workload and will be processed electronically in much the same manner as the Series E card bonds. Programs are also being developed to establish and maintain numerical records of Series E paper bonds on magnetic tape as a byproduct of the audit of such bonds in the Parkersburg office. The manually maintained numerical registers of the Chicago office will be closed and filmed sometime during the fiscal year 1963.

Studies in the Chicago office resulted in a revision of certain mail and file activities and the simplification of the system used to control securities on hand or in process in the Division of Loans and Currency Branch. These changes and the discontinuance of the Series E numerical register posting activity will result in substantial savings in personnel and space requirements in the Chicago office.

The procedure for granting relief on claims arising from the loss, theft, or destruction of an unmatured savings bond was modified to permit the issuance of a check for the redemption value of the bond when the owner requests immediate payment. Before this change it was necessary to issue a new bond marked "duplicate" and process the bond itself for redemption. The new method facilitates the processing of claims cases and improves service to the public.

Revised instructions were issued to the Federal Reserve Banks in connection with the conduct of Treasury bill transactions and the processing of redeemed interest coupons. The instructions dealing with bills provide information relating to strips of bills and a new $50,000 denomination, which was placed in use during January 1962. The instructions dealing with coupons simplify paper work and reduce the number of shipping records that Federal Reserve Banks are required to maintain.

The Bureau has continued to stress its training program. Bureau personnel participated in such outside training activities as a Budget Bureau conference on the management of productivity, the annual symposium of the Federal Government Accountants Association, a personnel management conference, and a management seminar. Other personnel received technical training in the programming and operation of the new electronic data processing system, in management analysis, and in the application of audit techniques to data processing operations.

Under the incentive awards program 103 suggestions were received and 62 were adopted, with recurring savings estimated at $10,019. Cash awards totaling $915 were made for the adopted suggestions. Cash awards totaling $11,900 were given to 88 employees who received outstanding performance ratings. An additional $16,200 was distributed to 533 employees for sustained superior work performance.

Bureau operations

One measure of the work of the Bureau is the change in the composition of the public debt. The debt falls into two broad categories: public issues and special issues. The public issues consist of marketable Treasury bills, certificates of indebtedness, notes, and bonds; and nonmarketable obligations, chiefly U.S. savings bonds and Treasury bonds of the investment series. Special issues of certificates, notes, and bonds are made by the Treasury directly to various Government trust and certain other accounts and are payable only for these accounts.

During fiscal 1962 the gross public debt increased by $9,230 million and the guaranteed obligations not owned by the Treasury increased by $204 million. The most significant change in the composition of the outstanding debt during the year was the net increase of $8,924 million in interest-bearing marketable public issues; Treasury bills and notes increased a total of $14,519 million and Treasury bonds decreased $5,804 million. Total public debt issues, including issues exchanged for other securities, amounted to $203,530 million during 1962, and retirements amounted to $194,301 million.

A summary of public debt operations handled by the Bureau appears on pages 38 to 55 of this report, and a series of statistical tables dealing with the public debt will be found in tables 26 to 58. The following statement gives a comparison of the changes in the various classes of public debt issues in the amounts outstanding at the close of the fiscal years 1961 and 1962.

Classification	Increase, or decrease (—)	
	1961	1962
	In millions of dollars	
Interest-bearing debt:		
Marketable obligations	3,303	8,924
Treasury bonds, investment series	—953	—1,103
U.S. savings bonds	—30	92
Special issues	144	—104
Other	—34	961
Total interest-bearing debt	2,430	8,770
Matured debt and debt bearing no interest	210	459
Total	2,640	9,230

U.S. savings bonds.—The large volume of work involved in the issuance and redemption of savings bonds creates the greatest number of administrative problems for the Bureau of the Public Debt. These bonds are issued in registered form and are owned by tens of millions of persons. Both alphabetical and numerical ownership records have been established and maintained for 2.4 billion bonds issued during the past twenty-seven years. The adjudicating of claims and replacing lost, stolen, and destroyed bonds (which now total 1.7 million pieces) and the handling and recording of retired bonds also contribute to the administrative burdens.

Receipts from sales during the year were $4,411 million and accrued discount charged to the interest account and credited to the savings bonds principal account amounted to $1,358 million, a total of $5,769 million. The sales include $10 million of Series H bonds issued in exchange for Series F and J bonds, but exclude $219 million of Series H bonds issued in exchange for Series E bonds. Savings bond redemptions charged to the Treasurer's account during the year, including about $2,585 million of matured bonds, amounted to $5,716 million. The redemptions include $320 million of Series F and G bonds exchanged for marketable Treasury bonds and $10 million of Series F and J bonds exchanged for Series H bonds, but exclude $219 million of Series E bonds exchanged for Series H bonds. The amount of unmatured and matured savings bonds of all series outstanding on June 30, 1962, including accrued discount, was $47,818 million, an increase of $64 million from the amount outstanding on June 30, 1961. Detailed information regarding savings bonds will be found in tables 46 to 49, inclusive, of this report.

There were 92.7 million stubs representing issued bonds of Series E received for registration making a grand total of 2,355.5 million, including reissues, received through June 30, 1962. In recent years original stubs of paper type bonds were arranged alphabetically in semiannual blocks, by name of owner, and microfilmed. The stubs were then arranged in numerical sequence by bond serial numbers for a full calendar year file and microfilmed, after which they were destroyed. These microfilms are permanent registration records. The original issue of paper bonds was discontinued in fiscal 1958.

The issue stubs of the punch-card type bonds are microfilmed in batches as they are received by the Bureau. Electronic data processing equipment is used to audit the stubs and develop a numerical and alphabetical register on magnetic tape showing ownership of bonds. In addition, the magnetic tape file of bonds issued serves as a locater index to the bond stub image on microfilm.

The following tables show the status of processing operations for registration stubs of the paper type and card type Series E savings bonds. The table on card type bonds also shows steps taken in processing retired card type bonds and paper type bonds of Series E retired on reissue transactions since January 1, 1962.

661496—63——11

Period	Stubs of issued paper type Series E savings bonds in Chicago office (In millions of pieces)					
	Stubs received	Alphabetically sorted		Alphabetically filmed	Numerically filmed	Destroyed after filming
		Restricted basis sort	Fine sort prior to filming			
Cumulative through June 30, 1957	1,896.9	1,871.5	1,825.0	1,804.1	1,655.9	1,649.1
Fiscal year:						
1958	37.1	62.1	85.7	89.9	178.3	184.1
1959	2.1	2.5	24.4	41.1	100.9	101.9
1960	1.9	----------	2.3	1.9	----------	----------
1961	1.9	----------	1.5	1.9	1.9	1.9
1962	1.7	----------	2.1	2.1	1.9	1.9
Total	1,941.6	1,936.1	1,941.0	1,941.0	1,938.9	1,938.9

All retired bonds in card form, issued only in Series E, and all Series E paper bonds retired on reissue transactions since January 1, 1962, are handled in the Parkersburg office. There, after microfilming, the bonds are audited and required permanent record data are prepared by an electronic data processing system before being destroyed. The following table shows the status of these operations.

Fiscal year	Received	Microfilmed	Keypunched	Converted to magnetic tape	Audited and classified	Destroyed	Balance			
							Unfilmed	Not keypunched	Not converted to magnetic tape	Unaudited
	Stubs of issued card type Series E savings bonds in Parkersburg office (in millions of pieces)									
1958	59.5	57.8	41.4	5.7	34.7	--------	1.7	18.1	53.8	24.8
1959	87.5	88.2	103.4	119.0	106.9	--------	1.0	2.2	22.3	5.4
1960	87.2	84.7	82.6	102.5	83.6	58.3	3.5	6.8	7.0	9.0
1961	88.7	90.7	92.4	92.2	92.9	154.4	1.5	3.1	3.5	4.8
1962	91.0	90.2	88.7	89.1	88.9	154.1	2.3	5.4	5.4	6.9
Total	413.9	411.6	408.5	408.5	407.0	366.8	--------	--------	--------	--------
	Retired card type Series E savings bonds recorded in Parkersburg office (in millions of pieces)									
1958	17.5	16.7	10.5	.1	7.3	--------	.8	7.0	17.4	10.2
1959	45.2	45.5	51.4	53.2	52.8	--------	.5	.8	9.4	2.6
1960	55.2	54.3	52.5	60.0	52.4	20.6	1.4	3.5	4.6	5.4
1961	59.7	60.6	61.5	62.4	62.8	93.0	.5	1.7	1.9	2.3
1962	62.4	61.3	61.1	61.1	60.3	95.0	1.6	3.0	3.2	4.4
Total	240.0	238.4	237.0	236.8	235.6	208.6	--------	--------	--------	--------
	Retired paper type Series E savings bonds processed in Parkersburg office (in thousands of pieces)									
Jan. 1-June 30, 1962	817.1	774.7	736.3	736.3	696.1	--------	42.4	80.8	80.8	121.0

Retired savings bonds of all series received during fiscal 1962 numbered 91.6 million. Retired paper bonds of all series, except

Series E bonds retired on reissue transactions between January 1 and June 30, 1962, were processed through the Cincinnati office where they were audited, microfilmed, and destroyed. A list of the serial numbers of retired paper bonds audited by the Cincinnati office was transmitted to the Chicago office for posting of retirement reference data to numerical ledgers for permanent record. The following tables show the status of these operations for the Chicago and Cincinnati offices.

Period	Retired paper type savings bonds of all series in the branch audit offices [1] (in millions of pieces)					
	Bonds received	Audited	Microfilmed	Balance		Destroyed
				Unaudited	Unfilmed [2]	
Cumulative through June 30, 1957	1,063.2	1,060.2	1,045.4	3.0	6.7	997.5
Fiscal year:						
1958	81.8	81.2	82.6	3.6	5.9	79.3
1959	48.7	49.1	47.7	3.2	6.9	72.4
1960	43.2	44.4	46.2	2.0	3.9	47.5
1961	32.6	32.9	34.0	1.7	2.5	32.2
1962	28.4	28.4	28.2	1.7	2.7	28.3
Total	1,297.9	1,296.2	1,284.1			1,257.2

[1] There is only one audit office now in existence but prior to June 1958 there were five such offices and this table includes data for all of them.
[2] Excludes 9.4 million pieces of unfilmed spoiled stock transferred to permanent storage and 1.7 million pieces of unissued stock to be destroyed without microfilming.

Period	Retired paper type savings bonds of all series recorded in Chicago office (in millions of pieces)				
	Number of retired bonds reported	Status of posting			
		Posted	Verified	Balance	
				Unposted [1]	Unverified [1]
Cumulative through June 30, 1957	1,523.9	1,518.0	1,435.1	5.9	4.8
Fiscal year:					
1958	84.6	87.2	64.0	3.3	28.0
1959	50.3	50.4	86.2	3.2	3.3
1960	45.3	45.7	55.5	2.8	4.9
1961	37.1	37.2	39.3	2.7	2.8
1962	28.6	29.2	32.6	2.1	1.2
Total	1,769.8	1,767.7	1,712.6		

[1] Excludes 53.9 million pieces received in 1954 and 1955 which were not verified.

Of the 84.7 million Series A–E savings bonds redeemed prior to release of registration and received in the audit offices during the year, 82.6 million, or 97.5 percent, were redeemed by approximately 15,600 paying agents. These agents were reimbursed for this service in each quarter year at the rate of 15 cents each for the first 1,000 bonds paid and 10 cents each for all over the first 1,000. The total amount paid to agents on this account during the year was $10,641,374, which was at the average rate of 12.88 cents per bond.

The following table shows the number of savings bonds outstanding as of June 30, 1962, by series and denomination.

Series [1]	Total	Denomination (in thousands of pieces)									
		$10	$25	$50	$100	$200	$500	$1,000	$5,000	$10,000	$100,000
E	441,864	884	236,691	96,270	76,120	7,157	11,854	12,848		38	1
H	5,963						2,257	3,344	285	77	
A	3		1	(*)	1		(*)	(*)			
B	4		2	1	1		(*)	(*)			
C	13		5	2	4		1	1			
D	68		24	13	19		4	7			
F	292		82		93		27	69	9	12	
G	720				241		140	284	27	28	
J	444		76		150		45	124	19	29	1
K	552						148	308	47	48	2
Total	449,923	884	236,881	96,286	76,629	7,157	14,476	16,985	387	232	4

*Less than 500 pieces.
[1] Currently only bonds of Series E and H are on sale.

The following table shows the number of issuing and paying agents for Series A–E savings bonds by classes.

June 30	Post offices [1]	Banks	Building and savings and loan associations	Credit unions	Companies operating payroll plans	All others	Total
	Issuing agents						
1945	24,038	15,232	3,477	2,081	[2] 9,605	(2)	54,433
1950	25,060	15,255	1,557	522	3,052	550	45,966
1955	2,476	15,692	1,555	428	2,942	588	23,681
1958	1,178	16,047	1,702	357	2,640	587	22,511
1959	1,120	16,178	1,778	336	2,401	688	22,501
1960	1,093	16,436	1,851	320	2,352	643	22,695
1961	1,061	13,505	1,617	285	2,045	590	[3] 19,103
1962	1,046	13,559	1,670	281	1,978	573	19,107
	Paying agents						
1945		13,466					13,466
1950		15,623	874	137		57	16,691
1955		16,269	1,188	139		56	17,652
1958		16,744	1,580	171		59	18,554
1959		16,860	1,690	168		60	18,778
1960		17,127	1,797	169		60	19,153
1961		13,670	1,605	158		16	[3] 15,449
1962		13,687	1,690	160		16	15,553

[1] Estimated by the Post Office Department for 1955 and thereafter. Sale of Series E savings bonds was discontinued at post offices at the close of business on December 31, 1953, except in those localities where no other public facilities for their sale were available.
[2] "All others" included with companies operating payroll plans.
[3] Substantial reduction due to reclassification by Federal Reserve Banks effective Dec. 31, 1960, to include only the actual number of entities currently qualified.

Interest checks issued on current income type savings bonds (Series G, H, and K) during the year totaled 5,094,481 with a value of $276,092,431, an increase of 59,498 checks from those issued during 1961, and an increase in value of $17,645,004. New accounts established totaled 235,881, compared with 212,235 in 1961. As of June 30, 1962, there were 1,798,976 active accounts with owners of current income savings bonds, a decrease of 45,052 accounts during the year. There were reductions of 114,367 accounts of Series G bonds, which have been maturing since May 1, 1953, and 31,584 accounts of Series K, which were first sold on May 1, 1952, and discontinued effective at the close of business April 30, 1957. An increase of 100,899 occurred in accounts of Series H bonds, which were first sold on June 1, 1952.

Applications during the year for the issue of duplicates of lost, stolen, or destroyed savings bonds amounted to 40,534. These, together with 1,191 cases on hand at the beginning of the year, totaled 41,725. In 24,805 cases the bonds were recovered, and in 15,922 cases the issuance of duplicate securities was authorized. On June 30, 1962, there remained 998 cases not settled.

Other U.S. securities.—During the year, 31,828 individual accounts covering publicly held registered securities were opened and 34,970 were closed. This reduced the total of open accounts on June 30, 1962, to 245,536 covering registered securities in the principal amount of $13,197 million. There were 471,021 interest checks with a value of $426,209,097 issued to owners of record during the year, a decrease of 283 checks from the number issued in 1961, and a decrease in value of $1,204,256.

Redeemed and canceled securities received for audit included 4,841,103 bearer securities and 350,466 registered securities, a total of 5,191,569 as compared with 4,324,984 in 1961; and 20,485,027 coupons were received, which was 390,887 more than in 1961.

OFFICE OF THE TREASURER OF THE UNITED STATES

The Treasurer of the United States is responsible for the receipt, custody, and disbursement, upon proper order, of the public moneys and for maintaining records of the source, location, and disposition of these funds. The Office was created by an act of Congress approved September 2, 1789, as amended (31 U.S.C. 141, 147).

The Office of the Treasurer uses the facilities of the Federal Reserve Banks as fiscal agents of the United States to perform many of its functions throughout the country. These include the verification and destruction of U.S. paper currency; the redemption of public debt securities; the keeping of cash accounts in the name of the Treasurer; the acceptance of deposits made by Government officers for credit; and the custody of bonds held to secure public deposits in commercial banks.

Commercial banks in the United States and in foreign countries which qualify as depositaries provide banking facilities for activities of the Government at places where they are located. Data on the transactions handled for the Treasurer by the Federal Reserve Banks and commercial banks are reported daily to the Treasurer and are entered in the Treasurer's general accounts.

The Treasurer maintains current summary accounts of all receipts and expenditures; pays the principal and interest on the public debt; provides checking account facilities for Government disbursing officers, corporations, and agencies; pays checks drawn on the Treasurer of the United States and reconciles the checking accounts of the disbursing officers; procures, stores, issues, and redeems U.S. currency; audits redeemed Federal Reserve currency; examines and determines the value of mutilated currency; acts as special agent for the payment of principal and interest on certain obligations of corporations of the U.S. Government and on certain obligations of Puerto Rico issued on or before January 1, 1940. The Treasurer also acts as special agent for the payment of principal and interest on certain pre-1934 dollar bonds of the Philippine Islands. By agreement with the Post Office Department, the electronic installation of the Office of the Treasurer is being expanded to include the processing of postal money orders.

The Office maintains facilities in the main Treasury building to: Accept deposits of public moneys by Government officers; cash U.S. savings bonds and checks drawn on the Treasurer; receive excess and unfit currency and coins; and to conduct transactions in both marketable and nonmarketable public debt securities. The Office also prepares the *Daily Statement of the United States Treasury* and the monthly *Circulation Statement of United States Money.*

Acting under authority delegated by the Comptroller General of the United States, the Treasurer processes claims arising from forgery of endorsements and other irregularities involving checks paid by the Treasurer and passes upon claims for substitute checks to replace unpaid checks which have been lost or destroyed.

The Treasurer of the United States was designated Treasurer of the Board of Trustees of the Postal Savings System in accordance with Treasury Order No. 177–20, dated December 22, 1961 (see exhibit 51). She is also custodian of bonds held to secure public deposits in commercial banks, bonds held to secure postal savings on deposit in such banks, and miscellaneous securities and trust funds.

Management improvement program

Many changes made throughout the Treasurer's Office during the year increased efficiency and financial savings. Several of the improvements were developed and effected in cooperation with other bureaus of the Fiscal Service, other Government agencies, and Federal Reserve Banks. The more significant are described in the following paragraphs.

Improved programming and timely installation of computers of advanced design and additional capabilities have enabled the Treasurer's Electronic Data Processing Division to meet the growing demand for its services. The Division processed 449 million checks in fiscal 1962 as compared with 430 million the previous year and expects to pay and reconcile about 466 million checks in 1963. Also, late in June 1962, the Division began to process postal money orders and it expects to handle an estimated 133 million during fiscal 1963, and 244 million annually thereafter. Although the large monetary savings anticipated from the processing of money orders by electronic equipment will not be fully realized by the Government until late in fiscal 1963, improvements in accounting control and service of issued money orders will be immediate.

Those disbursing officers who use electronic equipment in issuing checks send check issue information on magnetic tape to the Treasurer. This tape is used in the electronic system to reconcile automatically such check issues with payments, thereby speeding reconciliation and reducing substantially the amount of manual reconciliation. It is estimated that by the end of fiscal 1963, about 65 percent of all checks will be so issued and reconciled.

The use of these check issue tapes in the electronic system also results in the earlier detection and reporting of differences between the amounts for which checks are issued and the amounts for which they are paid, thereby making possible earlier notification to banks and the U.S. Secret Service of any checks found to be altered.

Improved procedures have reduced the time elapsing between the receipt of mutilated checks from the Federal Reserve Banks and their entry into the electronic system, have put the Treasurer's records of the checking accounts of disbursing officers on a more current basis, and enabled the Office to advise the banks sooner when payment on a mutilated check is declined.

Revised instructions issued to disbursing officers on the remailing to payees of recovered original checks and the batching of documents relating to check claims have greatly reduced the number of duplicate payments and expedited the handling of correspondence in the Check Claims Division.

The bureau's training program has been broadened and a long-range plan is being expanded to give qualified employees an opportunity to achieve their highest potential. Approved by the Civil Service Commission and in effect are two continuing bureau programs: the check claims examiner training program and the digital computer programming training program. Also, a regularly scheduled supervisory training program is being planned.

Assets and liabilities in the Treasurer's account

The assets of the Treasurer consist of gold and silver bullion, coin and paper currency, deposits in Federal Reserve Banks, and deposits in commercial banks designated as Government depositaries.

A summary of the assets and liabilities in the Treasurer's account at the close of the fiscal years 1961 and 1962 is shown in table 59.

Gold.—The gold assets, which amounted to $17,550.1 million on June 30, 1961, on the daily Treasury statement basis, continued to decline throughout most of the year. Receipts were $408.3 million and disbursements $1,523.3 million. The final balance of $16,435.0 million on June 30, 1962, included liabilities of $16,158.0 million in gold certificates or credits payable in gold certificates and $156.0 million for the gold reserve against currency, leaving a free gold balance of $121.0 million.

Silver.—Depletion of the Treasury's stocks of silver bullion available for coinage prompted the President, on November 28, 1961, to direct that further sales of bullion, at the fixed price of 90.5 cents per ounce, should be suspended, except to Government agencies. As silver certificates become unfit for further circulation, they are being replaced, in part, by Federal reserve notes. Silver bullion at the monetary value of $1.29+ per ounce, held to secure outstanding certificates, is thus made available and is released from time to time to meet the Department's increasingly heavy requirements for subsidiary silver coinage.

Transactions in silver bullion during the year are summarized, in millions of dollars, in the following table.

Fiscal year 1962	Silver bullion			
	Held to secure silver certificates	Held for coinage, etc.		
	Monetary value	Monetary value	Cost value	Recoinage value
On hand July 1, 1961	$2,252.3		$57.1	
Received (+) or disbursed (−), net		−$2.0	−15.4	+$2.0
Revalued	+0.2		−0.1	
Released for coinage	−69.4	+69.4		
Used in coinage		−59.0	−20.0	−1.9
On hand June 30, 1962	2,183.1	8.4	21.6	0.1

The closing balance of $2,183.1 million in silver bullion at the monetary value, was held, together with $115.7 million in silver dollars, to secure outstanding silver certificates of $2,276.6 million on June 30, 1962. A free balance of $22.2 million in monetized silver remained.

Balances with depositaries.—The following table shows the number of each class of depositaries and balances on June 30, 1962.

Class	Number of accounts with depositaries [1]	Deposits to the credit of the Treasurer of the United States June 30, 1962
Federal Reserve Banks and branches	36	[2] $915,195,508
Other domestic depositaries reporting directly to the Treasurer	44	39,519,920
Domestic depositaries reporting through Federal Reserve Banks:		
General depositaries	1,757	265,381,804
Special depositaries, Treasury tax and loan accounts	11,439	8,814,673,942
Foreign depositaries [3]	78	135,755,629
Total	13,354	10,170,526,802

[1] Includes only depositaries having balances with the Treasurer of the United States on June 30, 1962. Excludes depositaries duly designated for this purpose but having no balances on that date and those designated to furnish official checking account facilities or other services to Government officers but which are not authorized to maintain accounts with the Treasurer. Banking institutions designated as general depositaries are frequently also designated as special depositaries, hence the total number of accounts exceeds the number of institutions involved.

[2] Includes checks for $303,269,291 in process of collection.

[3] Principally branches of U.S. banks and of the American Express Company, Inc.

Bureau operations

Receiving and disbursing public moneys.—Moneys collected by Government officers are deposited with the Treasurer at Washington, in Federal Reserve Banks, and in designated Government depositaries for credit to the account of the Treasurer of the United States. All payments are withdrawn from this account. Moneys deposited and withdrawn in the fiscal years 1961 and 1962, exclusive of certain intragovernmental transactions, are shown in the following table on the basis of the *Daily Statement of the United States Treasury.*

Deposits, withdrawals, and balances in the Treasurer's account	1961	1962
Cash deposits (net) (including internal revenue, customs, trust funds, etc.)	$96,897,026,794	$101,608,057,928
Public debt receipts [1]	176,247,926,563	203,530,446,854
Less accrued discount on U.S. savings bonds and Treasury bills	−2,309,768,703	−2,571,113,247
Total net deposits	270,835,184,654	302,567,391,535
Balance at beginning of fiscal year	8,004,740,998	6,694,119,954
Total	278,839,925,652	309,261,511,489
Cash withdrawals (includes budget and trust accounts, etc.)	98,283,877,037	106,626,338,957
Net transactions in:		
Investments of Government agencies in public debt securities, excess of investments	921,036,604	502,677,061
Sales and redemptions of obligations of Government agencies in market, excess of redemptions, or sales (−)	1,107,286,500	−950,771,810
Public debt redemptions [1]	173,607,748,801	194,300,562,743
Less redemptions included in cash withdrawals	−1,774,143,244	−1,647,689,011
Total net withdrawals	272,145,805,698	298,831,117,940
Balance at close of fiscal year	6,694,119,954	10,430,393,549

[1] For details for 1962 see table 38.

Old series currency.—The Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912–916) (see annual report for 1961, exhibit 10, p. 297), authorizes and directs the Secretary of the Treasury to make certain adjustments and to take certain other action with respect to all large size currency outstanding which was issued prior to July 1, 1929, and with respect to small size gold certificates outstanding which were issued between July 1, 1929, and January 30, 1934, the date of enactment of the Gold Reserve Act of 1934 (31 U.S.C. 440–446). Any such old series currency presented to the Treasury is now being redeemed from the general fund of the Treasury and the amount of the public debt outstanding is correspondingly reduced.

In accordance with the provisions of the act, gold and silver reserves in the aggregate amount of $61,059,919 were released as of July 1, 1961. These reserves had been held as security for gold certificates issued before January 30, 1934, and as security for or for the redemption of Treasury notes of 1890 and of silver certificates issued before July 1, 1929. The freeing of these reserves resulted in an equivalent increase in the free gold balance and the free silver balance in the general fund available for the issuance of gold certificates to Federal Reserve Banks and for the issuance of additional amounts of silver certificates.

The amount of each of these old series currency issues outstanding on July 1, 1961, was credited as a public debt receipt and established as a public debt liability bearing no interest as follows:

Gold certificates	$29,959,809
Silver certificates	29,958,443
Treasury notes of 1890	1,141,667

Also, as provided by section 4 of the act, each Federal Reserve Bank paid into the Treasury an amount equal to its Federal Reserve notes of any series prior to the Series of 1928 outstanding as of July 1, 1961. These payments were made on July 28, 1961, in the aggregate amount of $36,419,050. This amount was credited to public debt receipts and established as a public debt liability bearing no interest (section 6(b) of the act). The amount received from each Federal Reserve Bank was as follows:

Federal Reserve Bank	Amount	Federal Reserve Bank	Amount
Boston	$2,397,025	St. Louis	$1,385,645
New York	9,259,995	Minneapolis	1,307,395
Philadelphia	2,704,685	Kansas City	1,561,510
Cleveland	3,756,435	Dallas	972,515
Richmond	1,547,845	San Francisco	3,834,400
Atlanta	2,054,150		
Chicago	5,637,450	Total	36,419,050

In accordance with section 6(c) of the act, the Secretary of the Treasury, from time to time, may determine the amount of each denomination of each kind of old series currency outstanding which in his judgment has been destroyed or irretrievably lost and so will never be presented for redemption. The public debt liability for these currencies is thereupon reduced by the amount of the determinations with corresponding credit to miscellaneous receipts of the Treasury. Under this provision, the Secretary on October 20, 1961, determined that $1,000,000 of Treasury notes of 1890 would never be presented and the public debt was reduced accordingly on October 27, 1961.

The act also authorizes the establishment of a historical collection of the paper currency issues of the United States.

Issuing and redeeming paper currency.—By law the Treasurer is the agent for the issue and redemption of U.S. paper currency. The Treasurer's Office procures all U.S. paper currency from the Bureau of Engraving and Printing and places it in circulation as needed, chiefly through the facilities of the Federal Reserve Banks and their branches.

The Federal Reserve Banks and branches, as agents of the Treasury, redeem and destroy the major portion of the U.S. currency as it becomes unfit for circulation. A small amount is handled directly by the Treasurer's Office.

Federal Reserve notes are issued by Federal Reserve Banks. The Federal Reserve Banks also redeem these notes, cut them in half, and forward the halves separately to Washington where the Currency Redemption Division of the Treasurer's Office verifies the lower halves and the Office of the Comptroller of the Currency verifies the upper halves. Both halves are then destroyed under the direction of a special committee.

The Currency Redemption Division also redeems unfit paper currency of all types received from local sources in Washington and from Government officers abroad; and examines and identifies for lawful redemption all burned and mutilated currency received from any source. The last operation requires special techniques and unlimited patience on the part of skilled examiners as the currency received may be charred, discolored, moldy, in fragments, or in claylike chunks. During fiscal 1962, such currency was examined for 43,595 claimants and payment made therefor to the extent of $6,918,664.

A comparison of the amounts of paper currency of all classes, including Federal Reserve notes, issued, redeemed, and outstanding during the fiscal years 1961 and 1962 follows.

	1961		1962	
	Pieces	Amount	Pieces	Amount
Outstanding July 1	3, 568, 125, 302	$34, 162, 802, 793	3, 632, 683, 740	$34, 688, 829, 789
Issues during year	1, 687, 618, 740	8, 224, 217, 983	1, 720, 343, 853	8, 834, 281, 203
Redemptions during year	1, 623, 060, 302	7, 698, 190, 987	1, 569, 251, 054	7, 674, 837, 133
Outstanding June 30	3, 632, 683, 740	34, 688, 829, 789	3, 783, 776, 539	35, 848, 273, 859

Table 66 shows by class and denomination the value of paper currency issued and redeemed during the fiscal year 1962, and the amounts outstanding at the end of the year. Tables 61 through 65 give further details on the stock and circulation of money in the United States.

Checking accounts of disbursing officers and agencies.—As of June 30, 1962, the Treasurer maintained 2,393 checking accounts as compared with 2,290 on June 30, 1961. The number of checks paid, by categories of disbursing officers, during fiscal 1961 and 1962 follows.

Disbursing officers	Number of checks paid	
	1961	1962
Treasury	301, 031, 795	319, 558, 152
Army	27, 943, 028	28, 670, 953
Navy	35, 388, 109	33, 834, 057
Air Force	32, 163, 458	33, 152, 049
Other	33, 655, 044	33, 770, 098
Total	430, 181, 434	448, 985, 309

Settling check claims.—During the fiscal year the Treasurer acted upon 374,000 requests to stop payment on Government checks, including approximately 53,000 requests for information and for photostatic copies of paid checks. In addition, 52,000 requests for removal of stop payments were processed.

The Treasurer acted upon 227,000 paid check claims during the year, including those referred to the U.S. Secret Service for investigation which involved the forgery, alteration, counterfeiting, or fraudulent issuance and negotiation of Government checks. Reclamation was requested from those having liability to the United States on 33,000 claims, and $3,312,000 was recovered. Settlements and adjustments totaling $3,564,000 were made on 32,000 forgery cases. Disbursements from the check forgery insurance fund, established to enable the Treasurer to expedite settlement of check claims, totaled $263,000. As recoveries are made, these moneys are restored to the fund. Settlements totaling $3,000,000 have been made from this $50,000 revolving fund established by the act of November 21, 1941 (31 U.S.C. 561–564).

Claims involving 97,000 outstanding checks were acted upon. Of this number, 77,000 were certified for issuance of substitute checks valued at $26,304,000 to replace checks that were not received or were lost, stolen, or destroyed.

Collecting checks deposited.—Government officers during the year deposited more than 6,700,000 commercial checks, drafts, money orders, etc., with the Cash Division in Washington for collection.

Sale of uncirculated coin sets.—The Cash Division packaged and sold to collectors 37,000 sets of uncirculated coins minted in 1960 and 192,000 sets minted in 1961. This service is rendered at no expense to the Government as, in addition to the face value of the coins, a fee of 58 cents a set is charged for the cost of assembling, handling, and mailing the coins. Treasury Order No. 179–3, dated October 16, 1961 (see exhibit 51), transferred all functions and responsibilities for the sale and distribution of uncirculated coins other than over-the-counter sales to the Bureau of the Mint effective with coins minted in calendar 1962. The Cash Division will continue to sell such sets over the counter.

Custody of securities.—The face value of securities held in the custody of the Treasurer as of June 30, 1961, and June 30, 1962, is shown in the following table:

Purpose for which held	June 30	
	1961	1962
As collateral:		
To secure deposits of public moneys in depositary banks	$134, 161, 600	$133, 025, 100
To secure postal savings funds	17, 848, 500	18, 728, 500
In lieu of sureties	4, 038, 900	4, 832, 050
In custody:		
For the Secretary of the Treasury [1]	31, 260, 583, 684	34, 888, 248, 969
For Board of Trustees, Postal Savings System	344, 137, 000	286, 637, 000
For the Comptroller of the Currency	12, 157, 000	12, 341, 000
For the Federal Deposit Insurance Corporation	1, 385, 297, 830	1, 357, 097, 830
For the Rural Electrification Administration	97, 984, 184	99, 576, 759
For the District of Columbia	51, 501, 866	93, 563, 935
For the Commissioner of Indian Affairs	38, 358, 725	36, 549, 150
Foreign obligations [2]	12, 068, 244, 132	12, 064, 388, 132
Other [3]	67, 710, 576	65, 127, 646
For servicing outstanding government issues:		
Unissued bearer securities	1, 968, 817, 900	1, 853, 438, 750
Total	47, 450, 841, 896	50, 913, 554, 820

[1] Includes those securities listed in table 119 as in custody of the Treasury.
[2] Issued by foreign governments to the United States for indebtedness arising from World War I.
[3] Includes U.S. savings bonds in safekeeping for individuals.

Servicing securities for Federal agencies and for certain other governments.—In accordance with agreements between the Secretary of the Treasury and various Government corporations and agencies and Puerto Rico, the Treasurer of the United States acts as special agent for the payment of principal of and interest on their securities. The amounts of these payments during the fiscal year 1962, on the basis of the *Daily Statement of the United States Treasury* were as follows:

Payment made for	Principal	Interest paid with principal	Registered interest[1]	Coupon interest
Federal home loan banks	$1,641,660,000	$31,790,704		$7,704,099
Federal land banks	336,247,800	468,052	$7,360,244	86,218,113
Federal Farm Mortgage Corporation	3,800	15		481
Federal Housing Administration	144,016,100	1,482,452	13,439,377	
Federal National Mortgage Association	346,546,000	404		81,590,025
District of Columbia Armory Board				825,825
Home Owners' Loan Corporation	21,125			−5,178
Philippine Islands	12,000			3,037
Puerto Rico	412,000	5,250	14,875	79,323
Total	2,468,918,825	33,746,877	20,814,496	176,415,725

[1] On the basis of checks issued.

Internal Revenue Service [1]

The Internal Revenue Service is responsible for collecting internal revenue and for administering the internal revenue laws. One of the primary objectives of the Service is to sustain public confidence in the revenue system and to encourage voluntary compliance with the tax laws. The Service is also responsible for administering certain other statutes including the Federal Alcohol Administration Act (27 U.S.C. 201–212), the Liquor Enforcement Act of 1936 (18 U.S.C. 1261, 1262, 3615), and the Federal Firearms Act (15 U.S.C. 901–909).

Internal revenue collections and refunds

Collections.—Internal revenue collections in the fiscal year 1962 totaled $99.4 billion, an increase of $5.0 billion over 1961. Individual income taxes increased $4.4 billion, 89 percent of the increase in total revenue collections, and reflected a continued rise in the national level of personal income, particularly in wages and salaries. Corporation income tax collections decreased 2 percent from last year. This decline is attributed to significantly lower payments from corporations whose tax liabilities were affected adversely by the lower profit levels of 1960–1961.

Employment taxes increased slightly more than $0.2 billion, 2 percent over 1961. Gains in these taxes reflected not only the higher level of personal income, but also increases in tax rates. The old-age, disability, and survivors insurance tax rate, payable by both employers and employees, increased from 3 to 3⅛ percent on the first $4,800 of taxable wages, effective January 1, 1962. The Federal unemployment insurance tax rate on employers of 4 or more increased from 3 percent on the first $3,000 of wages paid during the calendar year 1960 to 3.1 percent on the first $3,000 of wages paid during calendar 1961.

Excise tax collections increased $0.7 billion, or 6 percent, in 1962. Gains from this source reflect, for the most part, the general rise in business activity. There was a sizable increase in collections of the Federal use tax on highway motor vehicles, mainly due to the higher

[1] Additional information will be found in the separate *Annual Report of the Commissioner of Internal Revenue.*

tax rate effective with the taxable year beginning July 1, 1961, pursuant to the Federal-Aid Highway Act of 1961 (26 U.S.C. 4481).

A comparison of collections in the fiscal years 1961 and 1962 by principal types of tax is shown below. Collections from 1929 through 1962 by detailed categories are given in table 19.

Refunds.—During fiscal 1962 refunds of internal revenue, comprising both principal and interest, totaled $6.3 billion compared with $6.0 billion in 1961. Gross collections, less refunds, were $93.1 billion in fiscal 1962 and $88.4 billion in 1961. These amounts will differ from net budget receipts which not only exclude refunds and amounts transferred to trust funds, but also include collections from customs and miscellaneous sources.

Source	1961	1962
	In thousands of dollars	
Income taxes:		
Corporation	21,764,940	21,295,711
Individual:		
Withheld by employers	32,977,654	36,246,109
Other	13,175,346	14,403,485
Total individual income taxes	46,153,001	50,649,594
Total income taxes	67,917,941	71,945,305
Employment taxes:		
Old-age and disability insurance	11,586,283	11,686,231
Unemployment insurance	345,356	457,629
Railroad retirement	570,812	564,311
Total employment taxes	12,502,451	12,708,171
Estate and gift taxes	1,916,392	2,035,187
Excise taxes:		
Alcohol taxes	3,212,801	3,341,282
Tobacco taxes	1,991,117	2,025,736
Other excise taxes	6,860,384	7,385,158
Total excise taxes	12,064,302	12,752,176
Total collections	94,401,086	99,440,839

Interpretation and communication of tax law to taxpayers

The Service prepares and distributes basic regulations, rulings, tax forms, and instructions to assist taxpayers in understanding their rights and responsibilities. It also publishes a series of tax guides and disseminates information through the various news media. Additional assistance needed by taxpayers to prepare their tax returns correctly, comply with filing requirements, and to meet payment deadlines, is provided at district and local offices.

Taxpayer publications.—This is basically a self-help program for taxpayers. The Service issues approximately 50 publications in plain everyday language for the guidance of taxpayers on practically all aspects of Federal taxation. Several of the most widely used taxpayer publications are the detailed tax guides prepared for different classes of taxpayers, such as individuals, small businesses, farmers, and aliens. During 1962 the "Mr. Businessman's Kit," which contains all the tax forms and related instructions needed by a businessman to comply with the requirements of the Federal tax laws, was developed for presentation to new business entities. This package is intended to save the taxpayer the time and effort required to inquire about his various tax obligations, to encourage voluntary compliance, and to help him avoid inadvertent noncompliance. Other publications cover the tax effect of special problems common to broad segments of the population.

Public information program.—Recognizing that tax information is vital to maintaining and strengthening the self-assessment tax system, the Service conducted a nationwide public information program through the press, radio, and television, theater and group showings of films, and speeches made by Internal Revenue officials. In addition more than 185 technical and general news releases were issued in fiscal 1962 by the national office including reports on the Service's nationwide gambling raids, developments in the conversion to automatic data processing, and articles about the Service's centennial.

Taxpayer assistance.—The purpose of this program is to give courteous and competent help to each taxpayer who seeks assistance from the Service. It is of paramount importance that employees assigned to the program create and maintain favorable relations with the public, since personal contact is made with more taxpayers through this program than through all other Service programs combined. Thus, the 1962 taxpayer assistance program placed emphasis on quality, as well as quantity, of assistance rendered. Over 11 million taxpayers visited or telephoned the field offices for assistance during the 1962 filing period, an increase of 8 percent over 1961. Internal revenue personnel gave assistance to 6.4 million taxpayers by telephone and fully prepared the returns of 509,000 other taxpayers. In general the assistance provided the public went beyond the point of merely aiding the taxpayer in entering income and deduction items on the return. Sufficient time was taken by assistors to explain to the taxpayer the status of items of income, deductions, and exemptions.

Tax return forms program.—The Service continued its efforts to simplify and improve the tax return forms and instructions. Members of the Tax Return Forms Committee visited certain service centers and selected regional and district offices to observe firsthand the problems encountered in the processing systems. As the result of the Service's conversion to an automatic data processing system in the Atlanta Region, several forms were recast and the method of distribution changed. Numerous suggestions and recommendations for revising the forms and instructions were received during the year from taxpayers, practitioners, and Service employees. These were studied and many valuable suggestions were adopted. More than 250 forms, instructions, and documents were revised or reviewed. Increased emphasis was placed on inventory valuations and methods, and five questions relating to these items were added to all business income tax return forms.

Regulations program.—During the year, 32 Treasury decisions, 5 Executive orders, and 19 notices of proposed rulemaking, relating to matters other than alcohol and tobacco taxes, were published in the *Federal Register.* These regulations were issued under provisions of the Internal Revenue Code of 1954 as originally enacted, subsequent public laws, or on the basis of an administrative determination.

Eight hearings on the provisions of the proposed regulations, which were published in 1962, were held in accordance with the provisions of the Administrative Procedure Act. Approximately 250 taxpayers or their representatives participated.

Depreciation reform program.—The Service cooperated with Treasury representatives in their studies on depreciation and in the development of the Department's depreciation reform program.

On May 2, 1961, the President announced a program of assistance to the textile industry designed to meet a wide range of problems resulting from rapid technological changes, shifts in consumer preference, and increasing international competition. The Treasury Department was directed as part of the overall program to expedite review of existing depreciation allowances on textile machinery.

To carry out this directive, an intensive review was made by Treasury officials of the schedule of average useful lives of machinery and equipment used in the domestic textile industry. Included were studies by Service engineers, inspection trips to several textile mills and textile machinery manufacturing plants, meetings with representatives of the industry, and a careful evaluation of recent technological innovations. As a result of these studies, revised average useful lives for machinery and equipment used in the textile industry were announced by the President on October 11, 1961, and published by the Internal Revenue Service in *Bulletin F*.

Service engineers made studies of seven additional industries at the direction of the Secretary of the Treasury, to aid in the overall consideration of depreciation reform: Aircraft, automobile, electrical machinery and equipment, machine tool, railroad, steel, and mining and beneficiation of low-grade iron ore. A three-man team was assigned to conduct the study of each industry. Their reports and recommendations were submitted to the Secretary early in calendar 1962.

In addition, the Service worked with Treasury representatives in completing their studies on depreciation and in developing the revenue procedure set forth in the new *Depreciation Guidelines and Rules* released on July 11, 1962. (See exhibit 22.)

Receipt and processing of returns

Number of returns filed.—In the 1962 fiscal year, 96.4 million tax returns of all classes were received. This was 0.6 million, or 0.6 percent, more than the number received in 1961. Individual income tax returns increased 0.2 million; while declarations of estimated individual income tax decreased almost 0.1 million. Employment tax returns increased 0.3 million, with almost three-fourths of the increase in employers' returns for household employees. Information returns received in 1962 totaled more than 340 million, compared with 330 million in 1961.

Processing of returns.—The three area service centers located at Lawrence, Mass.; Kansas City, Mo.; and Ogden, Utah, processed 60.5 million individual income tax returns. Of these, 49.5 million were 1961 returns filed during the 1962 filing period and 11.0 million were 1960 returns filed during the 1961 filing period but processed after June 30, 1961. This was an increase of 0.5 million, or nearly one percent above fiscal 1961. In addition, 4.8 million declarations of estimated individual income tax were processed. Accounts receivable were established for appropriate individual income and estimated tax returns. Mailing and delinquency check operations were performed on all employers' returns, forms 940 and 941, except calendar year 1961 forms 940, and forms 941 for the quarter ended March 31, 1962, required of taxpayers located in the Atlanta region. The initial transfer of work from the present area service centers to regional service centers under the automatic data processing program occurred during the year. Mailing and delinquency check operations on forms 940 and 941 filed in districts of the Atlanta region were transferred from the Midwest Service Center to the new Atlanta Regional Service Center. During the first half of the year new high-speed magnetic tape computers were installed in the midwest and western service centers. Completion of this conversion program, initiated in fiscal 1961 in the Northeast Service Center, made it possible for all area service centers to process individual income tax returns filed for the 1961 tax year on this advanced equipment during the 1962 filing period.

In the 6-month period ended June 30, 1962, nearly 36.8 million refunds were scheduled on individual income tax returns filed for the 1961 tax year. This was an increase of over 0.8 million, or 2.4 percent, above the same period in 1961.

Automatic data processing.—Automatic machine processing of tax returns is being installed by the Service in order to keep abreast of its ever-growing returns processing and revenue enforcement workload. Installation of the system is proceeding on a carefully phased basis, with major attention being given to avoiding adverse effects on employees to be redeployed. Some of the significant highlights during the year were: Establishment of the Office of Assistant Commissioner, Data Processing; completion of systems design and programs for processing business returns; timely completion and dedication of the National Computer Center at Martinsburg, W. Va., and the new Atlanta Regional Service Center building; activation of the Philadelphia Regional Service Center; processing of business returns in the Atlanta Regional Service Center and the National Computer Center; initiation of systems design for processing individual returns; selection of sites for the Dallas, Tex., Cincinnati, Ohio, and Omaha, Nebr., regional service centers, and continuation and improvement of the plan for personnel redeployment.

The automatic data processing master file was started during the year when the Atlanta Regional Service Center began processing corporation income tax returns and certain employer and excise returns. As a result, throughout the seven southeastern states comprising the Atlanta region, the Service is now able to: Make automatic checks on compliance by business entities in filing required returns; electronically verify the mathematical accuracy of the returns, the credits claimed, and the balance of tax due or any allowable credit or refund; and mechanically apply overpayments to any other taxes due from the taxpayers. Progress has been made on systems development for returns filed by individual taxpayers. This phase of the system is scheduled for installation in the Atlanta region in 1963. As the automatic data processing program has progressed, the Service has continued and intensified its massive effort to redeploy district office employees whose work is affected.

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Enforcement activities

The enforcement activities include correcting errors in tax liability on returns voluntarily filed, securing delinquent returns, collecting delinquent accounts, investigating evidence or allegation of fraud, suppressing the traffic in illicit liquor, conducting a firearms control program, providing collection litigation services to district offices, administering a taxpayer appeals system, processing civil litigation cases and those involving criminal prosecution, conducting the Federal-State cooperative exchange program, and managing the Service's tax program abroad.

Examination of returns.—During 1962, nearly 3.5 million returns were examined, approximately the same number as were examined in 1961. A comparison of the number examined during the two years follows:

Type of return	Fiscal year 1961	Fiscal year 1962
	In thousands of returns	
Income tax:		
Corporation	163	127
Individual and fiduciary	3,079	3,120
Total income tax	3,242	3,248
Estate and gift taxes	32	30
Excise and employment taxes [1]	212	195
Grand total	3,486	3,473

[1] Excludes examinations resulting in no tax change where such examination was made from the taxpayers' copies of returns in the course of an audit covering both income and excise and/or employment taxes.

Adjustments on returns examined during the year resulted in the recommendation of additional tax and penalties amounting to $1,884.5 million, a decrease of $66.4 million from the $1,950.9 million recommended in fiscal 1961. The amounts recommended are the result of examinations and informal conferences with taxpayers by audit field personnel. In some instances further adjustments are made as a result of appeals action or court decision.

Mathematical verification.—Nearly 58.8 million individual income tax returns were mathematically verified during fiscal 1962, a decrease of 0.7 million, or 1 percent from the year before. The number of error cases disclosed by mathematical verification was 2.4 million, a decrease of 2.8 percent. The number with a tax increase dropped 4.3 percent, while the number with a tax decrease was about the same as in 1961. The tax increases averaged $90, while the tax decreases averaged $70. The aggregate amount of tax increases was $134.6 million, compared with $132.0 million in 1961; tax decreases totaled $69 million, compared with $66 million.

Delinquency investigations and delinquent returns secured.—During 1962, the Service made 1.5 million delinquency investigations compared with 1.3 million in 1961. The number of delinquent returns secured was 935,000, a decrease of 3 percent. The amount of tax, penalties, and interest due on these returns amounted to $165 million compared with $159 million in 1961. It was necessary during the year to redeploy some manpower from work on delinquent returns to the collection of past-due accounts because of an increased backlog. This redeployment of personnel resulted in a sizable increase in the number of past-due accounts closed. The increase more than offset the decline in the number of delinquent returns secured. In addition, in examining tax returns, district audit divisions secured 73,000 delinquent returns compared with 95,000 in 1961. Tax, penalties, and interest on these returns amounted to $39.2 million, a decrease of 23 percent.

Summary of additional tax from direct enforcement.—Additional tax, penalties, and interest assessed in 1962 as a result of direct enforcement activities amounted to $1,969 million compared with $2,130 million assessed in 1961. A comparison of additional tax from direct enforcement during the last two fiscal years is shown in the following table.

Sources	1961	1962
	In thousands of dollars	
Additional tax, interest, and penalties resulting from examination	r 1,788,305	1,631,236
Increase in individual income tax resulting from mathematical verification	131,981	134,583
Tax, interest, and penalties on delinquent returns	209,873	203,679
Total additional tax, interest, and penalties	r 2,130,159	1,969,498
Claims disallowed	649,471	352,285

r Revised.

Tax fraud investigations, indictments, and convictions.—In 1962, preliminary investigations totaled 10,229, compared with 12,866 in 1961, and full-scale investigations totaled 3,469, compared with 3,677 in 1961. Prosecution was recommended in 2,128 cases, 32 more than in 1961. Indictments were returned against 1,702 defendants in 1962 compared with 1,709 in 1961. In cases reaching the courts, 1,013 pleaded guilty or *nolo contendere*, 178 were convicted, 65 acquitted, and 181 cases were dismissed. These compare with 1,129 pleas of guilty or *nolo contendere*, 102 convictions, 49 acquittals, and 194 dismissals in the preceding year.

In enforcement of the wagering and coin-operated gaming device tax statutes, special agents of the Service in 1962 conducted raids at 630 locations in 277 cities. These raids resulted in the seizure of 151 automobiles, $377,000 in currency, and considerable gambling equipment, and the arrest of 743 tax violators. The Service continued its cooperation with the Department of Justice drive on organized crime through the initiation of a number of tax investigations involving racketeers. The number of convictions in the past ten fiscal years is shown in the following table.

Fiscal year	Number of individuals convicted
1953	929
1954	1,291
1955	1,339
1956	1,572
1957	1,256
1958	1,096
1959	909
1960	1,086
1961	1,231
1962	1,191

Alcohol and tobacco tax administration.—Significant progress was made in eliminating the well-organized illicit alcohol traffic which has flourished in the metropolitan areas of the eastern seaboard. The east coast plan has proved highly effective against the principals and key subordinates of the syndicates engaged in large-scale production of nontaxpaid alcohol by reducing the incidence of such violations through the location and prompt seizure of most of their distilling plants. As a result, the major operating groups have sustained severe monetary losses, and have been forced to abandon or curtail operations and to seek outside financial support for new ventures. The mandatory preventive raw materials program has continued to be an effective method of curtailing the production of nontaxpaid spirits by means of soliciting the voluntary cooperation of dealers in refusing to sell the essential materials to known violators or suspected persons, placing noncooperating dealers under demand to report dispositions thereof, and prosecuting those who violate the regulations.

Seizures and arrests for violations of alcohol tax laws are shown in the following table.

Fiscal year	Number of stills seized	Gallons of mash seized	Number of arrests made [1]
1940	10,663	6,480,200	25,638
1945	8,344	2,945,000	11,104
1950	10,030	4,892,600	10,236
1955	12,509	7,375,300	10,545
1956	14,499	8,643,200	11,380
1957	11,820	6,756,600	11,513
1958	9,272	5,140,800	11,631
1959	9,225	4,655,600	10,912
1960	8,290	4,274,400	10,376
1961	6,826	3,669,500	9,503
1962	6,886	3,424,500	9,126

[1] Includes arrest for firearms violations and, beginning with 1955, tobacco tax violations. Arrests involving these two classes of violations during 1962 numbered 398 and 2, respectively.

The continued study and development of improved and streamlined methods of Government supervision of distilled spirits plants, followed by pilot operations to test the conclusions, has resulted in a decrease of 89 inspectors (on-premises) by eliminating positions which became vacant during the year. The feasibility of still further reductions in the on-premises supervision force, without unacceptable risks of revenue losses, is being tested by additional pilot operations initiated near the close of the year.

Pilot operations to test new or revised procedures and techniques used in conducting selected inspections at breweries and bonded wine cellars were completed. The preparation, testing, and institution of these new procedures required considerable time and contributed to the reduction in the number of inspections made from 36,044 in 1961 to 32,260 in fiscal 1962.

Collection of past-due accounts.—Nearly 3.2 million accounts became past due in fiscal 1962, about 9 percent more than the unusually high number in 1961. However, the amount of delinquent tax involved, $1.5 billion, was less than in 1961. Although the increased emphasis on reducing the inventory of past-due accounts resulted in the closing of 3.1 million, 6 percent more than in the preceding year, those closed have not kept pace with the new accounts. On June 30, 1962, the inventory of 1.1 million past-due accounts was 10 percent above last year. The total tax on these accounts, however, amounted to $1,036 million, an increase of only one percent. The nominal percentage increase in amount compared with the 10 percent increase in number reflects the emphasis on closing large accounts.

Revised procedures initiated late in fiscal 1961 to accelerate the assessment and collection of trust fund taxes were improved and fully implemented during fiscal year 1962. While these procedures account for much of the increase in new taxpayer past-due accounts during 1962, the increased emphasis on prompt collection of withholding and similar taxes from employers and excise taxpayers is expected to result in increased compliance. Under the revised procedures, immediate contacts are made to collect taxes from taxpayers who fail to pay the tax due on returns filed or fail to obtain depositary receipts evidencing timely payment to the Government of employment or excise taxes.

Appeals and civil litigation.—District audit divisions referred 15,513 protested income, estate, and gift tax cases to regional appellate divisions at the request of taxpayers. This was an increase of 642 cases, or four percent, over the 14,871 protested cases referred to appellate divisions in 1961. The appellate divisions disposed of 14,921 pre-90-day and 90-day cases during fiscal 1962 compared with 16,135 such cases the year before. On June 30, 1962, pre-90-day and 90-day case inventory in appellate divisions numbered 11,805 compared with 10,922 a year ago. Petitions filed with the Tax Court of the United States numbered 4,752, compared with 5,451 filed in 1961. The Supreme Court decided seven tax cases, sustaining the position of the Government in five cases. The circuit courts of appeals decided 414 tax cases (exclusive of bankruptcy, receivership, insolvency, compromise, and liquor cases). Of these, the Government's position was supported in 268 cases.

Taxpayers who have paid a disputed tax may sue for refund in the Court of Claims or in a U.S. district court. The district courts decided 192 cases for the Government, 213 for the taxpayers, and 44 cases partly for the Government and partly for the taxpayer. The Court of Claims decided 27 cases for the Government, 23 cases for the taxpayer, and 6 partly for each.

Major administrative improvements

Benefits from management improvements.—The progressive management environment of the Service and the vigor of leadership exercised by its executives and supervisors at all levels are reflected in part by results achieved through the management improvement program. Although total tangible recurring savings of nearly $5 million were specifically identified, the large majority of benefits were of an intangible nature. Regardless of the category, management actions have strengthened the enforcement effort, reduced backlogs of work, improved taxpayer service, and otherwise contributed to the successful attainment of the Service mission.

Organizational changes in the national office.—On September 19, 1961, less than a year after its establishment as a separate division, the Automatic Data Processing Division was converted to the Office of Assistant Commissioner (Data Processing). This new office was assigned responsibility for the implementation and operation of the automatic data processing system and the closely related returns processing, revenue accounting, and service center operations. The functions of the Reports Division formerly attached to the Office of Assistant Commissioner (Administration) were also placed under the jurisdiction of the new Assistant Commissioner (Data Processing).

At the same time, the Assistant Commissioner (Operations) was redesignated as the Assistant Commissioner (Compliance).

On December 20, 1961, the Fiscal Management Division was transferred from the Office of the Commissioner to the Office of the Assistant Commissioner (Administration).

On May 1, 1962, the International Tax Relations Division, in the Office of Assistant Commissioner (Technical), was abolished and the Foreign Tax Assistance Staff established in the Office of the Commissioner.

Personnel

The personnel administration program continued to respond to the needs of management and employees for better manpower utilization, more effective communications, and assistance in carrying out organizational and program changes with efficiency and high morale. Major areas of attention included: Recruitment; data processing staffing and redeployment; occupational standards studies; and noteworthy advances in employee-management relations, including preparation for more formalized dealings with organized groups under the President's Executive Order 10988.

On June 30, 1962, employees on the rolls numbered 56,510, compared with 53,680 a year before. There were 3,357 employees in the national office and 53,153 employees in field offices including service centers, regional, district, and local offices, and the Office of International Operations.

An analysis of the personnel structure by type of position for the fiscal years 1961 and 1962 is shown in the following table.

Location and type	Personnel	
	June 30, 1961	June 30, 1962
BY LOCATION		
National office	3,031	3,357
Regional and district offices [1]	50,649	53,153
BY TYPE		
Permanent personnel:		
Supervisory personnel	553	572
Enforcement personnel:		
Revenue officers	5,769	5,861
Office auditors	2,657	3,028
Tax examiners	4,502	4,650
Revenue agents	11,289	11,942
Special agents	1,558	1,624
Alcohol tax inspectors	425	441
Alcohol tax investigators	915	978
Storekeeper-gaugers	611	522
Total enforcement personnel	27,726	29,046
Legal personnel	599	630
Other technical personnel	5,101	5,566
Clerical personnel, messengers, and laborers [2]	17,492	18,114
Total permanent personnel	51,471	53,928
Temporary personnel	2,209	2,582
Grand total	53,680	56,510

[1] Includes Office of International Operations personnel (headquarters and field offices) numbering 391 for 1961 and 428 for 1962.
[2] Includes 4 overseas employees hired locally for 1961 and 3 for 1962.

Training

Training programs were expanded to insure smooth conversion to automatic data processing. Seminars were held to familiarize management personnel with the conversion plan; 51 employees were trained as digital computer programmers; programs were developed and conducted for employees of the pilot regional service center in Atlanta; and guidelines were issued to field offices for retraining employees whose jobs will be eliminated or changed. The growing number of users of automatic data processing equipment in private industry also led to increased emphasis on training enforcement personnel in techniques of examining the returns of such taxpayers. A program was developed for training auditors of the Inspection Service in conducting audits of the automatic data processing service centers.

The fiscal year 1962 marked the first full year of management training under the new management development program. Sixteen executives completed the 11-week executive course; 125 managers completed the 5-week managerial course; and 690 supervisors completed the 2-week supervisory course. In addition, through a specially designed centralized 2-week course, 27 regional analysts received training in the techniques of management analysis and coordination.

In July 1961 the first national office administrative intern program began. Under a training agreement with the Civil Service Commission the program provides for developing top quality administrative technicians through recruiting and training applicants of high potential. The program has proved highly successful and steps were taken to provide for regional participation.

A Special Training Advisory Committee was appointed by the Commissioner in August 1961 to survey the entire collection training program and develop a comprehensive career training plan for that activity. Its report and recommendations were to be completed by October 1, 1962.

Space and equipment

Through close cooperation with the General Services Administration, the Service was successful in obtaining new space and improving space conditions in many offices throughout the country. The following offices were moved into new buildings in 1962: Jackson, Miss.; Springfield, Ill.; Little Rock, Ark.; Phoenix, Ariz.; Oklahoma City, Okla.; Richmond, Va.; and Houston, Tex. Additional space was acquired at 206 locations to relieve crowded conditions and to accommodate new employees. After three years of extensive studies, a long-range equipment replacement plan was begun, based on a comprehensive set of furniture and equipment standards which are believed to be the first of their kind in Government.

Cost of administration

Expanding operations for 1962 were financed by a congressional appropriation of $452 million, $38.1 million above the 1961 appropriation. Total obligations amounted to $450.1 million compared with $413.3 million in 1961. Man-years realized totaled 56,481 compared with 53,206 in 1961. The additional funds over 1961 were used mainly to finance the second step of development under the long-range plan, to inaugurate the organized crime drive, to cover costs of the automatic data processing program including the National Computer Center, to cover increases in travel per diem allowances authorized by Congress, and to reimburse the Social Security Administration for assignment of taxpayer account numbers.

Long-range planning

The long-range plan was updated in the light of improved workload projections, current work performance rates, and new research results to provide the basis for the 1964 budget request. The plan comprises estimates of the additional manpower and other resources needed each year from 1963 through 1968 to eliminate operating deficiencies and meet the constant growth in tax administration workload.

During the past two years, substantial progress was made toward the long-range objectives established in the plan. The installation of an automatic data processing system is well under way, with regional service centers activated in the Atlanta and Philadelphia regions and the National Computer Center in operation at Martinsburg, W. Va. Personnel increases in the audit area have provided for the initial phases of a program to expand the capacity to examine tax returns and to improve the quality of examinations, thereby increasing voluntary compliance. Investigations of racketeers and other persons suspected of tax frauds have been expanded through the organized crime drive. Additions to the collection staff have enabled the Service to increase the number of delinquent accounts closed and to cope with an upward trend in the number of accounts becoming delinquent. At the same time that these improvements were being made in the data processing and enforcement areas, steps were being taken to promote a better understanding of the tax laws, regulations, and forms. These actions provided for widening the dissemination of tax information, expanding the facilities for taxpayer assistance, and making greater use of personal contacts with taxpayers to explain their tax responsibilities.

Resources utilization

During the year the Service placed special emphasis on efficiency and economy, in keeping with the President's call for a lean and fit Federal establishment. Specifically, in April 1962, at a regional commissioners' conference, the Commissioner called for a three-phase program to strengthen resources utilization. Phase I, referred to as "belt-tightening," involved a short-range search for positions in the national office and regional offices which could be eliminated or reallocated to direct tax enforcement operations in the field. This was accomplished in May and June and resulted in the elimination of 280 positions originally scheduled to be filled in fiscal 1962 at an annual cost of $2.4 million.

Phase II, being carried out by a high-level ad hoc Committee on Resources Utilization at the close of the fiscal year was scheduled to complete its examination of the following matters by December 31, 1962: A study of the organization and functions of the national office to ascertain whether any operations can be eliminated, reassigned to a different component or level, or accomplished in a better way; a number of studies affecting regional and district office organization and functions; a study of manpower planning and control in selected activities; and collateral studies to determine how effectively the Service is using its resources.

Phase III is to be the implementation of the recommendations which may be approved on the basis of Phase II studies.

Inspection activities

Internal audit.—The internal audit program provides for an annual independent review and appraisal of Service operations as a protective and constructive service to the Commissioner and all other levels of management. This broad program covers all field organizations and activities of the Revenue Service and provides for a determination as to whether the policies, practices, procedures, and controls are adequate, efficient, and effective. Audit responsibilities have been increased recently as a result of the adoption of automatic data processing. At present this involves the Service's computer center and four service centers, which utilize high-speed electronic computers and related peripheral equipment. Emphasis in the Internal Audit Division is placed on the examination of the Service functions most closely related to tax collection and enforcement of the tax laws. It also cooperates with the Internal Security Division in carrying out the integrity programs of the Service.

During the year 303 internal audit reports were issued compared with 253 in 1961.

Internal security.—The fiscal year 1962 marked one of the most intensive programs in the history of the Service to insure the integrity of its employees. The Service investigated allegations of corruption or attempted corruption of its employees by non-Service persons and also investigated charges of unethical or corrupt practices on the part of enrolled practitioners. In the administration of the voluntary self-assessment system of taxation, the Service is largely dependent on the integrity of taxpayers and their representatives. These persons in turn have the right to demand the utmost integrity and impartiality from Internal Revenue Service officials and employees. During the year top Service officials made vigorous efforts to promote understanding among employees, taxpayers, and practitioners as to the importance of integrity and the need to expose corruption wherever discovered. As a result a series of meetings were held with tax practitioner groups. These meetings indicated a resurgence of interest by the tax profession in the matter of ethical standards of practice and are expected to result in revitalization and tightening of codes of ethics among professional groups. During this fiscal year inspection assumed primary responsibility for the investigation of attempts to bribe Service employees. Instructions were issued to strengthen procedures to be followed by employees when a bribe offer or overture is made.

During the year 50 cases of actual or suspected bribery attempts by taxpayers or their representatives were reported by Service employees. Nineteen of these cases were closed and resulted in initiation of prosecution of 10 taxpayers or their representatives.

A total of 8,956 investigations of employees and applicants for employment were completed, which was 23 percent more than in the preceding fiscal year, and the highest on record. In addition, police checks were made on 3,955 employees given short-term temporary appointments.

Enrollment of practitioners

During the year the Office of Director of Practice commenced a period of revitalization of its enrollment and disciplinary functions. Increased production was generated by more adequate staffing and better utilization of personnel. More disciplinary actions were concluded, either by resignations, suspensions, or reprimands, than during the 1960 and 1961 fiscal years combined. There was increased surveillance of activities of persons enrolled to practice before the Internal Revenue Service, applicants for enrollment, and preparers of tax returns exercising the privilege of limited practice. Emphasis was placed on the high ethical standards expected of practitioners.

The issuance of enrollment cards for persons entitled to practice before the Internal Revenue Service good for a period of five years was inaugurated in 1952. Before that time all enrollment cards were of unlimited duration. In 1952 each enrollee was required to apply for a new card, and 55,632 such cards were issued. When these cards expired in 1957, renewal applications were required from the enrollees whose eligibility to practice had lapsed. At that time 29,673 cards were issued. In the cycle which ended for the second time in the 1962 fiscal year, 22,838 enrollment cards were renewed, exceeding by 20,316 those renewed in the nonpeak year, 1961. At the end of fiscal

1962 approximately 70,000 persons were eligible to practice before the Internal Revenue Service.

Technical assistance to foreign government officials

The Commissioner of Internal Revenue and the Deputy Commissioner went to Buenos Aires in October 1961 to attend a conference of North and South American tax officials held to work on tax administration goals for Alliance for Progress countries. Sixty representatives from 17 countries were present, as well as representatives of the Organization of American States, the United Nations, the Economic Commission for Latin America, the International Development Bank, and the U.S. Treasury Department. At this conference the Commissioner stated that the U.S. Government would be willing, upon request, to send Internal Revenue Service men to Latin America to give technical advice, and to provide training in the United States for visiting Latin American tax officials. Since October 1, 1961, the Service has given technical training in the United States to tax officials from Brazil, Chile, Colombia, Guatemala, and Peru, and has sent tax administration experts to Chile, Colombia, Ecuador, and Peru.

The President's emphasis on tax administration and tax reform as a basic objective of the Alliance for Progress has brought a number of Latin American visitors to the United States and seems to have stimulated a greater interest in tax matters on the part of many other countries. During the year, 156 officials representing 41 foreign governments visited the Service to observe and study its management and operating techniques.

Office of International Finance

The Office of International Finance assists the officers of the Department in the formulation and execution of policies and programs in international financial and monetary matters.

By direction of the Secretary, the responsibilities of the Office of International Finance include the Treasury's activities in relation to international financial and monetary problems, covering such matters as the U.S. balance of payments, the convertibility of currencies, exchange rates and restrictions, and the extension of stabilization credits; gold and silver policy; the Bretton Woods Agreements Act, and the operations of the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, and the International Development Association; foreign lending and assistance; the North Atlantic Treaty Organization; the Anglo-American Financial Agreement; the U.S. Exchange Stabilization Fund; and the Foreign Assets Control.

The responsibilites of the Office of International Finance also include activities of the Treasury in relation to the National Advisory Council on International Monetary and Financial Problems. The Secretary of the Treasury is Chairman of the Council, which was established in 1945 by the Bretton Woods Agreements Act (22 U.S.C.

286b) in order to coordinate the policies and operations of the U.S. representatives on the International Monetary Fund, and the International Bank, and of all the agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange, or monetary transactions. The acts authorizing U.S. membership in the International Finance Corporation, the Inter-American Development Bank, and the International Development Association also provide for the coordination by the National Advisory Council of the U.S. representatives to these institutions.

The Office also acts for the Treasury on the financial aspects of international treaties, agreements, and organizations in which the United States participates, and it takes part in negotiations with foreign governments with regard to matters included within its responsibilities. It assists the Secretary on international financial aspects of problems arising in connection with his responsibilities under the Tariff Act.

The Office of International Finance advises Treasury officials and other departments and agencies of the Government concerning exchange rates and other financial problems encountered in operations involving foreign currencies. In particular, it advises the Department of State and the Department of Defense on financial matters related to their normal operations in foreign countries and on the special financial problems arising from defense preparation and military operations. In conjunction with its other activities the Office studies the financial policies of foreign countries, exchange rates, balances of payments, the flow of capital, and other related problems. It serves the Secretary in connection with his continuing responsibilities to review for the President the entire range of administration programs and policies for achieving a lasting equilibrium in the U.S. balance of payments and a stronger international payments system, and prepares reports to the President on the balance-of-payments situation and on administration measures in this area.

The Office administers the Treasury foreign exchange reporting system. The reporting system collects through the Federal Reserve Banks statistical data on capital movements between the United States and foreign countries.

The Division of Foreign Assets Control administers regulations and orders issued under section 5(b) of the Trading with the Enemy Act. The Foreign Assets Control Regulations block all property in the United States in which any Communist Chinese or North Korean interest exists and prohibit all trade or other financial transactions with those areas or their nationals. The Cuban Import Regulations govern imports into the United States of goods of Cuban origin, goods containing Cuban components, or goods from or through Cuba. (See exhibit 50.) These regulations were issued initially under authority of the Foreign Assistance Act of 1961 approved September 4, 1961 (22 U.S.C. 2370) and Proclamation 3447, and, as amended, under section 5(b) of the Trading with the Enemy Act.

The Control also administers regulations which prohibit persons in the United States from purchasing, selling, or arranging the purchase or sale of strategic commodities outside the United States for ultimate shipment to the Soviet bloc. The latter regulations supplement the export control laws administered by the Department of Commerce.

The Control carries on licensing activities in connection with transactions otherwise prohibited by the regulations mentioned above and takes action to enforce these regulations.

Bureau of the Mint [1]

The major functions of the Bureau of the Mint are the manufacture, distribution, and redemption of domestic coins; the receipt, processing, custody, disbursement and movement of gold and silver bullion; the manufacture of medals of a national character and special medals for other U.S. Government agencies; the manufacture of foreign coins; and other technical services.

Two organizational changes which modified the Mint's duties in the fiscal year 1962 were made by the Treasury. Department Order No. 179-3, dated October 16, 1961 (see exhibit 51), transferred all functions and responsibilities for the sale and distribution of sets of uncirculated coins, other than over-the-counter sales, from the Office of the Treasurer of the United States to the Bureau of the Mint. Department Order No. 193, dated October 9, 1961, established within the Office of the Under Secretary for Monetary Affairs an Office of Domestic Gold and Silver Operations, and transferred to it from the Bureau of the Mint the administration of gold and silver regulations.

The Office of the Director of the Mint located in Washington, D.C., administers all activities of the Bureau of the Mint. Six field institutions were in operation during the fiscal year 1962, the Philadelphia, Denver, and San Francisco mints; the New York Assay Office; the silver bullion depository in West Point, N.Y., which is an adjunct of the Assay Office; and the gold bullion depository in Fort Knox, Ky. The gold and silver depositories are solely for the storage of bullion. Each of the other four institutions also handles and has custody of gold and silver and performs several different types of operations. All coins have been manufactured at the Philadelphia and Denver mints since March 1955 when coinage operations were suspended at the San Francisco Mint. The latter institution continued to function as an assay office and bullion depository and Public Law 87-534, approved July 11, 1962, authorized that its official designation be the United States assay office at San Francisco. Electrolytic refineries for refining precious metals are located in the Denver Mint and the New York Assay Office. The engraving and the proof coin and medal production divisions are in Philadelphia. Because of an increased coinage workload, the number of employees in the Bureau rose from 927 on June 30, 1961, to 1,051 on June 30, 1962.

Domestic coinage

The production of U.S. coins reached 3.5 billion in the fiscal year 1962, an alltime record, and the second successive year in the Mint's

[1] Additional information concerning the Bureau of the Mint is contained in the separate annual report of the Director of the Mint.

history in which domestic output exceeded three billion pieces. Compared with 1961 the number of coins manufactured was 13 percent higher, but the quantity of metals processed was 20 percent larger, because of an increase in the higher denominations. The one-cent piece, as usual, was produced in greatest volume, representing 73 percent of the five denominations coined. No silver dollars were coined, as the stock on hand, last augmented in 1935, continued to be adequate both for circulation and for the redemption of silver certificate currency by the public. The 1962 output of 3.5 billion subsidiary silver and minor coins required a total of 13,448 short tons of metals, including 2,577 tons of silver (75,149,179 fine troy ounces), 9,972 tons of copper, 462 tons of nickel, and 437 tons of zinc and tin. Although the two mints operated around the clock, the demand was so great that finished coins were shipped out as soon as they were struck; therefore it was not possible to build up an inventory of coins in mint vaults at any time during the year. A summary of domestic coin production during fiscal 1962 is shown in the following table.

Production of U.S. coins [1]

Denomination	Number	Face value	Standard gross weight	Distribution (based on pieces)	Metallic composition
	In millions		Short tons	Percent	
1-cent pieces	2,547.8	$25.5	8,734	73.3	Bronze (95% copper, 5% zinc and tin)
5-cent pieces	335.7	16.8	1,850	9.7	Cupronickel (75% copper, 25% nickel)
Dimes	372.5	37.2	1,027	10.7	Silver (900 parts silver, 100 parts copper).
Quarter dollars	173.9	43.5	1,198	5.0	Do.
Half dollars	46.4	23.2	639	1.3	Do.
Total	3,476.3	146.2	13,448	100.0	

[1] Includes 3,151,805 sets of proof coins manufactured at Philadelphia.

Foreign coinage

U.S. Government mints have manufactured coins for foreign governments since authorized to preform this service by the Congress in 1874 (31 U.S.C. 367). As this law provides, foreign coins are manufactured on a reimbursable basis at actual cost. From time to time 37 countries throughout the world have availed themselves of U.S. minting facilities. The Philadelphia Mint made coins for Costa Rica, Korea, Liberia, and the Philippines during fiscal 1962. According to the legally prescribed standards and devices of the respective countries 12 different denominations were produced. Approximately 900 tons of metals were processed in 1962 into a total of 214.2 million foreign coins, representing an increase of 94 percent over the 110.4 million pieces produced in 1961.

Foreign coinage by the Philadelphia Mint, fiscal 1962

Government	Denomination	Number of coins produced (in millions)	Metallic composition
Costa Rica	2 colones	1.0	75% copper, 25% nickel.
	1 colon	1.0	Do.
Total		2.0	
Korea	50 hwan	20.0	German silver (70% copper, 18% zinc, 12% nickel).
	10 hwan	100.0	95% copper, 5% zinc.
Total		120.0	
Liberia	1 dollar	1.2	900 parts silver, 100 parts copper.
	50 cents	.8	Do.
	25 cents	1.2	Do.
	10 cents	1.0	Do.
	5 cents	3.0	75% copper, 25% nickel.
	1 cent	5.0	95% copper, 5% zinc.
Total		12.2	
Philippines	25 centavos	40.0	German silver (70% copper, 18% zinc, 12% nickel).
	5 centavos	40.0	80% copper, 20% zinc.
Total		80.0	
Grand total		214.2	

Issue and stock of coins

Production schedules for domestic coins are geared to meet the anticipated business requirements of the Nation. Although the two mints operated at top speed throughout the fiscal year, continuing large coin requisitions beyond the customary heavy seasonal demand exceeded the mints' output for the 12-month period. The channels through which the mints issue coins for circulation include facilities in 37 cities. They are the Office of the Treasurer of the United States in Washington, D.C., and the 12 Federal Reserve Banks and their 24 branches. These facilities deliver the coins, as required, to commercial banks, which place them in actual circulation. Proof coins and uncirculated coins of interest principally from a numismatic standpoint rather than as circulating media, are sold in specially packaged sets by the mint offices and the Office of the Treasurer of the United States.

The demand for coins for general circulation was greatest in the three smallest denominations. The most significant changes in demand from fiscal 1961, however, were for half dollars (138.8 percent increase) and quarter dollars (118.3 percent increase). A factor contributing to this was the expanded development and use of new types of coin-operated machines. Some of these are coin-operated dry cleaning machines, automatic food dispensing machines in commercial, industrial, and recreation areas, and bill and coin changing machines. The following table shows the various denominations issued during the fiscal year.

Denomination	Issue of U.S. coins [1]			
	Number	Face value	Standard gross weight	Distribution (based on pieces)
	In millions		Short tons	Percent
1-cent pieces	2,554.9	$25.5	8,758	72.6
5-cent pieces	338.3	16.9	1,865	9.6
Dimes	374.5	37.4	1,032	10.6
Quarter dollars	175.0	43.8	1,206	5.0
Half dollars	48.1	24.1	663	1.4
Silver dollars	26.9	26.9	792	.8
Total	3,517.8	174.6	14,316	100.0

[1] Includes 3,151,854 sets of proof coins sold by the Philadelphia Mint. A set consists of one coin of each denomination currently minted (1¢, 5¢, 10¢, 25¢, and 50¢).

The total stock of domestic coins in the United States, estimated monthly by the Office of the Director of the Mint, is grouped according to face value into (1) minor coins (1 and 5 cent pieces), (2) subsidiary silver (half dollars, quarter dollars, and dimes), and (3) standard silver dollars. The estimate is based on new coins manufactured, uncurrent (worn) coins withdrawn from circulation, certain exports and imports, and general disappearance. The stock includes coin held by the mints and other Treasury offices, by Federal Reserve Banks and their agents, and in circulation (which includes coins in commercial banks as well as in the hands of the public). The total stock is compared at the close of the fiscal years 1961 and 1962, in the following table.

Stock of U.S. coins	Face value (in millions)		
	June 30, 1961	June 30, 1962	Increase, or decrease (−)
Minor coins	$594.1	$636.0	$42.0
Subsidiary silver coins	1,608.7	1,710.8	102.1
Silver dollars	487.6	487.4	[1] −.2
Total	2,690.3	2,834.1	143.8

[1] Decrease represents the amount of uncurrent (worn) silver dollars withdrawn from circulation and returned to the mints during fiscal 1962. The last silver dollar coinage was in September 1935.

Gold transactions

The Treasury's stocks of gold bullion held in the custody of the Philadelphia, San Francisco, and Denver mints, the New York Assay Office, and the Fort Knox Gold Bullion Depository were increased by $112.1 million during the year and decreased by $1,244.4 million, effecting a net decrease of $1,132.3 million. Gold movements between mint institutions in 1962 totaled 37.4 million ounces (1,283 tons) valued at $1,309.4 million, including 14.4 million ounces (494 tons) valued at $504.1 million transferred between the Assay Office and Fort Knox. Since the amount moved to Fort Knox equaled the amount moved from there, yearend holdings at the Depository remained at 356.7 million ounces (12,229 tons) valued at $12,483.4

million. Opening and closing stocks and transactions for the year are shown in the following table.

Gold holdings and transactions (excluding intermint transfers [1])	Quantity: Short tons	Quantity: Fine ounces	Value at $35 per ounce
		In millions	In millions
Holdings on June 30, 1961	16,968	494.9	$17,321.5
Receipts in fiscal year 1962:			
Newly mined domestic gold	25	.7	25.6
Scrap gold from domestic sources	13	.4	13.5
Foreign and other miscellaneous deposits	72	2.1	73.1
Total receipts	110	3.2	112.1
Issues in fiscal year 1962:			
Sales for domestic industrial, professional, and artistic use	86	2.5	88.0
Exchanges for scrap gold	2	.1	2.1
Exchanges for other than scrap gold	71	2.1	72.6
Other monetary issues	1,060	30.9	1,081.7
Total issues	1,219	35.6	1,244.4
Holdings on June 30, 1962	15,859	462.5	16,189.2
Net decrease in holdings	1,109	32.4	1,132.3

[1] Intermint transfers amounted to 37.4 million ounces (1,283 tons) valued at $1,309.4 million during fiscal 1962.

Silver transactions

The mint institutions in Denver, Philadelphia, New York City, and San Francisco received a total of 20.3 million fine ounces of silver bullion from various sources during the fiscal year 1962. Of this amount, 15.6 million ounces were returns of lend-lease silver by foreign governments, with 3.6 million ounces returned by India, and 12.0 million by Pakistan. Approximately 0.1 million ounces of newly mined domestic silver were received under the act of July 31, 1946 (31 U.S.C. 316d). Bullion from uncurrent U.S. silver coins withdrawn from circulation and melted for recoinage provided 0.3 million ounces from worn standard silver dollars and 1.2 million ounces from worn fractional silver coins. Deposits of silver, principally in the form of scrap from domestic sources, in exchange for fine bars amounted to 2.6 million ounces. The other 0.5 million ounces were purchases of domestic and foreign silver contained in gold deposits.

The Philadelphia and Denver mints processed a total of 75.1 million fine ounces of silver into U.S. subsidiary coins during the fiscal year. The classes of silver included 28.1 million ounces of bullion ordinary; 1.4 million ounces of recoinage bullion from uncurrent domestic coins; and 45.6 million ounces of silver bullion at monetary value of $1.29+ per fine ounce which was made available under the Presidential directive of November 28, 1961, by the retirement of five and ten dollar silver certificates. Sales of Treasury silver for domestic industrial, professional, and artistic use by mint offices totaled 38.7 million ounces during the year. Opening and closing stocks and transactions for the year are summarized in the following table.

Silver bullion holdings and transactions (excluding intermint transfers)	Quantity [1]	
	Fine ounces (in millions)	Short tons
Holdings on June 30, 1961	1,756.2	60,214
Receipts in fiscal 1962:		
Lend-lease silver from foreign governments	15.6	535
Newly mined domestic, act of July 31, 1946 (31 U.S.C. 316d)	.1	3
Recoinage bullion from uncurrent U.S. silver coins	1.5	51
Deposits in exchange for fine bars	2.6	88
Other miscellaneous receipts	.5	20
Total receipts	20.3	697
Issues in fiscal 1962:		
Manufactured into U.S. subsidiary silver coins	75.1	2,576
Sales for domestic industrial, professional, and artistic use	38.7	1,328
Other miscellaneous issues	2.7	91
Total issues	116.5	3,995
Holdings on June 30, 1962	1,660.0	56,916

[1] Does not include 64.7 million fine ounces (2,220 tons) of Treasury silver held by other agencies of the U.S. Government.

Revenue and monetary assets and liabilities

Revenue deposited by the Bureau of the Mint into the general fund of the Treasury totaled $67.4 million in the fiscal year 1962, a $5.1 million increase over the previous year. Seigniorage accounted for $57.5 million, as follows: Seigniorage on the 592.8 million subsidiary silver coins manufactured amounted to $22.7 million, on the 2,883.5 million minor coins, $34.8 million, and on the 155,000 fine ounces of silver bullion revalued from cost to monetary value as security for silver certificates, $0.1 million. Profit on sale of silver bullion amounted to $7.4 million, and other miscellaneous deposits were $2.5 million.

Monetary assets and liabilities of the mint institutions on June 30, 1961, and June 30, 1962, are compared in the following statement.

Item	June 30, 1961	June 30, 1962
	In millions	
Assets		
Gold bullion	$17,321.5	$16,189.2
Silver bullion	2,225.2	2,129.5
Silver coin	93.4	66.8
Minor coin	.2	.2
Minor coinage metal, etc	.9	1.0
Total assets	19,641.3	18,386.7
Liabilities		
Bullion fund	19,640.1	18,385.6
Minor coinage metal fund	.8	.6
Other miscellaneous	.4	.5
Total liabilities	19,641.3	18,386.7

U.S. gold and silver production and consumption

The estimates of U.S. gold and silver production and consumption, made annually by the Office of the Director of the Mint, are on a calendar year basis.

The refinery production of newly mined domestic gold totaled 1,566,800 fine ounces valued at $54,838,000 in 1961, compared with 1,679,800 fine ounces valued at $58,793,000 in 1960. Among the sixteen States where gold was produced, South Dakota continued as the major producing State accounting for 36 percent of the total. Utah ranked second, followed by Arizona, Washington, and Alaska.

The refinery production of newly mined domestic silver totaled 34,900,000 fine ounces in 20 States in 1961, compared with 36,800,000 ounces the previous year. Idaho accounted for one-half of the total production with Arizona, Utah, Montana, and Colorado following.

Gold and silver issued for domestic industrial, professional, and artistic use in calendar 1961 amounted to 2,775,000 fine ounces and 105,500,000 fine ounces, respectively. Comparative issues in 1960 were 3,000,000 ounces of gold and 102,000,000 ounces of silver.

Management improvement

In accordance with its longstanding policy, the Bureau of the Mint continued an active management program during fiscal 1962. A sustained demand for domestic coins resulted in an extremely heavy manufacturing workload, and efforts were made to attain maximum production with available funds. Coinage operations at the Denver Mint were started on an overtime basis and by September 1961, three 8-hour shifts operated six days per week. The Philadelphia Mint, also on overtime, operated much of the year with two 12-hour shifts five days a week for all divisions except the proof coin production section which operated three shifts seven days a week, and the melting room which operated two additional 8-hour shifts on Saturdays.

Philadelphia produced a total of 214.2 million foreign coins in 1962, permitting the use of appropriated funds for the production of additional domestic coins at Denver, where unit costs are lower, thereby increasing the total production of domestic coins. A total of 2.5 billion domestic coins struck at Denver and 1 billion at Philadelphia resulted in a record annual output of 3.5 billion pieces. The increase in manpower requirements amounted to 124 additional employees.

Representative management actions at Denver included increased blank storage facilities; the installation of a coil conveyor to facilitate entry to the annealing furnace and reentry to the main line for the finish rolling mill; improved sweeps processing equipment; and improvements in the weighing of silver clips for makeup by performing that operation in the ingot melting room, resulting in savings of eight man-hours per day during periods of silver production.

Improvements made at Philadelphia included the rebuilding of upsetting mills, with increased production and reduced maintenance costs; the installation of blank storage bins to provide for operations during periods when one of the rolling mills may be shut down for repairs; a new ventilating system for the rolling room; the installation of electronic gauges and controls to control the thickness of strip and eliminate blanks which may be over or under weight; and the installation of additional melting capacity, to bring it into line with rolling capacity. The shipping and receiving entrance was enlarged to accommodate large motor trucks.

Because of the tremendous demand for proof coins, additional presses and other equipment were purchased for that operation. Late in the year the proof coin operation was moved from a basement location to larger quarters with better lighting. Air-conditioning of the room, installed to reduce dust and dirt, will improve the quality of proof coins. It is expected that there will be fewer rejects, and productive capacity will be substantially increased. The processing of proof coin orders was facilitated greatly by the use of automatic data processing equipment.

In the New York Assay Office improvements were made in the refinery operations by mechanizing the removal of bottom silver and foul electrolyte from the cells and by installing water-cooled molds for casting silver anodes.

The annual recurring savings from these improvements throughout mint institutions amounted to $7,200, all related to appropriation items. The savings were applied to partially offset increased costs of wages, supplies, and materials.

Continuing attention was given to the incentive awards program, records management, safety, control of communication cost, and forms and reports control. Cash awards amounting to $3,315 were granted to employees for suggestions made and effectuated in prior years which have resulted in annual recurring savings of $77,169.

From a number of private management firms invited to submit proposals, one was selected to survey current and long-range coinage requirements, and the operations and facilities of the Bureau of the Mint in relation to those requirements. The objective of the study begun in fiscal 1962 is to insure that Mint operations are conducted as effectively and economically as possible and that proper advance provisions are made for growth needs. It will cover coinage requirements for the next 25 years with consideration of all possible factors which may affect demand for coins including population and economic changes, sales taxes, coin machines, credit cards, and increases in coin collection activities.

Bureau of Narcotics [1]

The Bureau of Narcotics administers the Federal laws governing narcotic drugs and marihuana and carries out the responsibilities of the Government under the international conventions and protocols relating to these drugs.

The Bureau supervises U.S. imports and exports of narcotic drugs as well as the manufacture and domestic trade in these drugs to

[1] Further information is available in the separate report of the Bureau of Narcotics entitled, *Traffic in Opium and Other Dangerous Drugs for the Year Ended December 31, 1961.*

prevent their diversion for abuse. It apprehends interstate and international violators of narcotic laws. It cooperates with State and local law enforcement authorities in the United States. At the request of law enforcement authorities in foreign countries Bureau agents assist in international narcotic trafficking investigations of mutual interest. These cooperative efforts have reduced the smuggling of illicit narcotics into this country.

Law enforcement

The Bureau concentrates its enforcement emphasis on suppressing international and interstate traffic in narcotic drugs and marihuana. While its targets are the wholesale traffickers, its cooperation with State and local authorities is designed to eliminate retail peddling and promote treatment of addicts.

In Europe and the Middle East during 1962 Bureau of Narcotics agents assisted police in the seizure of more than a ton of opium and intermediate base morphine from the illegal traffic.

Number of violators of the narcotic and marihuana laws prosecuted during the fiscal year 1962 with their dispositions and penalties

	Narcotic laws								Marihuana laws			
	Registered persons				Nonregistered persons				Nonregistered persons			
	Federal court		State court		Federal court		State court		Federal court		State court	
Convicted	3				751		257		100		39	
Acquitted					37		13		5			
Total [1]	3				1,058				144			
	Yrs.	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*
Sentences imposed	9				4,932	9	986	1	523	6	144	11
Fines imposed					$53,402		$16,810		$4,151		$2,850	
	Yrs.	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*	*Yrs.*	*Mos.*
Average sentence per conviction:												
1962	3				6	6	3	11	5	1	3	10
1961	4		5		6	6	3	10	5	2	3	11
Average fine per conviction:												
1962					$71		$65		$42		$75	
1961	$1,600		$3,020		127		21		6		64	

[1] Some cases tried in Federal courts and some cases tried in State courts are made by Federal and State officers working in cooperation.

Within the United States, the Bureau has intensified its efforts in the areas of organized crime, with encouraging results. In February 1962, for example, 11 high echelon international traffickers were convicted in a single case in New York, N.Y., for conspiracy to violate the narcotic statutes. Their operation extended from France, Italy, and Canada to the United States. Their conviction, climaxing a lengthy trial, resulted from extended cooperative effort with the Organized Crime and Racketeering Section of the Department of Justice. In June 1962, another huge narcotic conspiracy case was brought to a successful conclusion in New York, N.Y., with the conviction of 13 top-level gangsters. Their operation involved France, Canada, and the United States.

During fiscal 1962 the Bureau seized a total of 86,345 grams of narcotics, principally heroin, in the illicit traffic, as compared with 157,358 grams in 1961. Seizures of marihuana amounted to 145,230 grams bulk as compared with 620,437 grams bulk in 1961.

The number of violators of the narcotic laws reported by Federal narcotic enforcement officers is shown in the accompanying table.

The Narcotic Control Act of 1956 (21 U.S.C. 174) continues be an important and effective aid in discouraging the illicit traffic in the United States, as reflected in the longer sentences imposed. In jurisdictions where heavier sentences have been imposed they have acted as a steadily increasing deterrent to illicit traffic.

Control of manufacture and medical distribution

In its control of the legitimate trade the Bureau issues permits for imports of the crude materials, for exports of finished drugs, and for the intransit movement of narcotic drugs and preparations passing through the United States from one foreign country to another. It supervises the manufacture and distribution of narcotic medicines within the country and has authority to license the growing of opium poppies to meet the medicinal needs of the country if and when their production might become necessary in the public interest.

Under the Narcotics Manufacturing Act of 1960 (21 U.S.C. 501–517; 26 U.S.C. 4702, 4731) the Bureau determines, in the interest of public health and safety, what narcotic drugs shall be manufactured and used by establishing "basic classes" for those which are authorized. It licenses the manufacture of such drugs and fixes annual manufacturing quotas for each producer, thus keeping total production within predetermined medical and scientific requirements. Under that act the Bureau, with the assistance of an advisory committee, also classifies pharmaceutical preparations containing narcotic drugs according to various control categories, applying to each category that degree of control which is found to be warranted by its risk of addiction or abuse.

The importation, manufacture, and distribution of opium and coca leaves and their derivatives are subjected to a system of quotas and allocations designed to insure their proper distribution for medical needs. During the year, 209,736 kilograms of raw opium were imported from Burma, Turkey, and India and 180,380 kilograms of coca leaves were imported from Peru to meet medical requirements for opium derivatives and cocaine and to supply nonnarcotic coca flavoring extracts. The latter were obtained as a byproduct from the same leaves from which the cocaine was simultaneously extracted.

The quantity of narcotic drugs exported during 1962 was less than that exported the year before. The export total, however, never has been significant in comparison with the quantity used within the United States. The manufacture of narcotics continued to be extensive principally because of the large medical consumption of pethidine, codeine, and papaverine.

There were 1,695 thefts of narcotics, amounting to 70,289 grams, reported during 1962 from persons authorized to handle the drugs, compared with 1,671 thefts amounting to 65,406 grams in 1961.

Practically all of the approximately 343,092 persons registered to engage in lawful narcotic and marihuana activities were employed in the manufacture, wholesale or retail distribution, or dispensing or prescribing of narcotic drugs for legitimate medical uses. As industrial and scientific users of narcotic substances are few, the quantities used for these purposes are insignificant.

International control and cooperation

Opium, coca leaves, marihuana, and their more important derivatives have been internationally controlled by the terms of the Opium Conventions of 1912, 1925, and 1931. In addition, under Article II of the 1931 Convention and the international Protocol of November 19, 1948, nine secondary derivatives of opium and 57 synthetic drugs have been found by the World Health Organization to have addicting qualities similar to morphine or cocaine and have been brought under the controls provided by the treaties.

For each calendar year the Bureau submits to appropriate agencies of the United Nations advance estimates of requirements for each basic drug covered by the several international conventions, and after the year has ended, complete statistics of their manufacture, distribution, imports, exports, and stocks. The Bureau applies a system of import, export, and intransit permits which conforms to the requirements of these conventions as well as to our own Narcotic Drugs Import and Export Act. It exchanges, directly with the narcotics control authorities of other governments, information relating to movements of drugs under the permits, as well as information relating to illicit traffickers and illicit movements of narcotics between countries. Through the State Department the Bureau cooperates in matters of narcotic policy with other governments and with the United Nations.

The former Commissioner of Narcotics, Mr. Harry J. Anslinger, now retired, is the U.S. representative on the United Nations Commission on Narcotic Drugs, which meets annually to review the work of the various international agencies concerned with narcotics and to make recommendations on narcotic matters to the Economic and Social Council.

An agreement to limit the production of opium to world medical and scientific needs, signed at the United Nations on June 23, 1953, was approved by the United States Senate August 20, 1954, and was followed by Senate Resolution 290 of June 14, 1956, urging other governments to ratify it. This Protocol requires the ratifications of 25 states including any three of seven named producing countries and any three of nine named manufacturing countries. As of June 30, 1962, 42 ratifications had been deposited including six from manufacturing countries and two from producing countries. When one additional producing country has deposited its ratification the Protocol will become effective and should then accomplish a much further reduction in the quantity of opium available to the illicit traffic.

At the request of authorities of France, Lebanon, Turkey, and Syria, Bureau agents during the year assisted in the apprehension of major international narcotic traffickers who were sources of supply for criminal groups in the United States.

Several cases were developed in Turkey in which Turkish authorities seized large quantities of morphine base, heroin, and opium and arrested many defendants. Major narcotic conspiracy investigations were successfully conducted with police authorities of Canada, Italy, France, and Mexico. The continued joint narcotic law enforcement program with Mexican authorities has significantly curtailed illicit narcotic traffic from Mexico to Texas and southern California.

Cooperation with States, counties, and local authorities

Excellent cooperation continues between Federal, State, and local narcotic law enforcement agencies in the exchange of law enforcement information. Many types of minor violations and routine inspections formerly handled by the Bureau are now referred to State or local authorities for investigation and prosecution, or are investigated jointly with them.

Training schools

The Bureau of Narcotics Training School was established in 1956 to meet the need for State and local law enforcement officers trained in narcotic enforcement techniques. The school provides 2-week intensive courses in narcotic law enforcement procedures through lectures, demonstrations, and technical instruction in methods of detection and prevention of illicit narcotic trafficking. Police officers from foreign countries who visit the United States to receive training in general law enforcement methods and procedures also attend this school.

The training school, staffed by 20 experts in narcotic law enforcement, has now graduated 948 State and municipal law enforcement officers representing 393 separate agencies from 47 States, the District of Columbia, and Puerto Rico. Ninety foreign law enforcement officers, representing 22 separate agencies, from Afghanistan, Belgium, Bolivia, Canada, Ceylon, Ecuador, Egypt, Ethiopia, Indonesia, Iran, Iraq, Japan, Jordan, Korea, Lebanon, Mexico, the Netherlands, Peru, the Philippines, Thailand, Turkey, and Venezuela also have attended. Twenty-five Federal narcotic agents attended the Treasury Law Enforcement School and five attended its technical equipment operators' school.

The names of 47,303 active addicts, many of whom were reported by State and local agencies, were recorded in the Bureau's central index as of June 30, 1962.

Management improvement

During the fiscal year the Bureau improved the internal audit program by appointing an additional field supervisor. The United States was divided into eastern and western divisions, and the field supervisors were assigned an area of responsibility. This appointment enables yearly audits to be made of all field offices as well as of Bureau headquarters.

With departmental assistance, the internal audit program was reviewed, new policies established, and an internal audit manual prepared. This document and the revised program provide available reference sources for all interested personnel as well as instructions for execution of the entire program.

A new system of property accountability was placed in operation on June 30, 1962. This program was designed to simplify property accountability in the field and to provide more adequate property control at headquarters.

Nineteen employees were paid cash awards totaling $3,265 under the incentive awards program for adopted suggestions or special acts and services.

United States Coast Guard

The U.S. Coast Guard is responsible for enforcing or assisting in the enforcement of Federal laws on the high seas and waters subject to the jurisdiction of the United States. These laws govern navigation, shipping, and other maritime operations, and the related protection of life and property. The Service also coordinates and provides maritime search and rescue facilities for marine and air commerce, and the Armed Forces. Other functions include promoting the safety of merchant vessels, furnishing ice breaking services, and developing, installing, maintaining, and operating aids to maritime navigation. The Coast Guard has a further responsibility for maintaining a state of readiness to function as a specialized Service of the Navy in time of war or national emergency.

Search and rescue

The National Search and Rescue Plan of 1956 was updated in 1961 and approved by the Secretary of the Treasury and the heads of other Government agencies concerned. The plan has been promulgated as an interagency agreement. As a part of this program the Coast Guard again held exercises concerning survival and search and rescue procedures for military and airlines personnel in Miami, Fla., and Honolulu, Hawaii. Each session was attended by approximately 200 persons.

The Atlantic Merchant Vessel Reporting System (AMVER) was used successfully many times during the year in coordinating the services of merchant vessels assisting in search and rescue cases. An estimated 90 percent of the domestic merchant ships and 65 percent of the foreign vessels traveling the AMVER region are participating in the program. The AMVER brochure has been printed in 10 foreign languages to promote greater participation by foreign vessels.

Typical examples of assistance rendered by the Coast Guard during fiscal 1962 are described below.

Air evacuation of injured crewman.—In November 1961 a crewman of the SS *Conde De Fontanar,* suffering from a severe head injury after falling into a hold, was transferred to another ship, the SS *Jerusalem,* for examination by a doctor. The doctor's diagnosis indicated that the patient required neurosurgery and to save his life should be removed to a hospital without delay. This evacuation was carried out by an amphibious aircraft from the Coast Guard Air Detachment, Bermuda, which landed at sea and transferred the patient to a Bermuda hospital.

Rescue of dredge crew.—Ten men, who had abandoned ship from the dredge *Cartagena*, were rescued by the U.S.C.G.C. *Acushnet* on December 26, 1961. The breaking of the dredge's tow line from a commercial tug had set it adrift about 260 miles east of Cape Cod, Mass.

Overdue cabin cruiser located.—The cabin cruiser *Marina*, with two persons on board, departed Clearwater, Fla., on February 19, 1962, for Apalachicola. When it failed to arrive on schedule, two Coast Guard aircraft and a patrol boat began a search, which was hampered by fog and a low ceiling. As weather permitted, additional aircraft joined the search. On February 23 the *Marina*, disabled and anchored, was sighted by a Coast Guard plane. The *Marina* was then towed to safety by another cabin cruiser.

Injured Russian crewman evacuated.—On March 17, 1962, the Coast Guard was requested to evacuate a seriously injured crewman from the Russian M/V *Dbitelny* on the Bering Sea. A Coast Guard aircraft transported a Navy doctor and hospital corpsman to a prearranged rendezvous at the Coast Guard Loran Station, St. Paul Island, where the injured man had been transferred by the *Dbitelny*. After an emergency operation, the patient was flown to Elmendorf Air Force Base and admitted to a U.S. Air Force hospital.

Search for missing B–52 aircraft.—An Air Force B–52, with eight persons on board, was reported overdue and possibly down in the Atlantic Ocean on October 14, 1961. The Commander, Eastern Area, coordinated a search effort participated in by 79 Coast Guard, Navy, Air Force, and Canadian aircraft, five Coast Guard cutters, and two merchant ships. In spite of an intensive search through October 18, covering 286,225 square miles, no trace of the aircraft was found.

A statistical summary of search and rescue assistance comparing the fiscal years 1961 and 1962 follows.

Rescue operations	By aviation units		By vessels		By other equipment		Total	
	1961	1962	1961	1962	1961	1962	1961	1962
Vessels assisted:								
Refloated (number)	83	74	202	227	1,625	1,908	1,910	2,209
Towed (number)	379	280	2,219	2,385	8,666	10,928	11,264	13,593
Otherwise aided (number)	1,004	975	1,063	1,210	3,454	2,891	5,521	5,076
Property involved (value including cargo in thousands)							$627,395	$776,226
Miles towed							119,696	138,085
Aircraft assisted:								
Escorted (number)	383	303	2	4	5	9	390	316
Otherwise aided (number)	168	160	44	45	179	174	391	379
Property involved (value including cargo in thousands)							$1,090,938	$710,668
Miles escorted							61,883	52,469
Personnel assisted	668	724	403	456	1,705	1,986	2,776	3,166
Miscellaneous assisted (floods, forest fires, etc.)	87	114	159	201	1,015	1,056	1,261	1,371
Attempts to assist (no physical assistance rendered)	1,874	2,171	1,535	1,741	5,413	5,826	8,822	9,738
Persons involved (number):								
Lives saved or rescued from peril							2,806	2,597
Medical assistance furnished							2,392	2,622
Other assistance							79,199	85,519
Miscellaneous property involved (value in thousands)							$16,991	$46,440

Marine inspection and allied safety measures

During the fiscal year, 4,200 marine casualties were reported and investigated. Marine boards of investigation looked into six of these cases which were considered major. The investigations disclosed that 166 persons lost their lives from vessel casualties, 136 from personal accidents, and 243 deaths were from miscellaneous causes. These figures do not include pleasure vessels covered by the Federal Boating Act of 1958 (46 U.S.C. 527).

The most serious casualty of the year resulted from the collision of the Norwegian Tanker *Berean* and the Nationalist Chinese Freighter *Union Reliance* in the Houston Ship Channel. Eleven crewmembers and the pilot of the *Union Reliance* were lost.

National motorboat numbering program.—Forty-one States are now numbering motorboats under plans approved by the Coast Guard. The approval by the Coast Guard of a numbering system for the State of New Jersey is pending. Numbering legislation is under consideration in five other States and Puerto Rico. A press release issued in May 1962 outlined the important features of the Federal Boating Act and interpreted certain provisions of Coast Guard numbering regulations. This publicity is expected to help reduce violations as well as to improve the quality of applications for number.

On December 31, 1961, there were 3,085,732 boats numbered in the United States, of which 2,826,690 were issued through approved State systems. The Coast Guard handled the remainder which were for States not having approved programs.

During the calendar year, there were 4,095 pleasure craft involved in reportable accidents which led to 1,101 fatalities, 1,088 injuries, and property damage estimated at $4,372,200.

A digest of certain marine inspection activities for comparing the fiscal years 1961 and 1962 follows.

Inspection activities	Number		Gross tonnage	
	1961	1962	1961	1962
Inspections for certification	5,433	4,218	11,301,814	8,532,734
Drydockings	5,810	5,731	13,654,872	13,413,450
Reinspections	6,204	5,855	8,201,551	13,320,800
Factory inspections	607,245	[1] 1,558,399		
Miscellaneous inspections	22,801	25,107		
Merchant vessel plans reviewed	32,300	35,915		
Violations of navigation and inspection laws [2]	11,412	28,059		

[1] Includes such items as life rafts, life jackets, and flares.
[2] Administrative penalty action completed, year ending April 30.

Merchant marine technical activities.—During the fiscal year, the plans for the construction of 23 large cargo ships, five tankers, and 123 barges were approved by the Coast Guard. The preceding table shows the total number of plans reviewed during 1961 and 1962.

The Coast Guard reviewed many plans for vessels of novel and unique design which are to be used to transport bulk chemicals. An estimated 400 new chemical compounds are developed each year, requiring new concepts of transportation. The Coast Guard is constantly formulating new regulations or revising those in effect to keep abreast of these new concepts and to establish safeguards against the hazards involved in the water-borne movement of bulk chemicals.

After dockside tests of its nuclear power plant the N.S. *Savannah* went to sea under nuclear power for a complete test of its reactor. The nuclear characteristics of the power plant were essentially as predicted, and the vessel was accepted by the Government on May 1, 1962.

A new technical branch was established by the Coast Guard at New York City, N.Y., to review plans for all new marine construction, conversion, and alteration on vessels subject to Coast Guard inspection along the eastern coast from North Carolina to Maine. The new branch is expected to speed up and improve vessel plan approval procedures and facilitate the solution of related problems.

Merchant Marine Council meetings, conferences, and publications.—The Merchant Marine Council held eight regular committee meetings and one public hearing to consider proposed regulations which would amend present requirements for merchant marine safety.

Coast Guard representatives participated in several meetings of the Intergovernmental Maritime Consultative Organization to discuss various matters relating to international maritime safety. Other international conferences attended by Coast Guard officials included consideration of: carriage of dangerous goods by sea; navigational lights for the Red Sea; prevention of pollution of the sea by oil; and standards for electrical installations on ships.

To promote marine safety the Coast Guard participated in numerous meetings and conferences held within the United States during the year. Two million copies of the pamphlet, *Pleasure Craft*, containing highlights of the Federal Boating Act of 1958, were printed and distributed to the public. Another educational publication, the *Recreational Boating Guide*, for the novice boatman proved popular, with some 98,000 being sold to date through the Government Printing Office.

Merchant marine personnel.—During the fiscal year, 63,182 documents were issued to merchant marine personnel, and Coast Guard shipping commissioners supervised the execution of 7,871 sets of shipping articles involving 494,926 individual transactions relating to the shipment and discharge of seamen.

Merchant marine investigating sections in major U.S. ports and merchant marine details in foreign ports investigated 15,572 cases involving negligence, incompetence, and misconduct. Charges were preferred and hearings conducted before civilian examiners in 1,031 of these cases. Security checks were made of 17,122 persons desiring employment on merchant vessels.

Law enforcement

Coast Guard law enforcement activities include the port security program and routine and special patrols to enforce safety, conservation, water pollution, and treaty laws.

The Coast Guard has set up special patrols in the North Pacific Ocean and the Bering Sea to observe the increased fishing and whaling activities of Japanese and Russian fleets. The Coast Guard patrols are being conducted alternately by three cutters, each spending six weeks in the patrol area during the period April 15 to September 15. Their presence should lessen the possibility of treaty violations and illegal incursions into U.S. territorial waters in pursuit of fish or whales. Although no violations have been observed, the patrols should assure American fishermen that the Federal Government is effectively protecting their rights. Recent minor incidents in the Northwest Atlantic, apparently resulting from the presence of large Russian fishing fleets on the traditionally American fishing areas of Georges Bank, indicate that similar patrols may be needed in that area.

The following statistics reflect the volume of enforcement work by the Coast Guard during the fiscal year 1962 compared with 1961.

Enforcement work	1961	1962
	Number	
Vessels boarded	152,441	171,150
Waterfront facilities inspected	24,254	29,294
Reported violations of:		
Motorboat Act	25,125	53,706
Port security regulations	714	1,244
Oil Pollution Act	462	524
Other laws	498	642
Explosives:		
Loading permits issued	801	756
Loadings supervised	701	513
Tons covered by issued permits	116,601	279,689
Other hazardous cargoes inspected	7,465	6,801
Anchorage violations	23	19

Cooperation with other Federal agencies

The Coast Guard assisted other Federal agencies during the last two fiscal years as follows:

	1961	*1962*
Alcohol Tax Unit, Treasury (aircraft days)	27	36
Coast and Geodetic Survey (aerial survey days)	138	225
Fish and Wildlife (censuses taken)	220	237
Weather Bureau:		
Reports furnished	84,490	95,588
Warnings disseminated	19,299	17,928

Aids to navigation

The new Buzzards Bay, Mass., Light Station was placed in operation during the fiscal year, replacing a lightship. Constructed in 73 feet of water, the offshore station is operated by seven men and has a 9,000,000 candlepower light. A second offshore light station is in the final stages of construction at Brenton Reef, R.I., to replace another lightship. The Overfalls Lightship has been discontinued, because of major improvements to other aids to navigation in the area. A new lighthouse with a 28,000,000 candlepower light was placed in operation at the entrance to the Charleston, S.C., harbor.

The following statistics reflect the volume of aids to navigation maintained at the close of the last two fiscal years.

Navigational aids	1961	1962
	Number	
Loran transmitters	[1] 68	68
Radiobeacons	194	191
Fog signals (except sound buoys)	575	567
Lights (including lightships)	10,513	10,659
Daybeacons	6,023	6,639
Buoys:		
Lighted (including sound)	3,478	3,326
Unlighted sound	362	361
Unlighted	[2] 14,287	14,318
River type	5,333	4,830
Total	40,833	40,891

[1] Includes three experimental loran-C stations.
[2] Includes 118 spar buoys.

Ocean stations

The Coast Guard continued to operate four ocean stations in the North Atlantic and two in the North Pacific. These ships, during their cruises of approximately 507,477 miles, provided meteorological, navigational, communication, and rescue services for air and marine commerce, and collected various scientific data.

International ice patrol

The international ice patrol, made up of an aircraft detachment, a radio station, and an oceanographic vessel, operated in the North Atlantic between March 3 and June 22, 1962. The ice menace to shipping during the 1962 season was relatively mild.

Bering Sea patrol

The 1961 Bering Sea patrol was carried out by the cutters *Northwind* and *Storis* from May 20 to September 30, 1961. This patrol is principally concerned with law enforcement, search and rescue, aids to navigation, logistics, oceanography, and the furnishing of medical and dental treatment to Alaskan natives.

Coast Guard intelligence

Internal security investigations involving 3,039 cases were conducted, and 7,916 military national agency checks were made during the year. In addition 18,625 merchant mariners and 25,606 applicants for port security cards were screened before issuance of their documents.

Facilities, equipment, construction, and development

Floating units.—Ships in active commission on June 30, 1962, consisted of 174 cutters, 74 patrol boats, 27 lightships, 38 tugs, and 13 buoy boats. Construction has begun on two of the newly designed 210-foot WPC Class medium patrol cutters as part of the program to replace overage and obsolete ships.

Shore establishments.—Damage to Coast Guard installations from hurricane *Carla* and the severe March storm exceeded $3,000,000. Three shore stations, extensively damaged, require replacement. Eleven light stations were converted from manned to automatic operation. Five facilities, including light stations and light attendant stations, were disestablished. Fifteen additional mobile boarding teams were established, and other shore units were reorganized to provide better service to the public and to improve economy.

Aviation and aircraft.—The Coast Guard operated 134 aircraft, including 38 helicopters, during fiscal 1962. Nine SC–130 long range aircraft are now in service, three of which were procured during the fiscal year. Action was taken to procure several turbine-powered, amphibious S–62 helicopters as replacements for the older HO4S type.

Communications.—A study to improve search and rescue landline communications facilities along the Atlantic and Gulf coasts made it possible to combine the east coast search and rescue teletype network with that of the Atlantic merchant vessel reporting system. The savings realized permitted expansion of the search and rescue communications capability at no added expense to the Government.

Engineering developments

Aeronautical engineering.—All of the Coast Guard's UF amphibian aircraft have now been converted to the longer-winged UF–2G type. This has led to improvements in safety, speed, range, and payload. The reliability of the engines on Coast Guard SC–130 aircraft has improved so markedly that the authorized time between overhauls has been increased from 1200 to 1800 hours. Specifications have been developed to adapt the commercial S–62 helicopter for use in Search and Rescue operations. This new helicopter, to be manufactured by Sikorsky Aircraft, will be known as type HU2S–1G when placed in service.

Civil engineering.—During the fiscal year, 100 unlighted fibrous-glass buoys were manufactured and placed on station in western rivers for feasibility tests. In addition, conventional steel buoys were completely redesigned to improve serviceability, maintenance, and safety.

The loran construction program made considerable progress, with three new loran transmitting stations along the eastern coast now nearing completion. These stations have been tested and are being calibrated before being placed in service. A new transmitting station as an addition to an existing loran chain was also completed.

Electronics engineering.—The New York harbor RATAN station at Sandy Hook, N.J., was placed in experimental operation in December 1961. This RATAN station employs a harbor surveillance radar and television broadcast station, which permits conversion of radar information for broadcasting to users having ordinary TV receivers. The user is thus supplied with radar service without investing in costly radar equipment.

The loran-C stations now in use and those under construction will provide much better service for military and civilian users than loran-A, the first of the long-range aids to navigation systems. The signals generated by loran-C have greater range and are more precise for navigational purposes. The Coast Guard recently contracted for 18 loran-C aircraft receivers to take advantage of this advanced all-weather navigational system.

Naval engineering.—The manufacture of fourteen 82-foot B class WPB steel patrol boats has been completed, and ten similar vessels of the class C type are under construction. These new steel vessels are to replace 83-foot wooden patrol boats. The Coast Guard has placed in service an 82-foot patrol boat powered by two gas turbine engines. This is the first operational installation of such a power plant on a patrol vessel. Six steel 65-foot WYT harbor tugs were constructed, and six more are nearing completion. The last of four 65-foot pusher-tender barge combinations was completed for use in aids-to-navigation work on rivers in the Second District.

Testing and development.—A new primary dry battery power system for buoys has been accepted for Service-wide use. The new system will double the available power and largely eliminate the installation of batteries in buoys while at sea. Several advanced power systems for unattended aids-to-navigation are undergoing test and evaluation. These include nuclear and propane thermoelectric power supplies. A radar data computer, capable of reducing ship collision hazards, is being evaluated for the Maritime Administration. Early reports on this system indicate a very satisfactory performance.

Coast Guard Reserve

During the fiscal year, 112 organized Reserve training units (port security) were designated as operational. These units were organized and trained to establish port security units in all key ports of the United States, including Hawaii, Alaska, and Puerto Rico. A machine system for matching mobilization billets with Reserve personnel is scheduled for implementation in fiscal 1963. This will permit the issuance of preassignment mobilization orders to reservists and available retired personnel.

Personnel

The following table illustrates the personnel strength of the Coast Guard as of June 30, 1961 and 1962.

Personnel	1961	1962
	Number	
Military personnel:		
Commissioned officers	3,061	3,122
Chief warrant officers	812	849
Warrant officers	205	178
Cadets	385	372
Enlisted men	27,100	27,200
Total	31,563	31,721
Civilian personnel:		
Salaried (General Service)	2,477	2,539
Wageboard	2,219	2,148
Lamplighters	220	207
Total (exclusive of vacancies)	4,916	4,894
Ready reservists:		
Officers	3,650	3,570
Enlisted men	27,399	24,638
Total	31,049	28,208

The following table shows the changes in the numbers of officers on active duty as of June 30, 1961 and 1962. The net gain of 61 was sufficient to meet the increased commitments at the beginning of fiscal 1963.

Officers	1961	1962
	Number	
Additions of commissioned officers:		
Coast Guard Academy graduates	119	115
Officer Candidate School graduates	204	208
Reserve officers called to active duty	17	18
Former merchant marine officers appointed	5	5
Total	345	346
Losses of commissioned officers:		
Regular [1]	88	135
Reserve on completion of obligated service	210	150
Total	298	285
Net gain	47	61

[1] Through retirements, resignations, revocations, and deaths.

Recruiting and training.—Fifty-four main recruiting stations and approximately 50 substations were manned by 226 recruiters. During the fiscal year there were 13,231 applications for enlistment in the regular Coast Guard and 3,314 were enlisted. The Reserve received 6,708 applications and enlisted 2,763. The Receiving Center, Cape May, N.J., trained 3,550 recruits and the Receiving Center, Alameda, Calif., an additional 2,768.

Training for foreign visitors.—Approximately 105 visitors from 21 foreign countries, under the sponsorship of other Government agencies, were extended the use of Coast Guard facilities for training in aids-to-navigation, loran, search and rescue procedures, merchant marine safety, vessel inspection, port security, law enforcement, and aviation.

Coast Guard education program.—The education and training programs participated in and sponsored by the Service are summarized for 1961 and 1962 as follows.

Education and training programs	1961	1962
	Number	
Coast Guard Academy:		
Applications	5,128	5,436
Applications approved	5,101	5,352
Appointments	224	235
Cadets	385	372
Graduates (bachelor of science degrees)	119	115
Officer training completed:		
Officer Candidate School graduates	262	208
Postgraduate	52	57
Flight training	47	35
Helicopter pilot training	25	25
C-130-B aircraft training	20	34
Short term specialized courses	289	318
Off duty courses at civilian schools	230	288
Enlisted training completed:		
Coast Guard basic petty officer schools	1,487	1,561
Navy basic petty officer schools	394	[1] 208
Advanced schools (Coast Guard and Navy)	1,023	[1] 1,084
Specialized courses (Service and civilian schools)	382	567
Correspondence courses completed:		
Coast Guard Institute courses completed	6,107	10,691
U.S. Armed Forces Institute courses completed	253	261
Naval correspondence schools courses completed	2,641	5,724

[1] Estimate.

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Public Health Service support.—On June 30, 1962, there were 92 Public Health Service personnel on duty with the Coast Guard serving at 22 shore stations and aboard ships assigned to ocean stations, the Bering Sea patrol, and Arctic and Antarctic operations.

Fiscal and supply management

The Coast Guard indoctrinated its personnel at Headquarters and field units in the use of the new Military Standard Requisitioning and Issue Procedures (MILSTRIP), which went into effect in all Defense agencies and the General Services Administration on July 1, 1962.

Through an agreement with the Department of Defense, the Coast Guard can now use the facilities of that agency to obtain usable material declared excess as well as to dispose of its own surplus items.

Coast Guard Auxiliary

The Auxiliary, a voluntary nonmilitary organization functioning in more than 575 communities, conducted numerous public instruction courses in safe boating during fiscal 1962. These courses had an enrollment of approximately 125,000 persons. Courtesy examinations of the safety equipment of approximately 126,000 motorboats were made by specially qualified auxiliarists. The Auxiliary also assisted the Coast Guard in patrolling 1,270 regattas, and responded to an estimated 5,000 calls for assistance. On June 30, 1962, the organization had some 21,700 members and 14,000 facilities, including boats, aircraft, and radio stations in 760 flotillas.

Funds available, obligations, and balances

The following table shows the amount of funds available for the Coast Guard during fiscal 1962 and the amounts of obligations and unobligated balances.

	Funds available [1]	Net total obligations	Unobligated balances [2]
Appropriated funds:			
Operating expenses	$211,877,681	$211,614,481	$263,200
Reserve training	16,000,000	15,950,735	49,265
Retired pay	31,350,000	30,866,678	483,322
Acquisition, construction, and improvements	49,962,293	33,754,815	16,207,478
Total appropriated funds	309,189,974	292,186,709	17,003,265
Reimbursements:			
Operating expenses	30,910,135	30,910,135	----------------
Acquisition, construction, and improvements	25,621,221	16,367,140	9,254,081
Total reimbursements	56,531,356	47,277,275	9,254,081
Trust fund, U.S. Coast Guard gift fund	18,182	5,993	12,189
Grand total	365,739,512	339,469,977	26,269,535

[1] Funds available include unobligated balances brought forward from prior year appropriations as follows:

Acquisition, construction, and improvements:	
Appropriated funds	$10,962,293
Reimbursements	15,349,984
U.S. Coast Guard gift fund	11,238

[2] Unobligated balance of $25,461,559 under the acquisition, construction, and improvement appropriation remains available for obligation in the fiscal year 1963. These funds are programmed for obligation in fiscal 1963 for the following general purposes:

	Coast Guard projects	*Department of Defense projects*
For projects deferred in fiscal 1962 to be subsequently accomplished	$2,920,000	------------
For completion of projects started in fiscal 1962	13,287,478	$9,254,081
Total	16,207,478	9,254,081

Management improvement

The Coast Guard management improvement program continues to be an effective means of enlisting the collective efforts of military and civilian personnel in furthering efficiency and improving service to the public. Recurrent savings estimated at more than $2.7 million resulted from improvements in the use of manpower, facilities and space, and reductions in the costs of materials and services during the fiscal year. Of these savings approximately $257,000 was credited to military and civilian suggestions and superior work performance. Numerous other improvements, although not measurable in a tangible way, contributed to better safety, morale, and working conditions.

A comprehensive management study was made of the Coast Guard Reserve program in the fiscal year 1962. The recommendations arising from this survey are now under consideration. A financial management task force was organized and began an analysis and evaluation of the Coast Guard's accounting functions and systems. A primary goal of this group is to investigate the possibilities of converting, where practicable, manual operations to machine processes. Coast Guard officials and staff personnel also participated in a recently completed study of the roles and missions of this Service. The study group was made up of representatives from the Treasury and Defense departments and the Bureau of the Budget.

United States Savings Bonds Division

The primary responsibility of the U.S. Savings Bonds Division is to promote the sale and retention of U.S. savings bonds and the sale of savings stamps. Comparatively small in staff, the Division concentrates its activities on planning and directing the sales promotional efforts of a large corps of volunteers. This corps is comprised of thousands of public-spirited men and women who serve as a sales promotional force and as issuing agents. Over the years they have been primarily responsible for the success of the savings bonds program.

Thousands of banks and other financial institutions sell savings bonds without compensation. As a public service, private industry finances advertising time and space costs of the program, which amount to more than $50 million annually. The promotional expenses of the payroll savings campaigns in the more than 40,000 participating businesses and industries, as well as the operating costs of the plans, are likewise borne by the businessmen of the Nation. Thanks to this nationwide volunteer support, the cost to the Government of promoting the sale of savings bonds is only slightly over one dollar for every one thousand dollars of E and H bonds sold.

The savings bonds program not only makes a major contribution to Government financing—Series E and H savings bonds now total 15 percent of the public debt—but since its inception it has also proved to be a vital instrument in promoting thrift and regular saving on the part of millions of Americans. The payroll savings plan has been especially effective both in developing the thrift habit among the Nation's wage earners and in channeling systematic savings into Series E bonds, the most popular Government security. More than eight million Americans at work in industry and Government participate in payroll savings programs, accounting for more than 40 percent of current E and H bond purchases.

Despite the increased competition for the savings dollar since January 1962, the savings bonds program continued to show gains during fiscal 1962 as thousands of new savers enrolled in the plan. Payroll savings campaigns in more than 7,000 American firms were completed during the January–August 1962 period with a total of over 850,000 new enrollments, nearly 40 percent more than the number of new "sign-ups" a year earlier. Sales of small denomination E bonds, bought mainly by payroll savers, are at record or near-record levels for peacetime. From January–July 1962, for example, purchases of the $50 denomination attained the post World War II record for any corresponding period, and sales of the $25 and $50 denominations combined were running at a five-year high.

To launch the 1962 savings bonds program, the Secretary of the Treasury invited 800 executives to a conference with top Government officials in Washington on January 19, 1962. He announced a Freedom Bond Drive for May and June 1962, the first nationwide savings bonds campaign since the Korean war. Addressing the conference, President Kennedy stated that promoting the sale of savings bonds ". . . is an effort that has been going on for a number of years, but I am sure you realize that it is our task to emphasize to the American people how important a contribution they can make to their country and also to their own personal welfare." The executives were asked to conduct personal solicitation payroll savings campaigns among their employees as a part of the Freedom Bond Drive, thus providing every employee a new opportunity to save systematically for his own and his country's security.

Much of the year's success is due to the Freedom Bond Drive, to the payroll savings campaigns in industry throughout the country, and to the Mercury 7 spacecraft exhibits, replicas of the famous "Freedom 7", "Liberty Bell 7", and "Friendship 7", which carried America's first astronauts into space. During the Treasury's Freedom Bond Drive in May and June these spacecraft toured all States except Alaska and Hawaii, and were exhibited in 259 cities and towns. The three capsules were made available to the savings bonds program through the cooperation of the McDonnell Corporation, which designed and built the Mercury capsules for the National Aeronautics and Space Administration, and General Motors Corporation, which provided the transportation.

The Division also promotes the sale of savings stamps, a plan which allows students and other small savers to buy savings bonds over a period of time. The sale of savings stamps in fiscal 1962 amounted to $18.0 million, 2 percent below the preceding year. The sales volume represented purchases of 104 million stamps. As part of the Division's promotional program a "Junior Astronaut" campaign for savings stamps was scheduled for the 1962–63 school year. When buying his first stamp of the school year, each student will receive a certificate designating him as a "Junior Astronaut" pledged to keep his country strong and free. The Treasury Department acknowledges with appreciation the cooperation of the National Aeronautics and Space Administration in this promotion.

Management improvement

Headed by a National Director and an Assistant National Director, the U.S. Savings Bonds Division is composed of three principal branches: Sales, Planning, and Advertising and Promotion. The chiefs of these three branches, together with the National Director and Assistant National Director, comprise the Division's Management Committee, whose main purpose is the improvement of services by the Division.

Constant attention is given to improvement in operation, organization, and the utilization of manpower. During the year, three positions were abolished with savings of $32,698 annually.

Administration of nonexpendable property and approval of acquisitions for all offices of the Division, departmental and field, are centralized in the headquarters office in Washington, D.C. Under this arrangement during fiscal 1962 the Division kept new purchases to a minimum and acquired excess property with an estimated inventory value of approximately $2,500 which the General Services Administration made available from other Federal agencies.

United States Secret Service

The major functions of the United States Secret Service as defined by section 3056 of Title 18, United States Code, are the protection of the President of the United States and members of his family, the President-elect, and the Vice President at his request; the detection and arrest of persons committing any offenses against the laws of the United States relating to obligations and securities of the United States and of foreign governments; and the detection and arrest of persons violating certain laws relating to the Federal Deposit Insurance Corporation, Federal land banks, and national farm loan associations.

Management improvement

The study has been continued of the feasibility of applying automatic data processing to the system of classification and coding of handwriting of suspected forgers of Government checks and bonds. The use of high-speed electronic equipment to aid in the rapid association of forgeries of common authorship, and in the early identification of multiple and interstate forgers is believed to have great potential in solving the increasing number of such cases. Application of automatic processing to payroll and time and leave records also is being studied, as is a plan for electronically processing other statistical records and reports.

An improved form to report the technical analysis of new counterfeit notes, the product of a joint study with the Bureau of Engraving and Printing, has been adopted. The technique and procedure for analyzing these notes have been revised, thereby expediting the reports and increasing the value of the information developed.

A significant number of check and bond forgery investigations were complicated by the overprinting of endorsements which, in some cases, obliterated the forged writing. To remedy this difficulty, a filtered photograph, deleting the overprinting and retaining the questioned writing, now accompanies such cases referred to the field.

Formal request has been made to Congress to amend the law (31 U.S.C. 529a) to enable the Secret Service to use again the funds expended for the purchase of evidence, in those instances of recovery of the funds. With such authority the Secret Service would be in a position to negotiate with a higher degree of flexibility in seeking and purchasing evidence leading to makers of counterfeit notes.

A comprehensive plan was initiated and is being developed to appraise the organization and management of the field activities. This plan, in use on a trial basis by a special study group, is related to the inspection program. At the conclusion of an inspection, each inspector submits a progress report on areas being studied, including any area of particular interest where economies or improved operations can be made. Current studies include the *Secret Service Manual*, automatic data processing, field participation in budget development, daily reporting procedures, improved protective devices and communication methods relating thereto, staffing standards, and workloads.

The entire range of field reporting requirements has been reviewed. Some nonessential paperwork has been eliminated and certain reports were changed from a monthly to a quarterly, semiannual, or annual basis.

Certain field offices have been designated as centers for which the latest polygraph equipment is being provided and from which polygraph services can be obtained. Because of the strategic location of these centers, the field can derive maximum benefits from operators and equipment.

Ways and means were explored of utilizing excess Government property to the greatest extent practicable before purchasing new items. A program was inaugurated and instructions were issued to all field offices on methods of participation. As a result, a significant amount of needed property and equipment were acquired.

After an appraisal of the format and technique of preparing *The Record*, a Secret Service weekly publication, a number of innovations were adopted to simplify its preparation and to streamline the general makeup. As a result of other studies and surveys related to *The Record* and allied material, considerable saving of clerical time was made throughout the field offices.

An extensive analysis of financial reporting requirements was completed and documented for inclusion in the *Financial Management Manual* as Chapter VII—Reports and Statements. A form was developed for the internal reporting monthly of administrative expenses.

A new financial management regulation was prepared and issued. Among other things, this regulation provided for the establishment of a budget committee, which has been effective in developing and coordinating information and for establishing policy in the preparation of the budget.

Protective and security activities

The protection of the First Family and the Vice President, when requested, continued to be the most important responsibility of the Secret Service. Security arrangements were effected within and outside the United States during the fiscal year 1962 without significant incident.

Investigations concerning protective activities increased from 870 in 1961 to 882 in 1962, a rise of 1.4 percent. There were 46 such cases pending at the close of fiscal 1962, which was 19 less than a year earlier. Arrests resulting from investigation of these cases increased from 86 to 109, or 26.7 percent.

Enforcement activities

Despite the entry of organized criminals into the field, counterfeiting was an unprofitable crime in the year under review. Persons arrested for counterfeiting offenses totaled 737 and 44 counterfeiting plants were captured.

The following table summarizes seizures of counterfeit money during fiscal 1961 and 1962:

Counterfeit money seized, fiscal years 1961 and 1962

Notes and coins	1961	1962	Percentage increase, or decrease (−)
Counterfeit and altered notes:			
After circulation	$547,076.50	$548,756.35	3.1
Before circulation	1,632,070.00	3,565,567.00	118.5
Total	2,179,146.50	4,114,323.35	88.8
Counterfeit coins seized:			
After circulation	16,501.94	19,140.00	16.0
Before circulation	5,795.20	1,453.43	−74.9
Total	22,297.14	20,593.43	−7.7
Grand total	2,201,443.64	4,134,916.78	87.8

Seven out of every eight counterfeits manufactured were seized before they could be passed to the public. Yet, new counterfeit note issues have been improving consistently with the development of the graphic arts, and with increasing ease of production. These, together with the wide geographic distribution made by organized criminals, have increased the enforcement problem and have required the Secret Service to originate newer and faster methods to protect the public from loss.

As a result of intensive investigation, and constant surveillance and undercover work, special agents in New York in February 1962, recovered a million dollars in counterfeit notes in the largest domestic seizure in the history of the Secret Service. This issue of counterfeit currency was controlled by a group with nationwide underworld connections. While being held for distribution to gangsters in other areas, the notes were being safeguarded by a comparatively minor figure in the syndicate. The same group controlled six other types of counterfeit notes which were actively passed along the eastern seaboard. Information was received that $2,500,000 of one of the six new counterfeits was destined for Cuba and Puerto Rico, but such activity did not materialize.

Four men were arrested in New York, N.Y., in October 1961, and $25,000 in counterfeits was recovered. Shortly thereafter, the arrests in Georgia of three men from Brooklyn, N.Y., resulted in another large seizure of counterfeit currency.

In September 1961, a $10 counterfeit note appeared in New York City, N.Y. Within 30 days, although 12 persons had been arrested, the circulation of these counterfeits had spread to Massachusetts, Connecticut, Rhode Island, New Jersey, Pennsylvania, Maryland, the District of Columbia, Virginia, North Carolina, Florida, Ohio, and Nebraska.

A man who was arrested in Seattle, Wash., in January 1962, for passing a $20 note was found to have $4,800 in counterfeit money which was seized. Four additional arrests and seizures amounting to $480,000 of these same counterfeits followed. While the seizures amounted to almost the entire $500,000 printed, the notes had been passed in Washington, California, Nevada, New Mexico, Michigan, Nebraska, Missouri, Illinois, and Oregon in the short time the venture had been in operation.

Soon after, two men and a woman were arrested in Seattle, Wash., for passing another issue of counterfeit $20 notes and a similar counterfeit $100 note. The supplier of these notes was quickly apprehended in Casper, Wyo., and the manufacturing plant was seized. When the counterfeit note maker was arrested in Dickinson, N. Dak., an additional $350,000 in $20 and $100 notes was seized.

One issue of another new $20 counterfeit note was traced to Cuba. The first note appeared in Cuba in July 1961. These notes and counterfeit $100 notes of Cuban origin frequently are confiscated in the United States from Cuban exiles who converted their pesos into dollars before leaving Cuba and thus are defrauded by black market money exchangers. The amount of $27,560 in these counterfeit notes was seized in this country in fiscal 1962.

Counterfeit money seized, fiscal years 1961 and 1962

Counterfeit currency	1961	1962	Percent increase
Loss to the public	$563,578.44	$567,896.35	0.8
Before circulation	1,637,865.20	3,567,020.43	117.8
Total	2,201,443.64	4,134,916.78	87.8

The forgery of Government checks continued to represent a major enforcement problem. During fiscal 1962 the Secret Service investigated 40,351 cases involving an amount of $4,244,133.16, an increase of 15.8 percent over 1961. Arrests of persons for check forgery totaled 3,414, an increase of 15.1 percent.

The Secret Service also investigated 7,804 cases involving the forgery of $758,715 worth of U.S. savings bonds, an increase of 2.6 percent over 1961. For this offense, 82 persons were arrested.

A few of the more flagrant cases investigated during 1962 are described in the following paragraphs.

In New York, N.Y., a man and a woman, the woman an old offender, were arrested and admitted stealing and forging 340 checks in a 10-month period. They realized about $17,000 from their criminal efforts and when arrested had only $10 in their possession. The money received from this illegal activity was spent to satisfy a $400-a-week narcotic habit.

In Greenwood, Miss., an arrested forger admitted stealing and forging 100 checks in a four-month period. The checks were stolen and forged in Greenwood and Jackson, Miss., Little Rock, Ark., and Memphis, Tenn.

Also in Greenwood, a multiple forger was arrested who was responsible for the forgery of more than 100 checks. While awaiting trial, he escaped from jail on September 16, 1961, vowing to continue stealing checks as long as he was free. He was traced by his forgeries through the States of Mississippi, Illinois, Arkansas, and Florida. He was arrested in Jacksonville, Fla., on December 18 after forging and cashing 100 more Government checks which he had stolen from rural mailboxes since his escape.

In Indianapolis, Ind., a 33-year-old woman was arrested for forging a $1,023.88 check. This was her fourth arrest for multiple theft and check forgery.

In 1961 there were passed in the United States 121 stolen and forged money orders of the Canadian Pacific Railway. In August 1961, the Secret Service followed the trial of the forgers through Virginia, West Virginia, Michigan, Ohio, Illinois, Indiana, Maryland, and New York, before identifying and arresting them and identifying the thief who was by that time in jail in Ontario, Canada.

The Secret Service in September 1961 arrested six persons in Chicago who admitted realizing about $30,000 in eight months by forging Government checks. One of those arrested had acted as a clearing house for the ring, accepting the checks which were stolen from the mail and assigning them to persons who forged the endorsements. To others went the task of passing the forged checks. The proceeds were divided among the entire ring.

In Shelby, N.C., a man was arrested for forging 50 Government checks while on parole from a 1957 conviction for forgery.

Three persons arrested in Buffalo, N.Y., in December 1961, admitted the forgery and passing of over 200 checks in that area.

The following table shows the number of criminal and noncriminal investigations completed in fiscal 1961 and 1962. This table reflects the arrest of 169 persons in 1962 for crimes other than counterfeiting and forgery, bringing the total of persons arrested to 4,402, an increase of 15.7 percent over those in 1961. Cases of all types investigated, which included counterfeiting and forgery, totaled 63,791, an increase of 12.1 percent.

Criminal and noncriminal cases investigated, fiscal years 1961 and 1962

Cases investigated	1961	1962	Percentage increase, or decrease (−)
Counterfeiting	11,004	10,052	−8.7
Forged Government checks	34,846	40,351	+15.8
Forged Government bonds	7,603	7,804	+2.6
Miscellaneous criminal	1,226	1,187	−3.2
Miscellaneous noncriminal	2,223	4,397	+97.8
Total	56,902	63,791	+12.1

Number of arrests, fiscal years 1961 and 1962

Offenses	1961	1962	Percentage increase
Counterfeiting	595	737	23.9
Forged Government checks	2,967	3,414	15.1
Forged or stolen bonds	75	82	9.3
Miscellaneous	169	169	
Total	3,806	4,402	15.7

Convictions of 3,923 persons in Secret Service cases in fiscal year 1962 represented an increase of 13.9 percent over 1961. In all Secret Service cases brought to trial in this period, 98.3 percent resulted in convictions.

The rising tide of lawlessness as shown by these statistics is also reflected in the general crime picture throughout the country.

EXHIBITS

Public Debt Operations, Calls of Guaranteed Obligations, Regulations, and Legislation

Treasury Certificates of Indebtedness, Treasury Notes, and Treasury Bonds Offered and Allotted

EXHIBIT 1.—Treasury certificates of indebtedness

A Treasury circular containing a representative certificate offering during the fiscal year 1962 is reproduced in this exhibit. The circular pertaining to the other exchange offering is similar in form and therefore is not reproduced in this report. However, the essential details for the two issues are summarized in the first table following the circular and the final allotments of new certificates issued in exchange are shown in the second table.

DEPARTMENT CIRCULAR NO. 2–62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, February 5, 1962.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 3½ percent Treasury certificates of indebtedness of Series A–1963, in exchange for any of the following notes:

3⅝ percent Treasury notes of Series A–1962, maturing February 15, 1962
4 percent Treasury notes of Series D–1962, maturing February 15, 1962
3¼ percent Treasury notes of Series F–1962, maturing February 15, 1962
1½ percent Treasury notes of Series EA–1962, maturing April 1, 1962

Interest will be adjusted in the case of the 1½ percent Treasury notes of Series EA–1962 as set forth in section IV hereof. The amount of the offering under this circular will be limited to the amount of eligible notes tendered in exchange and accepted. The books will be open only on February 5 through February 7, 1962, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible notes are offered the privilege of exchanging all or any part of such notes for 4 percent Treasury notes of Series A–1966, which offering is set forth in Department Circular, Public Debt Series, No. 3–62, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 15, 1962, and will bear interest from that date at the rate of 3½ percent per annum, payable semiannually on August 15, 1962, and February 15, 1963. They will mature February 15, 1963, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates 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.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$1,000,000, \$100,000,000, and \$500,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of certificates applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of certificates allotted hereunder must be made on or before February 15, 1962, or on later allotment, and may be made only in notes of the four series enumerated in section I hereof, which will be accepted at par, and should accompany the subscription. Coupons dated February 15, 1962, should be detached and cashed when due by holders of the maturing notes of Series A–1962, Series D–1962, and Series F–1962 in coupon form. In the case of registered notes of Series F–1962, the final interest due on February 15, 1962, will be paid by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district. Coupons dated April 1, 1962, must be attached to the 1½ percent Treasury notes of Series EA–1962 when surrendered and accrued interest from October 1, 1961, to March 1, 1962 ($6.22253 per $1,000), will be credited, accrued interest from February 15, 1962, to March 1, 1962 ($1.35359 per $1,000), on the certificates to be issued will be charged, and the difference ($4.86894 per $1,000), will be paid to subscribers following acceptance of the notes.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury notes of Series F–1962 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for 3½ percent Treasury certificates of indebtedness of Series A–1963 to be delivered to --------", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. The notes must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

Douglas Dillon,
Secretary of the Treasury.

Summary of information pertaining to Treasury certificates of indebtedness issued during the fiscal year 1962

Date of preliminary announcement	Department circular: Number	Department circular: Date	Concurrent exchange offering circular number	Certificates of indebtedness offered for exchange	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
1962		*1962*			*1962*	*1963*	*1962*	*1962*
Feb. 1	2-62	Feb. 5	3-62	3½ percent Series A—1963 issued at par in exchange for—	Feb. 15	Feb. 15	Feb. 7	[1] Feb. 15
				3⅝ percent Series A—1962 notes maturing February 15, 1962,				
				4 percent Series D—1962 notes maturing February 15, 1962,				
				3¼ percent Series F—1962 notes maturing February 15, 1962,				
				1½ percent Series EA—1962 notes maturing April 1, 1962.				
Apr. 26	9-62	Apr. 30	10-62, 11-62	3¼ percent Series B—1963 issued at par in exchange for—	May 15	May 15	May 2	[2] May 15
				3 percent Series A—1962 certificates maturing May 15, 1962,				
				4 percent Series E—1962 notes maturing May 15, 1962,				
				2¼ percent Treasury bonds of 1959-62 maturing June 15, 1962.				

[1] See Department Circular No. 2-62, sections III and IV, in this exhibit, for provisions for subscription and payment.

[2] Coupons dated June 15, 1962, were required to be attached to the 2¼ percent Treasury bonds of 1959-62 in coupon form when surrendered. Accrued interest from December 15, 1961, to May 15, 1962 ($9.33379 per $1,000), on the bonds was paid to subscribers in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. Coupons dated May 15, 1962, were detached from the certificates of Series A—1962 and the notes of Series E—1962 in coupon form by holders and cashed when due.

Allotments of Treasury certificates of indebtedness issued during the fiscal year 1962, by Federal Reserve districts

[In thousands]

Federal Reserve district	3½ percent Series A-1963 certificates issued in exchange for—[1]				
	3⅝ percent Series A-1962 Treasury notes maturing Feb. 15, 1962 [2]	4 percent Series D-1962 Treasury notes maturing Feb. 15, 1962 [2]	3¼ percent Series F-1962 Treasury notes maturing Feb. 15, 1962 [2]	1½ percent Series EA-1962 Treasury notes maturing Apr. 1, 1962 [2]	Total issued
Boston	$7,450	$27,683	$110,417	$2,700	$148,250
New York	155,216	162,989	4,479,176	308,729	5,106,110
Philadelphia	10,672	5,732	67,172	5,493	89,069
Cleveland	9,520	45,866	174,054	3,540	232,980
Richmond	8,183	5,890	34,907	2,708	51,688
Atlanta	7,805	16,950	90,283	8,699	123,737
Chicago	42,370	75,739	217,550	25,883	361,542
St. Louis	14,745	19,530	163,398	6,307	203,980
Minneapolis	3,986	20,698	36,583	527	61,794
Kansas City	8,538	20,450	59,814	2,664	91,466
Dallas	2,475	7,860	26,667	500	37,502
San Francisco	10,988	40,253	286,292	2,162	339,695
Treasury	278	1,908	11,501	55	13,742
Total certificate allotments	282,226	451,548	5,757,814	369,967	6,861,555
Securities eligible for exchange:					
Exchanged in concurrent offerings	302,877	856,478	3,199,759	95,296	4,454,410
Total exchanged	585,103	1,308,026	8,957,573	465,263	11,315,965
Not submitted for exchange	61,954	126,960	140,470	85,913	415,297
Total securities eligible for exchange	647,057	1,434,986	9,098,043	551,176	11,731,262

Footnotes at end of table.

Allotments of Treasury certificates of indebtedness issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3¼ percent Series B-1963 certificates issued in exchange for—[1]			
	3 percent Series A-1962 certificates maturing May 15, 1962 [3]	4 percent Series E-1962 Treasury notes maturing May 15, 1962 [3]	2¼ percent Treasury bonds of 1959-62 maturing June 15, 1962 [3]	Total issued
Boston	$86,888	$40,702	$27,677	$155,267
New York	2,718,473	506,662	1,341,820	4,566,955
Philadelphia	85,230	22,006	22,324	129,560
Cleveland	57,745	56,497	62,864	177,106
Richmond	24,054	16,106	25,064	65,224
Atlanta	63,448	29,468	35,568	128,484
Chicago	301,697	93,478	189,534	584,709
St. Louis	70,800	33,579	30,098	134,477
Minneapolis	20,231	13,015	15,528	48,774
Kansas City	84,232	25,763	63,842	173,837
Dallas	38,658	17,250	32,578	88,486
San Francisco	248,243	70,993	102,295	421,531
Treasury	7,699	2,201	1,412	11,312
Total certificate allotments	3,807,398	927,720	1,950,604	6,685,722
Securities eligible for exchange:				
Exchanged in concurrent offerings	1,602,788	1,125,894	1,589,348	4,318,030
Total exchanged	5,410,186	2,053,614	3,539,952	11,003,752
Not submitted for exchange	99,032	157,279	423,346	679,657
Total securities eligible for exchange	5,509,218	2,210,893	3,963,298	11,683,409

[1] Subscriptions were allotted in full.
[2] 4 percent Series A-1966 Treasury notes also offered in exchange for this security; see exhibit 2.
[3] 3⅝ percent Series B-1966 Treasury notes and 3⅞ percent Treasury bonds of 1971 were also offered in exchange for this security; see exhibits 2 and 3, respectively.

EXHIBIT 2.—Treasury notes

Two Treasury circulars, one containing an exchange offering and the other a cash note offering during the fiscal year 1962, are reproduced in this exhibit. The circulars pertaining to the other note offerings during 1962 are similar in form and therefore are not reproduced in this report. However, the essential details for each issue are summarized in the first table following the circulars and the final allotments of the new notes issued for cash or in exchange are shown in the second table.

DEPARTMENT CIRCULAR NO. 1062. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, July 17, 1961.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the United States, designated 3¼ percent Treasury notes of Series H–1962, in exchange for which any of the following eligible securities, singly or in combinations aggregating $1,000 or multiples thereof, may be tendered:

3⅛ percent Treasury certificates of indebtedness of Series C–1961, maturing August 1, 1961
4 percent Treasury notes of Series A–1961, maturing August 1, 1961
2¾ percent Treasury bonds of 1961, maturing September 15, 1961
1½ percent Treasury notes of Series EO–1961, maturing October 1, 1961.

Interest will be adjusted in the case of the 2¾ percent Treasury bonds of 1961, and in the case of the 1½ percent Treasury notes of Series EO–1961, as set forth in section IV hereof. The amount of the offering under this circular will be limited to the amount of eligible securities tendered in exchange and accepted. The books will be open only on July 17 through July 19, 1961, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are offered the privilege of exchanging all or any part of such securities for

3¾ percent Treasury notes of Series E–1964, or
3⅞ percent Treasury bonds of 1968 (additional issue)

which offerings are set forth in Department Circulars Nos. 1063 and 1064, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated August 1, 1961, and will bear interest from that date at the rate of 3¼ percent per annum, payable on a semiannual basis on November 15, 1961, and on May 15 and November 15, 1962. They will mature November 15, 1962, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes 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.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000, and $500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington, D.C. Bank-

ing institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of notes applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before August 1, 1961, or on later allotment, and may be made only in the securities of the four issues enumerated in section I hereof, which will be accepted at par, and should accompany the subscription.

2. Coupons dated August 1, 1961, should be detached from the 3⅛ percent certificates of indebtedness of Series C–1961, and the 4 percent Treasury notes of Series A–1961, maturing August 1, 1961, by holders and cashed when due.

3. Coupons dated September 15, 1961, must be attached to the 2¾ percent Treasury bonds of 1961 in coupon form when surrendered, and accrued interest from March 15, 1961, to August 1, 1961 ($10.38723 per $1,000) will be paid to subscribers. Payment to subscribers will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

4. Coupons dated October 1, 1961, must be attached to the 1½ percent Treasury notes of Series EO–1961 when surrendered, and accrued interest from April 1, 1961, to September 1, 1961 ($6.27049 per $1,000) will be credited; accrued interest from August 1, 1961, to September 1, 1961 ($2.73777 per $1,000), on the notes to be issued will be charged, and the difference ($3.53272 per $1,000) will be paid to subscribers following acceptance of the notes.

V. ASSIGNMENT OF REGISTERED BONDS

1. The 2¾ percent Treasury bonds of 1961 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington, D.C. The bonds must be delivered at the expense and risk of the holder. If the notes are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 3¼ percent Treasury notes of Series H–1962"; if the notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3¼ percent Treasury notes of Series H–1962 in the name of__________"; if notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3¼ percent Treasury notes of Series H–1962 in coupon form to be delivered to__________".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 1068. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, October 2, 1961.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.875 percent of their face value and accrued interest, from the people of the United States for notes of the United States, designated 3¼ percent Treasury notes of Series D–1963. The amount of the offering under this circular is $2,000,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to $100,000,000 of these notes to Government investment accounts. The books will be open only on October 2, 1961, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF NOTES

1. The notes now offered will be an addition to and will form a part of the 3¼ percent Treasury notes of Series D–1963 issued pursuant to Department Circular No. 1061, dated May 1, 1961, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the notes to be issued under this circular will accrue from October 11, 1961. Subject to the provisions for the accrual of interest from October 11, 1961, on the notes now offered, the notes are described in the following quotation from Department Circular No. 1061:

"1. The notes will be dated May 15, 1961, and will bear interest from that date at the rate of 3¼ percent per annum, payable semiannually on November 15, 1961, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1963, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes 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.

"3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

"4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000, and $500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

"5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks

accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 50 percent of the combined capital, surplus, and undivided profits, of the subscribing bank. Subscriptions from all others must be accompanied by payment of 2 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 2 percent payment in excess of 2 percent of the amount of notes allotted may be released upon the request of the subscribers.

2. All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any notes of this additional issue, until after midnight October 2, 1961.

3. 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.

4. 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.

IV. PAYMENT

1. Payment at 99.875 percent of their face value and accrued interest from May 15 to October 11, 1961 ($13.15897 per $1,000), for notes allotted hereunder must be made or completed on or before October 11, 1961, or on later allotment. The total amount of such payment will be $1,011.90897 per $1,000 face amount. In every case where payment is not so completed, the payment with application up to 2 percent of the amount of notes allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit in its Treasury Tax and Loan Account for not more than 75 percent of the amount of notes 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.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

Summary of information pertaining to Treasury notes issued during the fiscal year 1962

Date of preliminary announcement	Department circular		Concurrent exchange offering circular number	Treasury notes offered for exchange or for cash	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
	Number	Date						
1961 July 13	1062	*1961* July 17	1063, 1064	3¼ percent Series H—1962 issued at par in exchange for— 3⅛ percent Series C—1961 certificates maturing August 1, 1961, 4 percent Series A—1961 notes maturing August 1, 1961, 2¾ percent Treasury bonds of 1961 maturing September 15, 1961, 1½ percent Series EO—1961 notes maturing October 1, 1961.	*1961* Aug. 1	*1962* Nov. 15	*1961* July 19	*1961* [1] Aug. 1
July 13	1063	July 17	1062, 1064	3¾ percent Series E—1964 issued at par in exchange for— 3⅛ percent Series C—1961 certificates maturing August 1, 1961, 4 percent Series A—1961 notes maturing August 1, 1961, 2¾ percent Treasury bonds of 1961 maturing September 15, 1961, 1½ percent Series EO—1961 notes maturing October 1, 1961.	Aug. 1	*1964* Aug. 15	July 19	[2] Aug. 1
Sept. 28	1068	Oct. 2	------------	3¼ percent Series D—1963 (additional issue) issued for cash at 99.875	[3] May 15	*1963* May 15	Oct. 2	[4] Oct. 11
Nov. 2	1069	Nov. 6	1070, 1071	3¼ percent Series E—1963 issued at par in exchange for— 2½ percent Treasury bonds of 1961 maturing November 15, 1961.	Nov. 15	Feb. 15	Nov. 9	[5] Nov. 15
1962 Feb. 1	3—62	*1962* Feb. 5	2—62	4 percent Series A—1966 issued at par in exchange for— 3⅝ percent Series A—1962 notes maturing February 15, 1962, 4 percent Series D—1962 notes maturing February 15, 1962, 3¼ percent Series F—1962 notes maturing February 15, 1962, 1½ percent Series EA—1962 notes maturing April 1, 1962.	*1962* Feb. 15	*1966* Aug. 15	*1962* Feb. 7	*1962* [6] Feb. 15
Apr. 26	10—62	Apr. 30	9—62, 11—62	3⅝ percent Series B—1966 issued at 99.80 in exchange for— 3 percent Series A—1962 certificates maturing May 15, 1962, 4 percent Series E—1962 notes maturing May 15, 1962, 2¼ percent Treasury bonds of 1959–62 maturing June 15, 1962.	May 15	Feb. 15	May 2	[7] May 15

[1] See Department Circular No. 1062, sections III and IV, in this exhibit, for provisions for subscription and payment.

[2] Coupons dated August 1, 1961, were detached from the 3⅛ percent certificates of indebtedness of Series C—1961, and the 4 percent Treasury notes of Series A—1961 by holders and cashed when due. Coupons dated September 15, 1961, were required to be attached to the 2¾ percent Treasury bonds of 1961 in coupon form when surrendered. Accrued interest from March 15 to August 1, 1961 ($10.38723 per $1,000), on the bonds was paid to subscribers in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. Coupons dated October 1, 1961, were required to be attached to the 1½ percent Treasury notes of Series EO—1961. Accrued interest from April 1 to September 1, 1961 ($6.27049 per $1,000), on the maturing notes was credited; accrued interest from August 1 to September 1, 1961 ($3.18261 per $1,000), on the new notes was charged; and the difference ($3.08788 per $1,000) was paid to subscribers following acceptance of the notes.

[3] Interest payable from October 11, 1961.

[4] See Department Circular No. 1068, sections III and IV, in this exhibit, for provisions for subscription and payment.

[5] Coupons dated November 15, 1961, were detached from the 2½ percent Treasury bonds of 1961 in coupon form by holders and cashed when due.

[6] Coupons dated February 15, 1962, were detached from the maturing notes of Series A—1962, Series D—1962, and Series F—1962 by holders and cashed when due. Coupons dated April 1, 1962, were required to be attached to the 1½ percent Treasury notes of Series EA—1962, and accrued interest from October 1, 1961, to March 1, 1962 ($6.22253 per $1,000), on the maturing notes was credited; accrued interest from February 15 to March 1, 1962 ($1.54696 per $1,000), on the new notes was charged; and the difference ($4.67557 per $1,000) was paid to subscribers following acceptance of the notes.

[7] Coupons dated May 15, 1962, were detached from the 3 percent certificates of indebtedness of Series A—1962 and the 4 percent Treasury notes of Series E—1962 in bearer form and cashed when due. The cash payment of $2.00 per $1,000 on account of the issue price of the new notes was made to subscribers, in the case of registered securities following release of registration and in the case of bearer securities following their acceptance. Coupons dated June 15, 1962, were required to be attached to the 2¼ percent Treasury bonds of 1959–62 in coupon form when surrendered. Accrued interest from December 15, 1961, to May 15, 1962 ($9.33379 per $1,000), together with the cash payment ($2.00 per $1,000) was paid to subscribers in the case of registered bonds following release of registration and in the case of bearer bonds following their acceptance.

Allotments of Treasury notes issued during the fiscal year 1962, by Federal Reserve districts

[In thousands]

Federal Reserve district	3¼ percent Series H-1962 Treasury notes issued in exchange for—[1]				
	3⅛ percent Series C-1961 certificates maturing Aug. 1, 1961 [2]	4 percent Series A-1961 Treasury notes maturing Aug. 1, 1961 [2]	2¾ percent Treasury bonds of 1961 maturing Sept. 15, 1961 [2]	1½ percent Series EO-1961 Treasury notes maturing Oct. 1, 1961 [2]	Total issued
Boston	$34,332	$36,980	$43,776	$371	$115,459
New York	3,881,860	281,695	304,074	140,188	4,607,817
Philadelphia	25,618	10,784	19,483	1,185	57,070
Cleveland	101,410	32,882	82,132	7,259	223,683
Richmond	39,334	6,632	8,093	1,670	55,729
Atlanta	49,728	22,890	13,618	2,978	89,214
Chicago	143,436	74,315	105,240	19,884	342,875
St. Louis	32,292	18,920	18,591	2,248	72,051
Minneapolis	11,533	18,844	18,698	1,183	50,258
Kansas City	19,669	23,680	12,625	2,230	58,204
Dallas	23,069	18,541	12,705	3,247	57,562
San Francisco	190,422	110,171	40,230	560	341,383
Treasury	7,601	1,568	1,321		10,490
Total note allotments	4,560,304	657,902	680,586	183,003	6,081,795
Securities eligible for exchange:					
Exchanged in concurrent offerings	3,180,535	1,279,846	1,210,608	96,814	5,767,803
Total exchanged	7,740,839	1,937,748	1,891,194	279,817	11,849,598
Not submitted for exchange	87,936	197,865	348,066	52,158	686,025
Total securities eligible for exchange	7,828,775	2,135,613	2,239,260	331,975	12,535,623

Footnotes at end of table.

Allotments of Treasury notes issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3¾ percent Series E–1964 Treasury notes issued in exchange for— [1]					3¼ percent Series D—1963 Treasury notes (additional issue) issued for cash [4]
	3⅛ percent Series C—1961 certificates maturing Aug. 1, 1961 [3]	4 percent Series A—1961 Treasury notes maturing Aug. 1, 1961 [3]	2¾ percent Treasury bonds of 1961 maturing Sept. 15, 1961 [3]	1½ percent Series EO—1961 Treasury notes maturing Oct. 1, 1961 [3]	Total issued	
Boston	$55,799	$40,499	$38,573	$1,396	$136,267	$107,261
New York	2,520,821	444,815	410,058	49,702	3,425,396	657,617
Philadelphia	13,022	25,606	24,224	1,085	63,937	84,228
Cleveland	41,411	61,231	54,233	2,700	159,575	199,366
Richmond	15,887	12,418	17,104	1,745	47,154	83,263
Atlanta	43,784	34,242	29,803	1,173	109,002	92,570
Chicago	166,033	158,491	151,079	16,475	492,078	356,186
St. Louis	26,043	38,315	31,358	2,602	98,318	90,145
Minneapolis	11,439	35,617	23,663	900	71,619	69,821
Kansas City	31,187	54,691	36,671	7,002	129,551	80,069
Dallas	11,466	40,291	26,560	978	79,295	89,793
San Francisco	109,580	42,823	44,800	2,800	200,003	284,319
Treasury	2,780	1,537	2,170		6,487	6
Government investment accounts						100,000
Total note allotments	3,049,252	990,576	890,296	88,558	5,018,682	2,294,644
Securities eligible for exchange:						
Exchanged in concurrent offerings	4,691,587	947,172	1,000,898	191,259	6,830,916	
Total exchanged	7,740,839	1,937,748	1,891,194	279,817	11,849,598	
Not submitted for exchange	87,936	197,865	348,066	52,158	686,025	
Total securities eligible for exchange	7,828,775	2,135,613	2,239,260	331,975	12,535,623	

Footnotes at end of table.

Allotments of Treasury notes issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3¼ percent Series E—1963 Treasury notes issued in exchange for 2½ percent Treasury bonds of 1961 maturing Nov. 15, 1961 [1, 5]	4 percent Series A—1966 Treasury notes issued in exchange for— [1]				
		3⅝ percent Series A—1962 Treasury notes maturing Feb. 15, 1962 [6]	4 percent Series D—1962 Treasury notes maturing Feb. 15, 1962 [6]	3¼ percent Series F—1962 Treasury notes maturing Feb. 15, 1962 [6]	1½ percent Series EA—1962 Treasury notes maturing Apr. 1, 1962 [6]	Total issued
Boston	$114,577	$10,285	$49,584	$101,598	$2,363	$163,830
New York	1,739,989	141,560	238,170	2,218,198	37,553	2,635,481
Philadelphia	79,881	13,681	65,734	49,870	1,376	130,661
Cleveland	132,037	14,091	37,757	146,219	1,248	199,315
Richmond	48,050	8,165	12,215	34,134	529	55,043
Atlanta	139,734	10,870	45,885	75,781	2,095	134,631
Chicago	476,062	44,267	169,255	213,091	24,494	451,107
St. Louis	171,255	10,087	48,155	74,980	8,750	141,972
Minneapolis	56,484	13,864	53,440	41,185	1,562	110,051
Kansas City	113,086	12,727	59,725	55,745	7,567	135,764
Dallas	95,339	10,806	39,075	50,351	685	100,917
San Francisco	459,999	11,322	35,135	137,247	5,773	189,477
Treasury	15,971	1,152	2,348	1,360	1,301	6,161
Total note allotments	3,642,464	302,877	856,478	3,199,759	95,296	4,454,410
Securities eligible for exchange:						
Exchanged in concurrent offerings	2,901,786	282,226	451,548	5,757,814	369,967	6,861,555
Total exchanged	6,544,250	585,103	1,308,026	8,957,573	465,263	11,315,965
Not submitted for exchange	419,227	61,954	126,960	140,470	85,913	415,297
Total securities eligible for exchange	6,963,477	647,057	1,434,986	9,098,043	551,176	11,731,262

Footnotes at end of table.

Allotments of Treasury notes issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3⅝ percent Series B-1966 Treasury notes issued in exchange for—[1]			
	3 percent Series A—1962 certificates maturing May 15, 1962[7]	4 percent Series E—1962 Treasury notes maturing May 15, 1962[7]	2¼ percent Treasury bonds of 1959–62 maturing June 15, 1962[7]	Total issued
Boston	$47,494	$67,964	$16,447	$131,905
New York	491,732	382,479	716,929	1,591,140
Philadelphia	29,278	19,273	13,648	62,199
Cleveland	114,277	91,648	25,015	230,940
Richmond	19,629	17,827	10,183	47,639
Atlanta	29,432	18,513	20,889	68,834
Chicago	173,890	97,696	167,349	438,935
St. Louis	13,402	21,169	18,257	52,828
Minneapolis	25,686	20,055	17,216	62,957
Kansas City	41,666	29,504	28,757	99,927
Dallas	36,744	22,164	33,262	92,170
San Francisco	111,917	53,020	65,167	230,104
Treasury	2,628	918	775	4,321
Total note allotments	1,137,775	842,230	1,133,894	3,113,899
Securities eligible for exchange:				
Exchanged in concurrent offerings	4,272,411	1,211,384	2,406,058	7,889,853
Total exchanged	5,410,186	2,053,614	3,539,952	11,003,752
Not submitted for exchange	99,032	157,279	423,346	679,657
Total securities eligible for exchange	5,509,218	2,210,893	3,963,298	11,683,409

[1] Subscriptions were allotted in full.

[2] 3¾ percent Series E-1964 Treasury notes and 3⅞ percent Treasury bonds of 1968 were also offered in exchange for this security; see this exhibit and exhibit 3, respectively.

[3] 3¼ percent Series H-1962 Treasury notes and 3⅞ percent Treasury bonds of 1968 were also offered in exchange for this security; see this exhibit and exhibit 3, respectively.

[4] Subscriptions from Government investment accounts were allotted in full. All others were allotted 37 percent with subscriptions for $100,000 or less being allotted in full and those for more than $100,000 being allotted not less than $100,000.

[5] 3¾ percent Treasury bonds of 1966 and 3⅞ percent Treasury bonds of 1974 were also offered in exchange for this security; see exhibit 3.

[6] 3½ percent Series A-1963 certificates were also offered in exchange for this security; see exhibit 1.

[7] 3¼ percent Series B-1963 certificates and 3⅞ percent Treasury bonds of 1971 were also offered in exchange for this security; see exhibits 1 and 3, respectively.

EXHIBIT 3.—Treasury bonds

Four Treasury circulars representative of the fourteen bond offerings during the fiscal year 1962 are reproduced in this exhibit: an exchange offering (additional issue) for maturing issues; an exchange offering (additional issue) for U.S. savings bonds of Series F and G maturing during the calendar year 1962; a cash offering (additional issue); and an advance refunding exchange offering. Circulars pertaining to the other bond offerings are similar in form and therefore are not reproduced in this report. However, the essential details for each issue are summarized in the first table following the circulars and the final allotments of the new bonds issued for cash and in exchange for maturing or outstanding securities are shown in the second table.

DEPARTMENT CIRCULAR NO. 1064. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, July 17, 1961.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.375 percent of their face value and accrued interest, from the people of the United States for bonds of the United States, designated 3⅞ percent Treasury bonds of 1968, in exchange for which any of the following securities may be tendered:

3⅛ percent Treasury certificates of indebtedness of Series C–1961, maturing August 1, 1961
4 percent Treasury notes of Series A–1961, maturing August 1, 1961
2¾ percent Treasury bonds of 1961, maturing September 15, 1961
1½ percent Treasury notes of Series EO–1961, maturing October 1, 1961.

A cash adjustment, as provided in section IV hereof will be made in favor of subscribers for the discount from the face value of the new bonds. Interest will be adjusted in the case of the 2¾ percent Treasury bonds of 1961, and in the case of the 1½ percent Treasury notes of Series EO–1961, as set forth in section IV hereof. The amount of the offering under this circular will be limited to the amount of eligible securities tendered in exchange and accepted. The books will be open only on July 17 through July 19, 1961, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are offered the privilege of exchanging all or any part of such securities for

3¼ percent Treasury notes of Series H–1962, or
3¾ percent Treasury notes of Series E–1964

which offerings are set forth in Department Circulars Nos. 1062 and 1063, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 3⅞ percent Treasury bonds of 1968 issued pursuant to Department Circulars Nos. 1044 and 1049, dated June 8 and August 1, 1960, respectively. They will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from August 1, 1961, in the case of the certificates and notes maturing August 1 and the bonds maturing September 15, and from September 1, 1961, in the case of the notes maturing October 1. Subject to the provisions for the accrual of interest on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1044:

"1. The bonds will be dated June 23, 1960, and will bear interest from that date at the rate of 3⅞ percent per annum, payable on a semiannual basis on November 15, 1960, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1968, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds 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.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington, D.C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at 99.375 percent of their face value and accrued interest for bonds allotted hereunder must be made on or before August 1, 1961, or on later allotment. Payment for the face amount of the bonds allotted may be made only in the securities of the four issues enumerated in section I hereof, which will be accepted at par, and should accompany the subscription. Accrued interest on the bonds allotted will be collected from, and interest on the securities to be exchanged and the cash adjustment for the discount on the bonds to be allotted will be paid to, subscribers as follows:

3⅛ percent certificates of indebtedness of Series C–1961—Coupons dated August 1, 1961, must be attached to the certificates when surrendered. Accrued interest from February 1, 1961, to August 1, 1961 ($15.625 per $1,000) on the certificates surrendered plus the discount ($6.25 per $1,000) on the bonds allotted will be credited; accrued interest from May 15, 1961, to August 1, 1961 ($8.21332 per $1,000) on the bonds allotted will be charged, and the difference ($13.66168 per $1,000) will be paid to subscribers following acceptance of the certificates.

4 percent Treasury notes of Series A–1961—Coupons dated August 1, 1961, must be attached to the notes when surrendered. Accrued interest from February 1, 1961, to August 1, 1961 ($20.00 per $1,000) on the notes surrendered plus the discount ($6.25 per $1,000) on the bonds allotted will be credited; accrued interest from May 15, 1961, to August 1, 1961 ($8.21332 per $1,000) on the bonds allotted will be charged, and the difference ($18.03668 per $1,000) will be paid to subscribers following acceptance of the notes.

2¾ percent Treasury bonds of 1961—Coupons dated September 15, 1961, must be attached to the bonds in coupon form when surrendered. Accrued interest from March 15, 1961, to August 1, 1961 ($10.38723 per $1,000) on the bonds surrendered plus the discount ($6.25 per $1,000) on the bonds allotted will be credited; accrued interest from May 15, 1961, to August 1, 1961 ($8.21332 per $1,000) on the bonds allotted will be charged, and the difference ($8.42391 per $1,000) will be paid to subscribers. Payment to subscribers will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

1½ percent Treasury notes of Series EO–1961—Coupons dated October 1, 1961, must be attached to the notes when surrendered. Accrued interest from April 1, 1961, to September 1, 1961 ($6.27049 per $1,000) on the notes surrendered plus the discount ($6.25 per $1,000) on the bonds allotted will be credited; accrued interest from May 15, 1961, to September 1, 1961 ($11.47758 per $1,000) on the bonds allotted will be charged, and the difference ($1.04291 per $1,000) will be paid to subscribers.

V. ASSIGNMENT OF REGISTERED BONDS

1. 2¾ percent Treasury bonds of 1961 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington, D.C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 3⅞ percent Treasury bonds of 1968"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3⅞ percent Treasury bonds of 1968 in the name of ----------"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3⅞ percent Treasury bonds of 1968 in coupon form to be delivered to ----------".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 1072. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, November 17, 1961.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.50 percent of their face value and accrued interest, for bonds of the United States, designated 3⅞ percent Treasury bonds of 1968, in exchange for a like face amount of United States savings bonds of Series F and G maturing in the calendar year 1962, which will be accepted at exchange values as provided in section IV hereof. Holders of Series F and G bonds aggregating less than an even multiple of $500 maturity value (the lowest denomination of new bonds available) may exchange such bonds with payment of the difference in cash to make up the next higher $500 multiple. Interest on the bonds will be adjusted as of December 15, 1961,

and an adjustment in favor of subscribers representing the discount from the face value of the bonds will be made as provided in section IV hereof. The amount of the offering under this circular will be limited to the amount of securities, together with cash adjustments, tendered in exchange and accepted. The books will be open for the receipt of subscriptions for this issue from all classes of subscribers from November 20 through November 24, 1961, and in addition, subscriptions may be submitted by individuals through November 30, 1961. For this purpose individuals are defined as natural persons in their own right. Delivery of the new bonds will be made on December 20, 1961.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the 3⅞ percent Treasury bonds of 1968 issued pursuant to Department Circulars Nos. 1044, 1049, and 1064, dated June 8, 1960, August 1, 1960, and July 17, 1961, respectively, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from December 15, 1961. Subject to the provision for the accrual of interest from December 15, 1961, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1044:

"1. The bonds will be dated June 23, 1960, and will bear interest from that date at the rate of 3⅞ percent per annum, payable on a semiannual basis on November 15, 1960, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1968, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds 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.

"3. The bonds will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington, D.C. Banking institutions generally, and paying agents eligible to process bonds under Treasury Department Circular No. 888, Revised, may submit exchange subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before December 20, 1961, or on later allotment, and may be made only in a like face amount of United States savings bonds of Series F and Series G maturing from January 1 to December 1, 1962, inclusive, and any cash difference necessary to make up an even $500 multiple, which bonds and cash should ac-

company the subscription, together with the net amount, if any, to be collected from the subscriber as set forth in tables I and II at the end of this circular. The Series F and G bonds will be accepted in the exchange at amounts set forth thereunder for their respective months of maturity. These exchange values are higher than present redemption values. They have been set so that holders of Series F and G bonds who elect to accept this exchange offer will receive, in effect, an investment yield approximately one percent per annum more than would otherwise accrue from December 15, 1961, to the maturity dates of their bonds, and will receive an investment yield of approximately 3.96 percent on the 3⅞ percent marketable bonds received in exchange for the period from the maturity dates of their Series F and G bonds to May 15, 1968. All subscribers will be charged the interest from November 15, 1961, to December 15, 1961 ($0.32 per $100) on the bonds allotted. Other adjustments with respect to bonds accepted in exchange will be made as set forth in tables I and II, which also show the net amounts to be collected from or paid to subscribers for each $100 (face amount) of bonds accepted in exchange.

(a) *Series F bonds.*—The exchange values of Series F bonds, the differences between such values and the offering price of the 3⅞ percent bonds, the interest which will accrue on the new bonds and the total amounts to be collected from or paid to holders of Series F bonds per $100 (face amount) are as set forth in table I.

TABLE I.—*For Series F bonds*

F bonds maturing in 1962 on the first day of—	Exchange values of F bonds per $100 (face amt.)	Charge or credit for differences between $99.50 (offering price per $100 of new bonds) and exchange values of F bonds		Interest Nov. 15 to Dec. 15, 1961, to be charged on new bonds per $100 (face amt.) of F bonds	[1] Total amounts per $100 (face amt.) of F bonds accepted		[2] Interest accruing per $100 on new bonds from Nov. 15, 1961, to maturity dates of F bonds in 1962
		Charge	Credit		[3] TO BE PAID TO SUBSCRIBERS (COLS. 3 minus 4)	TO BE COLLECTED FROM SUBSCRIBERS (COLS. 2 plus 4 minus 3)	
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7
January	$99.88		$0.38	$0.32	$0.06		$0.50
February	99.64		0.14	0.32		$0.18	0.83
March	99.40	$0.10		0.32		0.42	1.13
April	99.16	0.34		0.32		0.66	1.47
May	98.92	0.58		0.32		0.90	1.79
June	98.64	0.86		0.32		1.18	2.12
July	98.40	1.10		0.32		1.42	2.43
August	98.16	1.34		0.32		1.66	2.76
September	97.92	1.58		0.32		1.90	3.09
October	97.68	1.82		0.32		2.14	3.40
November	97.44	2.06		0.32		2.38	3.73
December	97.20	2.30		0.32		2.62	4.05

[1] In addition, for each $100, or multiple or fraction thereof, between the face amount of Series F bonds submitted and the face amount of bonds subscribed (to next higher multiple of $500) the subscriber must pay $99.82 ($99.50 issue price plus $0.32 accrued interest).

[2] Including $0.32 per $100 paid by subscriber as accrued interest from November 15, 1961, to December 15, 1961 (COL. 4). This data is included for information only.

[3] The net amount to be paid to subscribers will be paid following acceptance of the bonds by the agency through which the exchange is made.

(b) *Series G bonds.*—The exchange values of Series G bonds, the differences between such values and the offering price of the 3⅞ percent bonds, the accrued interest to be credited on the Series G bonds, the interest which will accrue on the new bonds and the total amounts to be collected from or paid to holders of Series G bonds per $100 (face amount) are as set forth in table II.

TABLE II.—*For Series G bonds*

G bonds maturing in 1962 on the first day of—	Exchange values of G bonds per $100 (face amt.)	Credit for differences between $99.50 (offering price per $100) of new bonds and exchange values of G bonds	Interest to be credited on G bonds per $100 (face amt.)	Interest Nov. 15 to Dec. 15, 1961, to be charged on new bonds per $100 (face amt.) of G bonds	[1] Total amounts per $100 (face amt.) of G bonds accepted		[2] Interest accuring per $100 on new bonds from Nov. 15, 1961, to maturity dates of G bonds in 1962
					[3] TO BE PAID TO SUBSCRIBERS (COLS. 2 plus 3 minus 4)	TO BE COLLECTED FROM SUBSCRIBERS (COLS. 4 minus 2 and 3)	
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7
January	$99.98	$0.48	$1.15	$0.32	$1.31		$0.50
February	99.94	0.44	0.94	0.32	1.06		0.83
March	99.90	0.40	0.73	0.32	0.81		1.13
April	99.86	0.36	0.52	0.32	0.56		1.47
May	99.82	0.32	0.31	0.32	0.31		1.79
June	99.79	0.29	0.10	0.32	0.07		2.12
July	99.76	0.26	(4)	0.32		$0.16	2.43
August	99.71	0.21	0.94	0.32	0.83		2.76
September	99.68	0.18	0.73	0.32	0.59		3.09
October	99.64	0.14	0.52	0.32	0.34		3.40
November	99.60	0.10	0.31	0.32	0.09		3.73
December	99.56	0.06	0.10	0.32		0.16	4.05

[1] In addition, for each $100, or multiple thereof, between the face amount of Series G bonds submitted and the face amount of bonds subscribed (to next higher multiple of $500) the subscriber must pay $99.82 ($99.50 issue price plus $0.32 accrued interest).

[2] Including $0.32 per $100 paid by subscriber as accrued interest from November 15, 1961, to December 15, 1961 (COL. 4). This data is included for information only.

[3] The net amount to be paid to subscribers will be paid following acceptance of the bonds by the agency through which the exchange is made.

[4] Interest will be paid to January 1, 1962, on bonds maturing July 1, 1962, in regular course on January 1, 1962, by checks mailed by the Treasury Department. As these checks will include unearned interest for the period from December 15, 1961, to January 1, 1962, each subscriber who tenders these bonds will be required to make an interest refund of $0.10 per $100 (face amount). The above amount of $0.16 in COL. 6 includes such refund.

2. Any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for any cash payments authorized or required to be made under this circular for bonds 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.

3. Series F and G bonds tendered in exchange must bear appropriate requests for payment in accordance with the provisions of Treasury Department Circular No. 530, Eighth Revision, as amended, or the special endorsement provided for in Treasury Department Circular No. 888, Revised. In any case in which bonds in bearer form, or registered bonds in another name, are desired, requests for payment must be supplemented by specific instructions signed by the owner who signed the request for payment. An owner's instructions for bearer or registered bonds may be recorded on the surrendered bonds by typing or otherwise recording on the back thereof, or by changing the existing request for payment form to conform to one of the two following forms:

(a) I am the owner of this bond and hereby request exchange for 3⅞% Treasury bonds of 1968 in bearer form to be delivered to (insert name and address of person to whom delivery is to be made).

(b) I am the owner of this bond and hereby request exchange for 3⅞% Treasury bonds of 1968 registered in the name of (insert exact registration desired—see section V hereof).

V. REGISTRATION OF BONDS

1. Treasury bonds may be registered only as authorized in Treasury Department Circular No. 300, Revised, as supplemented. Registration in the name of one person payable on death to another is not authorized. Registered Treasury bonds may be transferred to a purchaser only upon proper assignment. Treasury bonds registered in the form "A or B" may be transferred only upon assignment

by or on behalf of both, except that if one of them is deceased, an assignment by or on behalf of the survivor will be accepted. Since Treasury bonds are not redeemable before maturity at the option of the owners, the effects of registering them in the names of two or more persons are important. Information concerning the effects of various forms of registration may be obtained from any Federal Reserve Bank or branch, the Office of the Treasurer of the United States, Washington, D.C., or from banking institutions generally.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

ROBERT V. ROOSA,
Acting Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 1-62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, January 15, 1962.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.75 percent of their face value and accrued interest, from the people of the United States for bonds of the United States, designated 4 percent Treasury bonds of 1969. The amount of the offering under this circular is $1,000,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to $100,000,000 of these bonds to Government investment accounts. The books will be open only on January 15, 1962, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 4 percent Treasury bonds of 1969 issued pursuant to Department Circulars Nos. 996, 1024, and 1056, dated September 16, 1957, March 23, 1959, and November 18, 1960, respectively, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from January 24, 1962. Subject to the provision for the accrual of interest from January 24, 1962, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 996:

"1. The bonds will be dated October 1, 1957, and will bear interest from that date at the rate of 4 percent per annum, payable semiannually on April 1 and October 1 in each year until the principal amount becomes payable. They will mature October 1, 1969, and will not be subject to call for redemption prior to maturity.

"2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds 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.

"3. The bonds will be acceptable to secure deposits of public moneys.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment, [1] *provided:*

(a) that the bonds were actually owned by the decedent at the time of his death; and

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to 'The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at ---------- for credit on Federal estate taxes due from estate of ----------.' Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date; [2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompained by Form PD 1782,[3] properly completed, signed and sworn to, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

"6. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 5 percent of the combined amount of time and savings deposits, including time certificates of deposit, or 15 percent of the combined capital, surplus, and undivided profits, of the subscribing bank, whichever is greater. Subscriptions from banking institutions generally for their own account and from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, and 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, will be received without deposit. Subscriptions from all others must be accompanied by payment of 25 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 25 percent payment in excess of 25 percent of the amount of bonds allotted may be released upon the request of the subscribers.

[1] An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

[2] The transfer books are closed from March 2 to April 1 and from September 2 to October 1 (both dates inclusive) in each year.

[3] Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D.C.

2. 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 bonds of this additional issue, until after midnight January 15, 1962.

3. 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.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds 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.

IV. PAYMENT

1. Payment at 99.75 percent of their face value and accrued interest from October 1, 1961, to January 24, 1962 ($12.63736 per $1,000), for bonds allotted hereunder must be made or completed on or before January 24, 1962, or on later allotment. The total amount of such payment will be $1,010.13736 per $1,000 face amount of bonds allotted. In every case where payment is not so completed, the payment with application up to 25 percent of the amount of bonds allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for bonds 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.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 4–62. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, February 19, 1962.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for bonds of the United States, designated 4 percent Treasury bonds of 1971:

(1) at par in exchange for 3 percent Treasury bonds of 1964, dated February 14, 1958, due February 15, 1964; or

(2) at 102 percent of their face value in exchange for 2⅝ percent Treasury bonds of 1965, dated June 15, 1958, due February 15, 1965. The cash payment due from the subscriber on account of the issue price of the new bonds ($20.00 per $1,000) will be payable by the subscriber as set forth in section IV hereof.

Interest will be adjusted as of March 1, 1962, as set forth in section IV hereof. Delivery of the new bonds will be made on March 9, 1962. The amount of the offering under this circular will be limited to the amount of the eligible securities tendered in exchange and accepted. The books will be open for the receipt of subscriptions for this issue from all classes of subscribers from February 19 through

February 21, 1962, and, in addition, subscriptions may be submitted by individuals through February 28, 1962. For this purpose individuals are defined as natural persons in their own right.

2. In addition to the offering under this circular, holders of the 2⅝ percent Treasury bonds of 1965 are offered the privilege of exchanging all or any part of such bonds for 4 percent Treasury bonds of 1980, which offering is set forth in Department Circular, Public Debt Series—No. 5-62, issued simultaneously with this circular.

3. *Nonrecognition of gain or loss for Federal income tax purposes.*—Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954 as added by Public Law 86-346 (approved September 22, 1959), the Secretary of the Treasury hereby declares that no gain or loss shall be recognized for Federal income tax purposes upon the exchange with the United States of the eligible bonds enumerated in paragraph one of this section solely for the 4 percent Treasury bonds of 1971. Gain or loss, if any, upon the obligations surrendered in exchange will be taken into account upon the disposition or redemption of the new obligations.

II. DESCRIPTION OF BONDS

1. The bonds will be dated March 1, 1962, and will bear interest from that date at the rate of 4 percent per annum, payable on a semiannual basis on August 15, 1962, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1971, and will not be subject to call for redemption prior to maturity.

2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds 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.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000, and $1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Office of the Treasurer of the United States, Washington 25, D.C. Banking institutions generally may submit subscriptions for account of customers, provided the names of the customers are set forth in such subscriptions, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before March 9, 1962, or on later allotment, and may be made only in a like face amount of the two series of bonds enumerated in paragraph one of section I hereof, which should accompany the subscription.

2. *3 percent bonds of 1964.*—Coupons dated August 15, 1962, and all subsequent coupons, must be attached to the 3 percent Treasury bonds of 1964, in bearer form, when surrendered. Accrued interest from February 15 to March 1, 1962 ($1.16022 per $1,000) will be paid to subscribers, in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of registered bonds, the payment will be made by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

3. *2⅝ percent bonds of 1965.*—Coupons dated August 15, 1962, and all subsequent coupons, must be attached to the 2⅝ percent Treasury bonds of 1965, in bearer form, when surrendered. Accrued interest from February 15 to March 1, 1962 ($1.01519 per $1,000) on the 2⅝ percent bonds will be credited, the payment ($20.00 per $1,000) due the United States on account of the issue price of the new bonds will be charged, and the difference ($18.98481 per $1,000) must be paid by subscribers and should accompany the subscription.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury bonds of the two eligible series in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered to a Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington 25, D.C. If the new bonds are desired registered in the same name as the bonds surrendered in exchange, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1971"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1971 in the name of __________"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 4 percent Treasury bonds of 1971 in coupon form to be delivered to __________".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

DOUGLAS DILLON,
Secretary of the Treasury.

Summary of information pertaining to Treasury bonds issued during the fiscal year 1962

Date of preliminary announcement	Department circular		Concurrent exchange offering circular number	Treasury bonds issued for exchange or for cash	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
	Number	Date						
1961 July 13	1064	*1961* July 17	1062, 1063	3⅞ percent of 1968 (additional issue) issued at 99.375 in exchange for— 3⅛ percent Series C—1961 certificates maturing August 1, 1961, 4 percent Series A—1961 notes maturing August 1, 1961, 2¾ percent Treasury bonds of 1961 maturing September 15, 1961, 1½ percent Series EO—1961 notes, maturing October 1, 1961.	*1960* June 23 [1]	*1968* May 15	*1961* July 19	*1961* [2] Aug. 1
Sept. 7	1065	Sept. 11	1066, 1067	3½ percent of 1980 (additional issue) issued at prices indicated below in exchange for— 2½ percent Treasury bonds of 1965–70, maturing March 15, 1970 (102.25), 2½ percent Treasury bonds of 1966–71, maturing March 15, 1971 (103.50).	Oct. 3 [3]	*1980* Nov. 15	(4)	[5] Sept. 29
Sept. 7	1066	Sept. 11	1065, 1067	3½ percent of 1990 (additional issue) issued at prices indicated below in exchange for— 2½ percent Treasury bonds of 1965–70, maturing March 15, 1970 (99.00), 2½ percent Treasury bonds of 1966–71, maturing March 15, 1971 (100.25).	*1958* Feb. 14 [3]	*1990* Feb 15	(4)	[6] Sept. 29
Sept. 7	1067	Sept. 11	1065, 1066	3½ percent of 1998 (additional issue) issued at prices indicated below in exchange for— 2½ percent Treasury bonds of 1965–70, maturing March 15, 1970 (98.00), 2½ percent Treasury bonds of 1966–71, maturing March 15, 1971 (99.00).	*1960* Oct. 3 [3]	*1998* Nov. 15	(4)	[7] Sept. 29
Nov. 2	1070	Nov. 6	1069, 1071	3¾ percent of 1966 (additional issue) issued at 99.75 in exchange for— 2½ percent Treasury bonds of 1961, maturing November 15, 1961.	Nov. 15 [8]	*1966* May 15	Nov. 9	[9] Nov. 15
Nov. 2	1071	Nov. 6	1069, 1070	3⅞ percent of 1974 (additional issue) issued at 99.00 in exchange for— 2½ percent Treasury bonds of 1961, maturing November 15, 1961.	*1957* Dec. 2 [8]	*1974* Nov. 15	Nov. 9	[10] Nov. 15
Nov. 17	1072	Nov. 17	------------	3⅞ percent of 1968 (additional issue) issued at 99.50 in exchange for— U.S. savings bonds of Series F and G, maturing in the calendar year 1962.	*1960* June 23 [11]	*1968* May 15	(12)	[13] Dec. 20
1962 Jan. 11	1–62	*1962* Jan. 15	------------	4 percent of 1969 (additional issue) issued for cash at 99.75	*1957* Oct. 1 [14]	*1969* Oct. 1	*1962* Jan. 15	*1962* [15] Jan. 24
Feb. 15	4–62	Feb. 19	5–62	4 percent of 1971 issued at par or a price as indicated below in exchange for— 3 percent Treasury bonds of 1964, maturing February 15, 1964 (par), 2⅝ percent Treasury bonds of 1965, maturing February 15, 1965 (102.00).	*1962* Mar. 1	*1971* Aug. 15	(16)	[17] Mar. 9
Feb. 15	5–62	Feb. 19	4–62	4 percent of 1980 (additional issue) issued at 100.25 in exchange for— 2⅝ percent Treasury bonds of 1965, maturing February 15, 1965.	*1959* Jan. 23 [18]	*1980* Feb. 15	(16)	[19] Mar. 9
Feb. 15	6–62	Feb. 19	7–62	3½ percent of 1990 (additional issue) issued at prices indicated below in exchange for— 2½ percent Treasury bonds of 1967–72, maturing September 15, 1972 (101.50), 2½ percent Treasury bonds of 1967–72, maturing June 15, 1972 (101.25), 2½ percent Treasury bonds of 1967–72, maturing December 15, 1972 (101.75).	*1958* Feb. 14 [18]	*1990* Feb. 15	(16)	[20] Mar. 16

Feb. 15	7-62	Feb. 19	6-62	3½ percent of 1998 (additional issue) issued at par or prices as indicated below in exchange for— 2½ percent Treasury bonds of 1967-72, maturing September 15, 1972 (100.25), 2½ percent Treasury bonds of 1967-72, maturing June 15, 1972 (par), 2½ percent Treasury bonds of 1967-72, maturing December 15, 1972 (100.50).	*1960* Oct. 3[18]	*1998* Nov. 15	([16])	[21] Mar. 16
Apr. 5	8-62	Apr. 9	....	3¾ percent of 1968 issued for cash at par	*1962* Apr. 18	*1968* Aug. 15	Apr. 9	[22] Apr. 18
Apr. 26	11-62	Apr. 30	9-62, 10-62	3⅞ percent of 1971 issued at 99.50 in exchange for— 3 percent Series A—1962 certificates, maturing May 15, 1962, 4 percent Series E—1962 notes, maturing May 15, 1962, 2¼ percent Treasury bonds of 1959-62, maturing June 15, 1962.	May 15	*1971* Nov. 15	May 2	[23] May 15

[1] Interest payable from August 1, 1961, in the case of the certificates, the notes maturing August 1, 1961, and the bonds; and from September 1, 1961, in the case of the notes maturing October 1, 1961.

[2] See Department Circular No. 1064, sections III and IV, in this exhibit, for provisions for subscription and payment.

[3] Interest payable from September 15, 1961.

[4] For individuals (natural persons in their own right) books closed September 20, 1961; and for all other classes of subscribers, September 15, 1961.

[5] Coupons dated September 15, 1961, were detached from the 2½ percent Treasury bonds of 1965-70 and 1966-71 in bearer form by holders and cashed when due. In the case of registered bonds, interest was paid by check in the regular course. Coupons dated March 15, 1962, and all subsequent coupons, were required to be attached to the bonds when surrendered. Accrued interest from May 15 to September 15, 1961 ($11.69837 per $1,000), on the bonds issued and the payment ($22.50 per $1,000 for the bonds of 1965-70 and $35.00 per $1,000 for the bonds of 1966-71) due on account of the issue prices of the new bonds were paid by subscribers.

[6] Coupons dated September 15, 1961, were detached from the 2½ percent Treasury bonds of 1965-70 and 1966-71 in bearer form by holders and cashed when due. In the case of registered bonds, interest was paid by check in the regular course. Coupons dated March 15, 1962, and all subsequent coupons, were required to be attached to the bonds when surrendered. Accrued interest from August 15 to September 15, 1961 ($2.94837 per $1,000), on the bonds issued was charged to subscribers. In the case of the bonds of 1965-70, the accrued interest was deducted from the payment ($10.00 per $1,000) due subscribers on account of the issue price of the new bonds and the difference ($7.05163 per $1,000) was paid to subscribers in the case of bearer bonds following their acceptance, and in the case of registered bonds following discharge of registration. In the case of the bonds of 1966-71, a cash payment of $5.44837 per $1,000 (representing accrued interest on the new bonds plus $2.50 per $1,000 due to the Treasury on account of the issue price of the new bonds) was made by subscribers.

[7] Coupons dated September 15, 1961, were detached from the 2½ percent Treasury bonds of 1965-70 and 1966-71 in bearer form by holders and cashed when due. In the case of registered bonds, interest was paid by check in the regular course. Coupons dated March 15, 1962, and all subsequent coupons, were required to be attached to the bonds when surrendered. Accrued interest from May 15 to September 15, 1961 ($11.69837 per $1,000) on the bonds issued was charged to subscribers. In the case of the bonds of 1965-70, the accrued interest was deducted from the payment ($20.00 per $1,000) due subscribers on account of the issue price of the new bonds and the difference ($8.30163 per $1,000) was paid to subscribers in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration. In the case of the bonds of 1966-71, a cash payment of $1.69837 per $1,000 (representing accrued interest on the new bonds less $10.00 per $1,000 due the subscriber on account of the issue price of the new bonds) was made by subscribers.

(Footnotes continued on following page)

[8] Interest payable from November 15, 1961.

[9] Coupons dated November 15, 1961, were detached from the maturing 2½ percent Treasury bonds of 1961 in bearer form by holders and cashed when due. In the case of registered bonds final interest was paid by check drawn in accordance with assignments on the bonds. A cash payment of $2.50 per $1,000 (on account of the issue price of the new bonds) was made to subscribers in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration.

[10] Coupons dated November 15, 1961, were detached from the 2½ percent Treasury bonds of 1961 in bearer form by holders and cashed when due. In the case of registered bonds final interest was paid by check drawn in accordance with assignments on the bonds. A cash payment of $10.00 per $1,000 (on account of the issue price of the new bonds) was made to subscribers in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration.

[11] Interest payable from December 15, 1961.

[12] For individuals (natural persons in their own right) books closed November 30, 1961; and for all other classes of subscribers, November 24, 1961.

[13] See Department Circular No. 1072, sections III and IV, in this exhibit, for provisions for subscription and payment.

[14] Interest payable from January 24, 1962.

[15] See Department Circular No. 1-62, sections III and IV, in this exhibit, for provisions for subscription and payment.

[16] For individuals (natural persons in their own right) books closed February 28, 1962; and for all other classes of subscribers, February 21, 1962.

[17] See Department Circular No. 4-62, sections III and IV, in this exhibit, for provisions for subscription and payment.

[18] Interest payable from March 1, 1962.

[19] Coupons dated August 15, 1962, and all subsequent coupons, were required to be attached to the 2⅝ percent Treasury bonds of 1965 in bearer form when surrendered. Accrued interest from February 15 to March 1, 1962 ($1.01519 per $1,000), on the 2⅝ percent bonds was credited; accrued interest from February 15 to March 1, 1962 ($1.54696 per $1,000), plus the payment ($2.50 per $1,000), due on account of the issue price of the new bonds was charged; and the difference ($3.03177 per $1,000) was paid by subscribers.

[20] Coupons dated March 15, 1962, and all subsequent coupons, were required to be attached to the 2½ percent bonds due September 15, 1972, in bearer form, when surrendered. Accrued interest from September 15, 1961, to March 1, 1962 ($11.53315 per $1,000), on the 2½ percent bonds was credited; accrued interest from February 15 to March 1, 1962 ($1.35359 per $1,000), plus the payment ($15.00 per $1,000) due on account of the issue price of the new bonds was charged; and the difference ($4.82044 per $1,000) was paid by subscribers. Coupons dated June 15, 1962, and all subsequent coupons, were required to be attached to the 2½ percent bonds due June 15, 1972, in bearer form,

when surrendered. Accrued interest from December 15, 1961, to March 1, 1962 ($5.21978 per $1,000), on the 2½ percent bonds was credited; accrued interest from February 15 to March 1, 1962 ($1.35359 per $1,000), plus the payment ($12.50 per $1,000) due on account of the issue price of the new bonds was charged; and the difference ($8.63381 per $1,000) was paid by subscribers. Coupons dated June 15, 1972, and all subsequent coupons, were required to be attached to the 2½ percent bonds due December 15, 1972, in bearer form, when surrendered. Accrued interest from December 15, 1961, to March 1, 1962 ($5.21978 per $1,000), on the 2½ percent bonds was credited; accrued interest from February 15 to March 1, 1962 ($1.35359 per $1,000), plus the payment ($17.50 per $1,000) due on account of the issue price of the new bonds was charged; and the difference ($13.63381 per $1,000) was paid by subscribers.

[21] Coupons dated March 15, 1962, and all subsequent coupons, were required to be attached to the 2½ percent bonds due September 15, 1972, in bearer form when surrendered. Accrued interest from September 15, 1961, to March 1, 1962 ($11.53315 per $1,000), on the 2½ percent bonds was credited; accrued interest from November 15, 1961, to March 1, 1962 ($10.24862 per $1,000), plus the payment ($2.50 per $1,000) due on account of the issue price of the new bonds was charged; and the difference ($1.21547 per $1,000) was paid by subscribers. Coupons dated June 15, 1962, and all subsequent coupons, were required to be attached to the 2½ percent bonds due June 15, 1972, in bearer form when surrendered. Accrued interest from December 15, 1961, to March 1, 1962 ($5.21978 per $1,000), on the 2½ percent bonds was credited; accrued interest from November 15, 1961, to March 1, 1962 ($10.24862 per $1,000), due on the new bonds was charged; and the difference ($5.02884 per $1,000) was paid by subscribers. Coupons dated June 15, 1962, and all subsequent coupons, were required to be attached to the 2½ percent bonds due December 15, 1972, in bearer form when surrendered. Accrued interest from December 15, 1961, to March 1, 1962 ($5.21978 per $1,000), on the 2½ percent bonds was credited; accrued interest from November 15, 1961, to March 1, 1962 ($10.24862 per $1,000), plus the payment ($5.00 per $1,000) due on account of the issue price of the new bonds was charged; and the difference ($10.02884 per $1,000) was paid by subscribers.

[22] Qualified depositaries were permitted to make payment by credit in Treasury tax and loan accounts for bonds allotted to them and their customers up to any amount for which they were qualified in excess of existing deposits.

[23] Coupons dated May 15, 1962, were detached from the 3 percent certificates of indebtedness of Series A–1962 and the 4 percent Treasury notes of Series E–1962 in bearer form and cashed when due. The cash payment of $5.00 per $1,000 on account of the issue price of the new bonds was made to subscribers, in the case of registered securities following release of registration and in the case of bearer securities following their acceptance. Coupons dated June 15, 1962, were required to be attached to the 2¼ percent Treasury bonds of 1959–62 in coupon form when surrendered. Accrued interest from December 15, 1961, to May 15, 1962 ($9.33379 per $1,000), together with the cash payment ($5.00 per $1,000) was paid to subscribers in the case of registered bonds following release of registration and in the case of bearer bonds following their acceptance.

Allotments of Treasury bonds issued during the fiscal year 1962, by Federal Reserve districts

[In thousands]

Federal Reserve district	3⅞ percent Treasury bonds of 1968 (additional issue) issued in exchange for—[1]				
	3⅛ percent Series C-1961 certificates maturing Aug. 1, 1961 [2]	4 percent Series A-1961 Treasury notes maturing Aug. 1, 1961 [2]	2¾ percent Treasury bonds of 1961 maturing Sept. 15, 1961 [2]	1½ percent Series EO-1961 Treasury notes maturing Oct. 1, 1961 [2]	Total issued
Boston	$14,125	$18,094	$11,205	$8	$43,432
New York	84,322	100,664	173,344	4,220	362,550
Philadelphia	2,436	5,993	8,240	54	16,723
Cleveland	1,164	12,439	17,395	166	31,164
Richmond	257	5,354	2,491	30	8,132
Atlanta	3,630	11,175	3,648	115	18,568
Chicago	11,127	47,493	35,813	1,595	96,028
St. Louis	1,617	13,424	7,446	746	23,233
Minneapolis	712	6,571	4,167	30	11,480
Kansas City	3,462	19,898	12,622	634	36,616
Dallas	1,852	15,904	6,487	554	24,797
San Francisco	6,475	11,980	13,153	104	31,712
Treasury	104	20,281	24,301		44,686
Total bond allotments	131,283	289,270	320,312	8,256	749,121
Securities eligible for exchange:					
Exchanged in concurrent offerings	7,609,556	1,648,478	1,570,882	271,561	11,100,477
Total exchanged	7,740,839	1,937,748	1,891,194	279,817	11,849,598
Not submitted for exchange	87,936	197,865	348,066	52,158	686,025
Total securities eligible for exchange	7,828,775	2,135,613	2,239,260	331,975	12,535,623

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3½ percent Treasury bonds of 1980 (additional issue) issued in exchange for—[3]			3½ percent Treasury bonds of 1990 (additional issue) issued in exchange for—[3]		
	2½ percent Treasury bonds of 1965–70 maturing Mar. 15, 1970[4]	2½ percent Treasury bonds of 1966–71 maturing Mar. 15, 1971[4]	Total issued	2½ percent Treasury bonds of 1965–70 maturing Mar. 15, 1970[5]	2½ percent Treasury bonds of 1966–71 maturing Mar. 15, 1971[6]	Total issued
Boston	$171, 691	$60, 164	$231, 855	$39, 207	$51, 351	$90, 558
New York	346, 307	110, 777	457, 084	418, 979	368, 783	787, 762
Philadelphia	17, 761	13, 136	30, 897	25, 181	36, 035	61, 216
Cleveland	23, 208	10, 347	33, 555	11, 736	11, 190	22, 926
Richmond	10, 196	1, 056	11, 252	34, 670	5, 550	40, 220
Atlanta	4, 415	924	5, 339	7, 198	733	7, 931
Chicago	27, 990	13, 259	41, 249	30, 839	24, 345	55, 184
St. Louis	4, 756	1, 277	6, 033	7, 236	6, 534	13, 770
Minneapolis	3, 337	2, 520	5, 857	4, 547	1, 276	5, 823
Kansas City	4, 958	2, 116	7, 074	29, 071	9, 597	38, 668
Dallas	18, 999	14, 866	33, 865	27, 281	5, 479	32, 760
San Francisco	15, 636	6, 929	22, 565	10, 732	2, 769	13, 501
Treasury	385, 468	444	385, 912	75, 051	52, 157	127, 208
Total bond allotments	1, 034, 722	237, 815	1, 272, 537	721, 728	575, 799	1, 297, 527
Securities eligible for exchange:						
Exchanged in concurrent offerings	1, 216, 533	1, 267, 875	2, 484, 408	1, 529, 527	929, 891	2, 459, 418
Total exchanged	2, 251, 255	1, 505, 690	3, 756, 945	2, 251, 255	1, 505, 690	3, 756, 945
Not submitted for exchange	2, 436, 351	1, 421, 801	3, 858, 152	2, 436, 351	1, 421, 801	3, 858, 152
Total securities eligible for exchange	4, 687, 606	2, 927, 491	7, 615, 097	4, 687, 606	2, 927, 491	7, 615, 097

Federal Reserve district	3½ percent Treasury bonds of 1998 (additional issue) issued in exchange for—[3]			3¾ percent Treasury bonds of 1966 (additional issue) issued in exchange for 2½ percent Treasury bonds of 1961 maturing Nov. 15, 1961 [1 7]	3⅞ percent Treasury bonds of 1974 (additional issue) issued in exchange for 2½ percent Treasury bonds of 1961 maturing Nov. 15, 1961 [1 8]
	2½ percent Treasury bonds of 1965–70 maturing Mar. 15, 1970 [6]	2½ percent Treasury bonds of 1966–71 maturing Mar. 15, 1971 [6]	Total issued		
Boston	$6, 229	$8, 347	$14, 576	$124, 512	$4, 454
New York	370, 973	306, 846	677, 819	1, 049, 888	430, 669
Philadelphia	3, 953	8, 951	12, 904	52, 664	4, 841
Cleveland	46, 398	19, 800	66, 198	116, 858	3, 955
Richmond	593	5, 023	5, 616	38, 535	3, 162
Atlanta	5, 297	2, 329	7, 626	45, 558	1, 803
Chicago	6, 526	13, 616	20, 142	383, 089	31, 579
St. Louis	983	1, 307	2, 290	80, 486	5, 766
Minneapolis	618	463	1, 081	84, 081	1, 977
Kansas City	15, 060	18, 995	34, 055	101, 943	8, 965
Dallas	1, 726	22, 158	23, 884	74, 122	2, 536
San Francisco	26, 509	18, 435	44, 944	226, 832	16, 624
Treasury	9, 940	265, 806	275, 746	5, 796	1, 091
Total bond allotments	494, 805	692, 076	1, 186, 881	2, 384, 364	517, 422
Securities eligible for exchange:					
Exchanged in concurrent offerings	1, 756, 450	813, 614	2, 570, 064	4, 159, 886	6, 026, 828
Total exchanged	2, 251, 255	1, 505, 690	3, 756, 945	6, 544, 250	6, 544, 250
Not submitted for exchange	2, 436, 351	1, 421, 801	3, 858, 152	419, 227	419, 227
Total securities eligible for exchange	4, 687, 606	2, 927, 491	7, 615, 097	6, 963, 477	6, 963, 477

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3⅞ percent Treasury bonds of 1968 (additional issue) issued in exchange for Series F and Series G savings bonds maturing in the calendar year 1962 [1]				4 percent Treasury bonds of 1969 (additional issue) issued for cash [10]	4 percent Treasury bonds of 1971 issued in exchange for— [3]		
	Series F savings bonds exchanged	Series G savings bonds exchanged	Cash differences	Total issued [9]		3 percent Treasury bonds of 1964 maturing Feb. 15, 1964	2⅝ percent Treasury bonds of 1965 maturing Feb. 15, 1965 [11]	Total issued
Boston	$1,423	$23,104	$11	$24,538	$66,933	$44,696	$43,707	$88,403
New York	5,347	43,438	49	48,834	298,502	434,609	1,025,961	1,460,570
Philadelphia	2,992	19,961	39	22,992	58,896	39,856	50,142	89,998
Cleveland	2,821	21,558	24	24,403	75,112	54,812	42,941	97,753
Richmond	1,351	16,311	14	17,676	48,326	22,987	22,733	45,720
Atlanta	2,374	11,381	13	13,768	59,814	31,609	42,650	74,259
Chicago	17,451	48,514	75	66,040	161,185	212,448	225,340	437,788
St. Louis	3,917	19,728	24	23,669	44,349	51,862	39,283	91,145
Minneapolis	5,245	13,538	14	18,797	39,111	53,459	24,209	77,668
Kansas City	4,100	23,472	17	27,589	45,139	53,101	44,880	97,981
Dallas	1,017	8,916	8	9,941	43,451	57,613	33,342	90,955
San Francisco	847	19,032	15	19,894	73,149	93,164	52,588	145,752
Treasury	230	2,030	6	2,266	369	4,042	3,593	7,635
Government investment accounts					100,000			
Total bond allotments	49,115	270,983	309	320,407	1,114,336	1,154,258	1,651,369	2,805,627
Securities eligible for exchange:								
Exchanged in concurrent offerings							562,596	562,596
Total exchanged	49,115	270,983	309	320,407		1,154,258	2,213,965	3,368,223
Not submitted for exchange						2,699,924	4,682,269	7,382,193
Total securities eligible for exchange						3,854,182	6,896,234	10,750,416

Federal Reserve district	4 percent Treasury bonds of 1980 (additional issue) issued in exchange for 2⅝ percent Treasury bonds of 1965 maturing Feb. 15, 1965 [3] [12]	3½ percent Treasury bonds of 1990 (additional issue) issued in exchange for— [3]			
		2½ percent Treasury bonds of 1967–72 maturing June 15, 1972 [13]	2½ percent Treasury bonds of 1967–72 maturing Sept. 15, 1972 [13]	2½ percent Treasury bonds of 1967–72 maturing Dec. 15, 1972 [13]	Total issued
Boston	$6,881	$6,693	$8,747	$12,431	$27,871
New York	452,050	146,119	250,016	166,826	562,961
Philadelphia	4,771	15,802	20,015	21,288	57,105
Cleveland	9,935	8,211	11,862	20,494	40,567
Richmond	5,588	12,067	7,462	7,147	26,676
Atlanta	8,250	2,538	5,557	4,369	12,464
Chicago	32,386	25,417	15,351	45,931	86,699
St. Louis	4,659	2,983	3,050	8,846	14,879
Minneapolis	1,725	773	1,570	3,527	5,870
Kansas City	9,647	2,381	3,071	5,111	10,563
Dallas	12,390	3,550	7,079	10,152	20,781
San Francisco	12,385	5,079	10,464	14,667	30,210
Treasury	1,929	1,623	400	1,486	3,509
Total bond allotments	562,596	233,236	344,644	322,275	900,155
Securities eligible for exchange:					
Exchanged in concurrent offerings	1,651,369	180,505	419,513	333,406	933,424
Total exchanged	2,213,965	413,741	764,157	655,681	1,833,579
Not submitted for exchange	4,682,269	1,343,487	1,951,816	2,859,658	6,154,961
Total securities eligible for exchange	6,896,234	1,757,228	2,715,973	3,515,339	7,988,540

Footnotes at end of table.

Allotments of Treasury bonds issued during the fiscal year 1962, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	3½ percent Treasury bonds of 1998 (additional issue) issued in exchange for— [3]				3¾ percent Treasury bonds of 1968 issued for cash [15]
	2½ percent Treasury bonds of 1967-72 maturing June 15, 1972 [14]	2½ percent Treasury bonds of 1967-72 maturing Sept. 15, 1972 [14]	2½ percent Treasury bonds of 1967-72 maturing Dec. 15, 1972 [14]	Total issued	
Boston	$9,173	$467	$11,500	$21,140	$51,655
New York	96,515	338,196	182,841	617,552	430,897
Philadelphia	6,085	5,609	13,818	25,512	43,828
Cleveland	6,330	6,030	14,641	27,001	71,931
Richmond	5,834	5,404	7,332	18,570	47,730
Atlanta	2,943	1,077	6,267	10,287	55,410
Chicago	13,152	8,388	29,465	51,005	170,077
St. Louis	3,724	5,224	9,687	18,635	44,258
Minneapolis	1,337	1,264	2,509	5,110	32,555
Kansas City	14,116	30,873	24,462	69,451	41,936
Dallas	9,979	5,061	9,081	24,121	40,849
San Francisco	8,076	2,681	16,000	26,757	126,258
Treasury	3,241	9,239	5,803	18,283	156
Government investment accounts					100,000
Total bond allotments	180,505	419,513	333,406	933,424	1,257,540
Securities eligible for exchange:					
Exchanged in concurrent offerings	233,236	344,644	322,275	900,155	
Total exchanged	413,741	764,157	655,681	1,833,579	
Not submitted for exchange	1,343,487	1,951,816	2,859,658	6,154,961	
Total securities eligible for exchange	1,757,228	2,715,973	3,515,339	7,988,540	

Federal Reserve district	3⅞ percent Treasury bonds of 1971 issued in exchange for— [1]			
	3 percent Series A-1962 certificates maturing May 15, 1962 [16]	4 percent Series E-1962 Treasury notes maturing May 15, 1962 [16]	2¼ percent Treasury bonds of 1959-62 maturing June 15, 1962 [16]	Total issued
Boston	$4,096	$13,501	$5,457	$23,054
New York	305,127	168,799	281,695	755,621
Philadelphia	4,472	10,218	10,716	25,406
Cleveland	9,533	7,484	19,782	36,799
Richmond	6,167	1,776	4,204	12,147
Atlanta	14,359	10,962	3,752	29,073
Chicago	78,084	22,621	38,662	139,367
St. Louis	1,741	9,019	7,242	18,002
Minneapolis	10,360	16,906	5,079	32,345
Kansas City	7,844	12,379	10,072	30,295
Dallas	10,596	3,493	2,522	16,611
San Francisco	12,634	6,468	64,946	84,048
Treasury	----------	38	1,325	1,363
Total bond allotments	465,013	283,664	455,454	1,204,131
Securities eligible for exchange:				
Exchanged in concurrent offerings	4,945,173	1,769,950	3,084,498	9,799,621
Total exchanged	5,410,186	2,053,614	3,539,952	11,003,752
Not submitted for exchange	99,032	157,279	423,346	679,657
Total securities eligible for exchange	5,509,218	2,210,893	3,963,298	11,683,409

[1] Subscriptions were allotted in full.

[2] 3¼ percent Series H-1962 Treasury notes and 3¾ percent Series E-1964 Treasury notes were also offered in exchange for this security; see exhibit 2.

[3] These exchanges were advance refundings. All subscriptions were allotted in full.

[4] 3½ percent Treasury bonds of 1990 and 3½ percent Treasury bonds of 1998 were also offered in exchange for this security.

[5] 3½ percent Treasury bonds of 1980 and 3½ percent Treasury bonds of 1998 were also offered in exchange for this security.

[6] 3½ percent Treasury bonds of 1980 and 3½ percent Treasury bonds of 1990 were also offered in exchange for this security.

[7] 3¼ percent Series E-1963 Treasury notes and 3⅞ percent Treasury bonds of 1974 were also offered in exchange for this security; see exhibit 2 and this exhibit, respectively.

[8] 3¼ percent Series E-1963 Treasury notes and 3¾ percent Treasury bonds of 1966 were also offered in exchange for this security; see exhibit 2 and this exhibit, respectively.

[9] Exchanges together with cash differences necessary to make up the next higher $500 multiple.

[10] Subscriptions from Government investment accounts were allotted in full. All others were allotted 60 percent with subscriptions for $50,000 or less being allotted in full and those for more than $50,000 being allotted not less than $50,000.

[11] 4 percent Treasury bonds of 1980 were also offered in exchange for this security.

[12] 4 percent Treasury bonds of 1971 were also offered in exchange for this security.

[13] 3½ percent Treasury bonds of 1998 were also offered in exchange for this security.

[14] 3½ percent Treasury bonds of 1990 were also offered in exchange for this security.

[15] Subscriptions from Government investment accounts were allotted in full. All others were allotted 15 percent with subscriptions for $50,000 or less being allotted in full and those for more than $50,000 being allotted not less than $50,000.

[16] 3¼ percent Series B-1963 certificates and 3⅝ percent Series B-1966 Treasury notes were also offered in exchange for this security; see exhibits 1 and 2, respectively.

Treasury Bills Offered and Accepted

EXHIBIT 4.—Treasury bills

During the fiscal year 1962 there were 52 weekly issues each of 13-week and 26-week Treasury bills (the 13-week bills represent additional issues of bills with an original maturity of 26 weeks), 3 issues of tax anticipation series, 4 one-year issues (one 364-day and three 365-day bills), and one issue of a strip of weekly bills issued November 15, 1961, representing additional amounts of 8 series of outstanding Treasury bills. Four press releases inviting tenders and four releases announcing the acceptance of tenders are reproduced in this exhibit. The press releases of June 13 and June 19, 1962, are in a form representative of a weekly double issue of regular bills (91- and 182-day) in which there is an additional issue of a currently outstanding issue of 182-day bills having 91 days remaining before maturity and a new issue of 182-day bills. The details of the issue of strip bills are explained in the releases of November 2 and November 10, 1961. The tax anticipation series is represented by the releases of March 13 and March 21, 1962, and the one-year bill issues are represented by the releases of April 3 and April 11, 1962. The essential details regarding each issue of Treasury bills during the fiscal year 1962 are summarized in the table following the releases.

PRESS RELEASE OF JUNE 13, 1962

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $2,000,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing June 21, 1962, in the amount of $1,802,246,000, as follows:

91-day bills (to maturity date) to be issued June 21, 1962, in the amount of $1,300,000,000, or thereabouts, representing an additional amount of bills dated March 22, 1962, and to mature September 20, 1962, originally issued in the amount of $600,081,000, the additional and original bills to be freely interchangeable.

182-day bills, for $700,000,000, or thereabouts, to be dated June 21, 1962, and to mature December 20, 1962.

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

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, one-thirty p.m., eastern daylight saving time, Monday, June 18, 1962. 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 March 22, 1962 (91 days remaining until maturity date on September 20, 1962), and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on June 21, 1962, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 21, 1962. 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.

PRESS RELEASE OF JUNE 19, 1962

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated March 22, 1962, and the other series to be dated June 21, 1962, which were offered on June 13, were opened at the Federal Reserve Banks on June 18. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $700,000,000, or thereabouts of 182-day bills. The details of the two series are as follows:

Range of accepted competitive bids	91-day Treasury bills maturing September 20, 1962		182-day Treasury bills maturing December 20, 1962	
	Price	Approximate equivalent annual rate	Price	Approximate equivalent annual rate
High	[1] 99.320	2.690%	[2] 98.592	2.785%
Low	99.310	2.730%	98.580	2.809%
Average	99.312	[3] 2.721%	98.585	[3] 2.800%

(73 percent of the amount of 91-day bills bid for at the low price was accepted and 8 percent of the amount of 182-day bills bid for at the low price was accepted.)

[1] Excepting 2 tenders totaling $1,200,000.
[2] Excepting 2 tenders totaling $250,000.
[3] On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.78 percent for the 91-day bills, and 2.88 percent 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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Total tenders applied for and accepted by Federal Reserve districts

District	Applied for	Accepted	Applied for	Accepted
Boston	$50,558,000	$44,158,000	$5,715,000	$5,115,000
New York	1,958,235,000	896,909,000	976,921,000	583,421,000
Philadelphia	28,380,000	13,380,000	8,066,000	2,698,000
Cleveland	45,932,000	24,932,000	25,822,000	20,822,000
Richmond	18,969,000	18,699,000	6,878,000	2,038,000
Atlanta	25,867,000	21,632,000	9,169,000	7,177,000
Chicago	223,649,000	148,489,000	83,884,000	42,204,000
St. Louis	32,618,000	26,348,000	7,119,000	5,159,000
Minneapolis	21,336,000	13,958,000	7,197,000	5,422,000
Kansas City	36,711,000	33,179,000	17,316,000	9,048,000
Dallas	26,709,000	17,385,000	9,522,000	4,522,000
San Francisco	125,921,000	42,774,000	27,707,000	12,387,000
Total	2,594,885,000	[1] 1,301,843,000	1,185,316,000	[2] 700,013,000

[1] Includes $229,036,000 noncompetitive tenders accepted at the average price of 99.312.
[2] Includes $59,866,000 noncompetitive tenders accepted at the average price of 98.585.

PRESS RELEASE OF NOVEMBER 2, 1961

The Treasury Department, by this public notice, invites tenders for additional amounts of eight series of Treasury bills to an aggregate amount of $800,000,000, or thereabouts, for cash. The additional bills will be issued November 15, 1961, will be in the amounts, and will be in addition to the bills originally issued and maturing, as follows:

Amount of additional issue	Original issue dates 1961	Maturity dates	Days from Nov. 15, 1961, to maturity	Amount outstanding (in millions) Nov. 2, 1961
$100,000,000	June 8	Dec. 7, 1961	22	$1,609
100,000,000	June 15	Dec. 14, 1961	29	1,601
100,000,000	June 23	Dec. 21, 1961	36	1,601
100,000,000	June 29	Dec. 28, 1961	43	1,600
100,000,000	July 6	Jan. 4, 1962	50	1,600
100,000,000	July 13	Jan. 11, 1962	57	1,601
100,000,000	July 20	Jan. 18, 1962	64	1,600
100,000,000	July 27	Jan. 25, 1962	71	1,601
$800,000,000				

The additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of $8,000, or an even multiple thereof, and the amount tendered will be applied to each of the above series of bills on the basis of the ratio of each series to the total of all series. (For example, an accepted tender for $40,000 will be applied $5,000 to the issue with original date of June 8, 1961, and $5,000 to each of the additional weekly issues through the issue with original date of July 27, 1961.)

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

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, one-thirty o'clock p.m., eastern standard time, November 9, 1961. Tenders will not be received at the Treasury Department, Washington. In the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used.

A single price must be submitted for each unit of $8,000, or even multiple thereof. A unit represents $1,000 face amount of each issue of bills offered hereunder, as previously described. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks and branches on application therefor.

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. Noncompetitive tenders for $80,000 or less (in even multiples of $8,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds $400,000,000, the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of $8,000. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on November 15, 1961.

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

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

PRESS RELEASE OF NOVEMBER 10, 1961

The Treasury Department announced last evening that tenders for additional amounts of eight series of Treasury bills to an aggregate amount of $800,000,000, or thereabouts, to be issued November 15, 1961, which were offered on November 2, were opened at the Federal Reserve Banks on November 9. The amount of accepted tenders will be equally divided among the eight regular weekly issues of outstanding Treasury bills maturing December 7, 1961, to January 25, 1962, inclusive. The details of the offering are as follows:

Total applied for	$1, 519, 424, 000
Total accepted (includes $8,984,000 entered on a noncompetitive basis and accepted in full at the average price shown below)	800, 136, 000

Range of accepted competitive bids	Price	Approximate equivalent annual rate of discount based on 46.5 days (average number of days to maturity)
High	99.719	2.175%
Low	99.700	2.323%
Average	99.706	[1] 2.277%

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

[1] On a coupon issue of the same length as the average for the bills and for the same amount invested, the return on these bills would provide a yield of 2.31 percent. 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.

Total tenders applied for and accepted by Federal Reserve Districts

District	Applied for	Accepted
Boston	$24,640,000	$7,968,000
New York	1,098,448,000	603,648,000
Philadelphia	11,080,000	11,080,000
Cleveland	14,584,000	13,744,000
Richmond	1,168,000	1,168,000
Atlanta	5,392,000	3,792,000
Chicago	274,552,000	108,384,000
St. Louis	2,352,000	2,184,000
Minneapolis	11,880,000	5,680,000
Kansas City	2,384,000	2,384,000
Dallas	944,000	944,000
San Francisco	72,000,000	39,160,000
Total	1,519,424,000	800,136,000

PRESS RELEASE OF MARCH 13, 1962

The Treasury Department, by this public notice, invites tenders for $1,800,000,000, or thereabouts, of 182-day Treasury bills, for cash and in exchange for Treasury tax anticipation series bills maturing March 23, 1962, in the amount of $3,502,886,000. The bills will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be designated tax anticipation series, they will be dated March 23, 1962, and they will mature September 21, 1962. They will be accepted at face value in payment of income and profits taxes due on September 15, 1962, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of September 15, 1962, income and profits taxes have the privilege of surrendering them to any Federal Reserve Bank or branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before September 15, 1962, and receiving receipts therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before September 15, 1962, 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, March 20, 1962. 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 $400,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 23, 1962, in cash or other immediately available funds or in a like face amount of tax anticipation series bills maturing on March 23, 1962. 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.

PRESS RELEASE OF MARCH 21, 1962

The Treasury Department announced last evening that the tenders for $1,800,000,000, or thereabouts, of tax anticipation series 182-day Treasury bills to be dated March 23, 1962, and to mature September 21, 1962, which were offered on March 13, were opened at the Federal Reserve Banks on March 20.

The details of this issue are as follows:

Total applied for	$3, 592, 711, 000
Total accepted (includes $145,718,000 entered on a noncompetitive basis and accepted in full at the average price shown below)	1, 800, 936, 000
Range of accepted competitive bids: (Excepting one tender of $100,000)	
High, equivalent rate of discount approximately 2.870% per annum	98. 549
Low, equivalent rate of discount approximately 2.910% per annum	98. 529
Average, equivalent rate of discount approximately 2.896% per annum [1]	98. 536

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

[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 2.98 percent. 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.

Federal Reserve district	Total applied for	Total accepted
Boston	$61,164,000	$19,464,000
New York	2,629,743,000	1,346,988,000
Philadelphia	57,550,000	14,260,000
Cleveland	151,173,000	55,573,000
Richmond	29,085,000	9,785,000
Atlanta	36,622,000	24,232,000
Chicago	332,978,000	144,348,000
St. Louis	25,790,000	16,270,000
Minneapolis	25,500,000	7,550,000
Kansas City	28,264,000	19,039,000
Dallas	15,957,000	12,382,000
San Francisco	198,885,000	131,045,000
Total	3,592,711,000	1,800,936,000

PRESS RELEASE OF APRIL 3, 1962

The Treasury Department, by this public notice, invites tenders for $2,000,000,000, or thereabouts, of 365-day Treasury bills, for cash and in exchange for Treasury bills maturing April 15, 1962, in the amount of $2,000,462,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated April 15, 1962, and will mature April 15, 1963, 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, April 10, 1962. 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 $400,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 16, 1962, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 15, 1962. 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.

PRESS RELEASE OF APRIL 11, 1962

The Treasury Department announced last evening that the tenders for $2,000,000,000, or thereabouts, of 365-day Treasury bills to be dated April 15, 1962, and to mature April 15, 1963, which were offered on April 3, were opened at the Federal Reserve Banks on April 10.

The details of this issue are as follows:

Total applied for ---------- $3,453,408,000

Total accepted (includes $159,176,000 entered on a noncompetitive basis and accepted in full at the average price shown below) - 2,000,446,000

Range of accepted competitive bids:

High, equivalent rate of discount approximately 2.918% per annum ---------- 97.041

Low, equivalent rate of discount approximately 2.957% per annum ---------- 97.002

Average, equivalent rate of discount approximately 2.943% per annum [1] ---------- 97.017

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

[1] On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.05 percent. 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.

Federal Reserve district	Total applied for	Total accepted
Boston	$29,614,000	$18,614,000
New York	2,450,984,000	1,540,322,000
Philadelphia	46,179,000	11,179,000
Cleveland	158,894,000	93,894,000
Richmond	26,233,000	17,733,000
Atlanta	23,379,000	15,379,000
Chicago	413,778,000	169,478,000
St. Louis	22,597,000	16,497,000
Minneapolis	30,460,000	20,460,000
Kansas City	39,386,000	23,186,000
Dallas	30,914,000	14,714,000
San Francisco	180,990,000	58,990,000
Total	3,453,408,000	2,000,446,000

Summary of information pertaining to Treasury bills issued during the fiscal year 1962

[Dollar amounts in thousands]

Date of issue	Date of maturity	Days to maturity [1]	Maturity value: Total applied for	Tenders accepted: Total accepted	Tenders accepted: On competitive basis	Tenders accepted: On noncompetitive basis	Tenders accepted: For cash	Tenders accepted: In exchange	Prices and rates: Total bids accepted: Average price per hundred	Total bids accepted: Equivalent average rate (percent)	Competitive bids accepted: High: Price per hundred	High: Equivalent rate (percent)	Low: Price per hundred	Low: Equivalent rate (percent)	Amount maturing on issue date of new offering
Regular Weekly															
1961															
July 6	Oct. 5, 1961	91	$1,762,557	$1,100,537	$950,710	$149,827	$1,054,740	$45,797	99.417	2.305	[2] 99.429	2.259	99.407	2.346	$1,100,096
6	Jan. 4, 1962	182	922,645	499,944	469,557	30,387	472,790	27,154	98.743	2.468	98.764	2.445	98.733	2.506	500,236
13	Oct. 13, 1961	92	2,087,020	1,100,878	869,013	231,865	1,088,967	11,911	99.407	2.322	[2] 99.413	2.297	99.403	2.336	1,100,815
13	Jan. 11, 1962	182	1,047,421	500,178	456,949	43,229	497,723	2,455	98.730	2.512	98.736	2.500	98.726	2.520	500,112
20	Oct. 19, 1961	91	1,915,575	1,100,005	860,191	239,814	1,024,385	75,620	99.444	2.200	99.451	2.172	99.437	2.227	1,100,341
20	Jan. 18, 1962	182	960,304	499,904	454,500	45,404	466,954	32,950	98.794	2.385	98.801	2.372	98.784	2.405	400,172
27	Oct. 26, 1961	91	1,714,659	1,099,886	898,124	201,762	1,038,602	61,284	99.433	2.244	99.450	2.176	99.425	2.275	1,100,767
27	Jan. 25, 1962	182	907,700	500,080	464,206	35,874	458,946	41,134	98.763	2.446	[2] 98.784	2.405	98.753	2.467	500,051
Aug. 3	Nov. 2, 1961	91	1,913,229	1,101,263	890,017	211,246	983,514	117,749	99.419	2.300	99.426	2.271	99.415	2.314	1,100,652
3	Feb. 1, 1962	182	1,136,249	600,319	561,388	38,931	539,024	61,295	98.707	2.557	[2] 98.717	2.538	98.702	2.567	[3] 500,388
10	Nov. 9, 1961	91	2,003,239	1,100,218	877,706	222,512	1,047,135	53,083	99.402	2.366	99.411	2.330	99.398	2.382	1,100,389
10	Feb. 8, 1962	182	1,093,478	600,153	560,613	39,540	568,593	31,560	98.677	2.617	[2] 98.686	2.599	98.673	2.625	[3] 500,174
17	Nov. 16, 1961	91	2,121,632	1,100,833	854,464	246,369	991,404	109,429	99.363	2.519	[2] 99.369	2.496	99.360	2.532	1,100,018
17	Feb. 15, 1962	182	1,009,307	600,027	554,316	45,711	547,830	52,197	98.602	2.765	[2] 98.616	2.738	98.594	2.781	[3] 500,436
24	Nov. 24, 1961	92	1,939,574	1,100,794	871,533	229,261	1,002,642	98,152	99.360	2.504	[2] 99.368	2.473	99.356	2.520	1,100,352
24	Feb. 23, 1962	183	1,294,482	600,092	557,308	42,784	546,799	53,293	98.580	2.793	98.596	2.762	98.578	2.797	[3] 500,145
31	Nov. 30, 1961	91	1,820,721	1,100,316	900,916	199,400	1,088,410	11,906	99.413	2.321	99.425	2.275	99.407	2.346	1,000,929
31	Mar. 1, 1962	182	933,836	600,386	556,285	44,101	573,716	26,670	98.677	2.617	98.691	2.589	98.663	2.645	[3] 500,141
Sept. 7	Dec. 7, 1961	91	2,221,842	1,109,065	919,508	189,557	1,097,317	11,748	99.395	2.392	[2] 99.402	2.366	99.393	2.401	1,100,635
7	Mar. 8, 1962	182	1,102,430	595,235	557,024	38,211	566,185	29,050	98.639	2.692	98.650	2.670	98.633	2.704	[3] 500,282
14	Dec. 14, 1961	91	2,136,155	1,101,001	852,406	248,595	1,087,324	13,677	99.412	2.328	[2] 99.418	2.302	99.408	2.342	1,100,604
14	Mar. 15, 1962	182	1,075,492	600,608	550,715	49,893	598,628	1,980	98.643	2.685	98.654	2.662	98.636	2.698	[3] 500,004
21	Dec. 21, 1961	91	2,098,653	1,099,762	841,153	258,609	989,239	110,523	99.428	2.262	99.432	2.247	99.425	2.275	1,101,056
21	Mar. 22, 1962	182	1,143,592	600,213	547,739	52,474	537,708	62,505	98.644	2.681	[2] 98.652	2.666	98.636	2.698	[3] 500,077
28	Dec. 28, 1961	91	1,775,050	1,100,210	901,218	198,992	1,016,848	83,362	99.435	2.234	99.444	2.200	99.429	2.259	1,100,048
	1962														
28	Mar. 29	182	1,271,738	600,070	557,498	42,572	548,460	51,610	98.637	2.697	98.644	2.682	98.631	2.708	[3] 500,085
Oct. 5	Jan. 4	91	1,666,037	1,100,257	923,172	177,085	1,032,059	68,198	99.418	2.302	99.435	2.235	99.408	2.342	1,100,537
5	Apr. 5	182	1,304,941	600,246	559,773	40,473	548,361	51,885	98.643	2.683	[2] 98.650	2.670	98.641	2.688	[3] 500,135
13	Jan. 11	90	2,107,387	1,100,388	886,961	213,427	979,670	120,718	99.403	2.389	[2] 99.410	2.360	99.401	2.396	1,100,878
13	Apr. 12	181	1,101,177	600,142	547,773	52,369	597,252	2,890	98.651	2.684	[2] 98.660	2.665	98.646	2.693	[3] 500,375

19	Jan. 18	91	2,221,014	1,100,185	858,635	241,550	987,130	113,055	99.398	2.382	99.405	2.354	99.395	2.393	1,100,005
19	Apr. 19	182	1,112,072	600,357	540,157	60,200	597,407	2,950	98.618	2.734	[2] 98.624	2.722	98.613	2.744	[3] 400,290
26	Jan. 25	91	2,037,952	1,101,274	889,375	211,899	970,794	130,480	99.412	2.325	99.417	2.306	99.410	2.334	1,099,886
26	Apr. 26	182	1,251,516	600,143	540,739	59,404	546,846	53,297	98.631	2.708	98.638	2.694	98.629	2.712	[3] 400,115
Nov. 2	Feb. 1	91	2,156,522	1,099,916	885,005	214,911	921,107	178,809	99.424	2.280	99.428	2.263	99.421	2.291	1,101,263
2	May 3	182	1,529,976	600,403	544,085	56,318	519,614	80,789	98.679	2.613	98.686	2.599	98.677	2.617	[3] 500,252
9	Feb. 8	91	1,976,644	1,204,935	975,462	229,473	1,086,191	118,744	99.406	2.349	[2] 99.413	2.322	99.402	2.366	1,100,218
9	May 10	182	1,546,150	500,252	445,373	54,879	436,749	63,503	98.709	2.554	98.718	2.536	98.706	2.560	[3] 500,372
	1961														
	Dec. 7	22													
	Dec. 14	29													
	Dec. 21	36													
[4] 15	Dec. 28	43													
	1962		1,519,344	800,056	791,152	8,904	800,056	----------	99.706	2.277	99.719	2.175	99.700	2.323	----------
	Jan. 4	50													
	Jan. 11	57													
	Jan. 18	64													
	Jan. 25	71													
16	Feb. 15	91	2,223,971	1,100,203	842,642	257,561	981,168	119,035	99.364	2.516	[2] 99.372	2.484	99.361	2.528	1,100,833
16	May 17	182	1,096,879	600,105	539,027	61,078	536,750	63,355	98.624	2.721	[2] 98.638	2.694	98.614	2.742	[3] 500,728
24	Feb. 23	91	1,946,220	1,100,491	873,394	227,097	983,356	117,135	99.359	2.537	[2] 99.363	2.520	99.354	2.556	1,100,794
24	May 24	181	1,239,229	600,696	545,242	55,454	561,613	39,083	98.626	2.734	98.630	2.725	98.623	2.739	[3] 500,151
30	Mar. 1	91	2,061,423	1,099,962	885,753	214,209	1,024,719	75,243	99.341	2.606	99.346	2.587	99.339	2.615	1,100,316
30	May 31	182	1,035,721	600,071	550,583	49,488	565,594	34,477	98.581	2.807	98.595	2.779	98.570	2.829	[3] 500,268
Dec. 7	Mar. 8	91	2,233,037	1,102,423	891,234	211,189	1,015,232	87,191	99.337	2.624	[2] 99.346	2.587	99.335	2.631	1,109,065
7	June 7	182	1,035,466	600,646	548,841	51,805	558,129	42,517	98.551	2.867	[2] 98.564	2.840	98.544	2.880	[5] 500,354
14	Mar. 15	91	2,074,425	1,100,950	862,429	238,521	1,008,721	92,229	99.348	2.579	[2] 99.352	2.564	99.346	2.587	1,101,001
14	June 14	182	1,375,026	600,818	543,096	57,722	561,341	39,477	98.547	2.874	98.555	2.858	98.544	2.880	[5] 500,368
21	Mar. 22	91	2,326,653	1,104,676	861,870	242,806	985,471	119,205	99.325	2.670	[2] 99.331	2.647	99.322	2.682	1,099,762
21	June 21	182	1,166,175	601,595	548,211	53,384	547,803	53,792	98.526	2.915	[2] 98.540	2.888	98.520	2.927	[5] 500,767
28	Mar. 29	91	1,912,253	1,101,768	910,117	191,651	1,019,565	82,203	99.344	2.594	99.350	2.571	99.338	2.619	1,100,210
28	June 28	182	1,160,809	600,633	553,351	47,282	557,148	43,485	98.562	2.845	98.572	2.825	98.550	2.868	[5] 500,230
1962															
Jan. 4	Apr. 5	91	1,988,654	1,100,839	930,028	170,811	1,020,903	79,936	99.317	2.703	[2] 99.325	2.670	99.312	2.722	1,100,257
4	July 5	182	1,050,108	600,464	563,483	36,981	554,320	46,144	98.513	2.941	[2] 98.528	2.912	98.499	2.969	[5] 499,944
11	Apr. 12	91	2,107,768	1,100,848	855,027	245,821	1,088,800	12,048	99.286	2.823	[2] 99.296	2.785	99.283	2.836	1,100,388
11	July 12	182	1,132,339	599,939	542,077	57,862	597,360	2,579	98.447	3.073	[2] 98.460	3.046	98.439	3.090	[5] 500,178
18	Apr. 19	91	2,158,993	1,101,697	840,834	260,863	979,730	121,967	99.300	2.770	99.306	2.745	99.297	2.781	1,100,185
18	July 19	182	1,306,355	600,454	537,135	63,319	546,707	53,747	98.499	2.970	98.507	2.953	98.496	2.975	[5] 499,904
25	Apr. 26	91	2,326,015	1,101,591	888,125	213,466	962,801	138,790	99.321	2.688	99.325	2.670	99.319	2.694	1,101,274
25	July 26	182	1,116,296	600,021	551,980	48,041	548,460	51,561	98.546	2.875	98.558	2.852	98.537	2.894	[5] 500,080
Feb. 1	May 3	91	2,213,424	1,201,084	1,002,424	198,660	1,014,959	186,125	99.316	2.705	[2] 99.322	2.682	99.313	2.718	1,099,916
1	Aug. 2	182	1,334,152	600,310	557,034	43,276	524,471	75,839	98.514	2.939	[2] 98.520	2.927	98.511	2.945	600,319
8	May 10	91	2,047,810	1,200,170	979,258	220,912	1,018,010	182,160	99.319	2.695	99.324	2.674	99.314	2.714	1,204,935
8	Aug. 9	182	1,178,359	600,080	553,671	46,409	522,308	77,772	98.535	2.898	98.544	2.880	98.529	2.910	600,153
15	May 17	91	2,029,621	1,200,301	984,975	215,326	1,112,802	87,499	99.303	2.759	99.317	2.702	99.298	2.777	1,100,203
15	Aug. 16	182	1,194,948	600,423	551,601	48,822	598,117	2,306	98.508	2.952	[2] 98.519	2.929	98.500	2.967	600,027
23	May 24	90	2,423,968	1,201,655	983,273	218,382	1,094,920	106,735	99.288	2.849	[2] 99.293	2.828	99.286	2.856	1,100,491
23	Aug. 23	181	1,284,273	600,937	547,964	52,973	557,365	43,572	98.476	3.031	[2] 98.480	3.023	98.472	3.039	600,092
Mar. 1	May 31	91	2,100,507	1,200,744	1,001,794	198,950	1,104,596	96,148	99.326	2.665	99.334	2.635	99.322	2.682	1,099,962
1	Aug. 30	182	1,198,149	600,231	551,567	48,664	547,917	52,334	98.561	2.847	98.566	2.836	98.554	2.860	600,386
8	June 7	91	1,914,135	1,199,835	1,002 496	197,339	1,076,306	123,529	99,312	2,721	[2] 99.319	2.694	99.305	2.749	1,102,423
8	Sept. 6	182	1,105,775	600,851	553,269	47,582	547,848	53,003	98.543	2.882	[2] 98.551	2.866	98.534	2.900	595,235
15	June 14	91	2,716,068	1,200,987	979,320	221,667	1,081,473	119,514	99.291	2.804	[2] 99.295	2.789	99.289	2.813	1,100,950
15	Sept. 13	182	1,164,549	600,291	547,667	52,624	597,104	3,187	98.498	2.972	[2] 98.504	2.959	98.494	2.979	600,608

Footnotes at end of table.

Summary of information pertaining to Treasury bills issued during the fiscal year 1962—Continued

[Dollar amounts in thousands]

Date of issue	Date of maturity	Days to maturity[1]	Maturity value: Total applied for	Tenders accepted: Total accepted	Tenders accepted: On competitive basis	Tenders accepted: On noncompetitive basis	Tenders accepted: For cash	Tenders accepted: In exchange	Total bids accepted: Average price per hundred	Total bids accepted: Equivalent average rate (percent)	Competitive bids accepted: High: Price per hundred	High: Equivalent rate (percent)	Low: Price per hundred	Low: Equivalent rate (percent)	Amount maturing on issue date of new offering
						Regular Weekly—Continued									
1962	*1962*														
Mar. 22	June 21	91	$2,161,841	$1,200,651	$972,669	$227,983	$1,010,971	$189,680	99.320	2.689	99.326	2.666	99.317	2.702	$1,104,676
22	Sept. 20	182	1,182,184	600,081	539,410	60,671	535,724	64,357	98.557	2.854	[2] 98.561	2.846	98.553	2.862	600,213
29	June 28	91	2,181,889	1,200,151	1,001,789	198,362	1,113,205	86,946	99.313	2.719	99.320	2.690	99.309	2.734	1,101,768
29	Sept. 27	182	1,248,210	600,230	551,241	48,989	557,241	42,989	98.555	2.857	98.564	2.840	98.552	2.864	600,070
Apr. 5	July 5	91	2,225,252	1,200,638	1,020,512	180,126	1,061,937	138,701	99.303	2.757	[2] 99.305	2.749	99.300	2.769	1,100,839
5	Oct. 4	182	1,217,326	600,567	551,955	48,612	557,596	42,971	98.546	2.875	[2] 98.555	2.858	98.542	2.884	600,246
12	July 12	91	2,470,431	1,200,273	959,530	240,743	1,134,663	65,610	99.312	2.720	99.318	2.698	99.311	2.726	1,100,848
12	Oct. 11	182	1,088,042	600,202	541,465	58,737	597,155	3,047	98.577	2.814	98.590	2.789	98.572	2.825	600,142
19	July 19	91	2,236,888	1,200,982	952,047	248,935	1,093,815	107,167	99.312	2.723	99.316	2.706	99.308	2.738	1,101,697
19	Oct. 18	182	1,240,611	600,309	539,539	60,770	556,959	43,350	98.572	2.825	[2] 98.577	2.815	98.568	2.833	600,357
26	July 26	91	2,103,292	1,200,752	992,386	208,366	1,074,953	125,799	99.307	2.740	99.314	2.714	99.305	2.749	1,101,591
26	Oct. 25	182	1,167,651	600,408	546,481	53,927	534,863	65,545	98.566	2.837	98.574	2.821	98.562	2.844	600,143
May 3	Aug. 2	91	2,322,683	1,201,600	1,005,837	195,763	1,018,109	183,491	99.305	2.748	[2] 99.310	2.730	99.303	2.757	1,201,084
3	Nov. 1	182	1,356,897	600,048	553,547	46,501	527,557	72,491	98.562	2.845	98.570	2.829	98.560	2.848	600,403
10	Aug. 9	91	2,524,338	1,204,210	1,002,142	202,068	1,056,982	147,228	99.313	2.719	99.318	2.698	99.312	2.722	1,200,170
10	Nov. 8	182	1,351,891	601,639	551,661	49,978	537,783	63,856	98.576	2.816	98.585	2.799	98.572	2.825	500,252
17	Aug. 16	91	2,181,138	1,200,403	979,142	221,261	1,101,540	98,863	99.331	2.646	99,337	2.623	99.329	2.655	1,200,301
17	Nov. 15	182	1,138,822	600,140	539,677	60,463	537,611	62,529	98.613	2.744	[2] 98.620	2.730	98.606	2.757	600,105
24	Aug. 23	91	2,096,266	1,300,412	1,105,409	195,003	1,131,715	168,697	99.317	2.700	[2] 99.322	2.682	99.312	2.722	1,201,655
24	Nov. 23	183	1,247,318	600,316	553,077	47,239	537,588	62,728	98.579	2.795	[2] 98.587	2.780	98.576	2.801	600,696
31	Aug. 30	91	2,329,805	1,301,155	1,129,931	171,224	1,206,713	94,442	99.329	2.656	99.335	2.631	99.325	2.670	1,200,744
31	Nov 29	182	1,338,960	601,324	558,932	42,392	538,691	62,633	98.613	2.743	98.616	2.738	98.609	2.751	600,071
June 7	Sept. 6	91	2,301,686	1,301,003	1,115,741	185,262	1,213,644	87,339	99.320	2.691	99.329	2.655	99.317	2.702	1,199,835
7	Dec. 6	182	1,556,785	701,967	657,575	44,392	674,259	27,708	98.591	2.787	[2] 98.598	2.773	98.590	2.789	600,646
14	Sept. 13	91	2,200,375	1,300,405	1,082,344	218,061	1,187,561	112,844	99.325	2.671	99.331	2.647	99.321	2.686	1,200,987
14	Dec. 13	182	1,567,508	700,118	645,193	54,925	681,307	18,811	98.606	2.758	[2] 98.612	2.745	98.604	2.761	600,818

21	Sept. 20	91	2,593,785	1,300,743	1,071,807	228,936	1,091,096	209,647	99.312	2.721	[2] 99.320	2.690	99.310	2.730	1,200,651
21	Dec. 20	182	1,185,855	700,552	640,522	60,030	617,574	82,978	98.585	2.800	[2] 98.592	2.785	98.580	2.809	601,595
28	Sept. 27	91	2,257,126	1,300,482	1,097,164	203,318	1,217,777	82,705	99.294	2.792	[2] 99.300	2.769	99.291	2.805	1,200,151
28	Dec. 27	182	1,337,687	700,197	650,092	50,105	668,348	31,849	98.548	2.872	[2] 98.557	2.854	98.544	2.880	600,633
Tax Anticipation															
1961	*1962*														
July 26	Mar. 23	240	5,148,893	3,502,886	2,989,315	513,571	3,502,886	----------	98.344	2.484	[2] 98.400	2.400	98.320	2.520	----------
Sept. 27	June 22	268	5,131,492	2,510,855	1,999,052	511,803	2,510,855	----------	97.986	2.705	[2] 98.042	2.630	97.975	2.720	----------
1962															
Mar. 23	Sept. 21	182	3,593,761	1,801,986	1,655,218	146,768	1,633,956	168,030	98.536	2.896	[2] 98.549	2.870	98.529	2.910	3,502,886
One-Year															
1961	*1962*														
July 15	July 15	365	4,174,100	2,003,516	1,792,543	210,973	1,993,947	9,569	97.051	2.908	97.101	2.859	97.039	2.920	1,500,509
Oct. 16	Oct. 15	364	3,756,827	2,003,463	1,963,932	139,531	1,992,636	10,827	96.992	2.975	[2] 97.037	2.930	96.979	2.988	1,502,165
1962	*1963*														
Jan. 15	Jan. 15	365	3,650,870	2,001,255	1,810,833	190,422	1,862,566	138,689	96.588	3.366	[2] 96.614	3.340	96.572	3.381	1,501,672
Apr. 15	Apr. 15	365	3,453,716	2,000,754	1,841,270	159,484	1,920,608	80,146	97.017	2.943	97.041	2.918	97.002	2.957	2,000,462

[1] The 13-week bills represent additional issues of bills with an original maturity of 26 weeks.

[2] Relatively small amounts of bids were accepted at a price somewhat above the high shown. However, the higher price is not shown in order to prevent an appreciable discontinuity in the range (covered by the high to low prices shown) which would make it misrepresentative.

[3] In addition, $100,104,000 of the strip of bills issued on June 14, 1961, matured.

[4] An additional $100 million each of 8 series of weekly bills issued in a "strip" for cash (see press releases dated Nov. 2 and Nov. 10, 1961, in this exhibit).

[5] In addition, $100,007,000 of the strip of bills issued on Nov. 15, 1961, matured.

NOTE.—The usual timing with respect to issues of Treasury bills is: Press release inviting tenders, 8 days before date of issue; closing date on which tenders are accepted, 3 days before date of issue; and press release announcing acceptance of tenders, 2 days before date of issue. Figures are final and may differ from those shown in press release announcing preliminary results of an offering.

Noncompetitive tenders (without stated price) from any one bidder for $200,000 or less in the case of the 13-week bills, and for $100,000 or less in the case of the 26-week bills, were accepted in full at the average price for accepted competitive bids. For the tax anticipation series dated July 27, 1961, the amount was $500,000 and for the issues dated Sept. 27, 1961, and Mar. 23, 1962, the amount was $400,000. For the one-year bills the limitation was $400,000. In the case of the strip of bills, noncompetitive tenders for $80,000 or less (in even multiples of $8,000) were accepted in full at the average price of accepted competitive bids.

All equivalent rates of discount shown are on a bank-discount basis.

Qualified depositaries were permitted to make payment by credit in Treasury tax and loan accounts for Treasury bills of the tax anticipation series dated July 26 and Sept. 27, 1961, allotted to them for themselves and their customers up to any amount for which they were qualified in excess of existing deposits when so notified by the Federal Reserve Bank of their districts.

Guaranteed Obligations Called

EXHIBIT 5.—Calls for partial redemption, before maturity, of insurance fund debentures

During the fiscal year 1962, there were fifteen calls for partial redemption, before maturity, of insurance fund debentures, seven dated September 20, 1961, and the others dated March 21, 1962. The notices of call were published in the *Federal Register* of September 28, 1961, and March 29, 1962. The notice covering the twelfth call of the 2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent Series AA mutual mortgage insurance fund debentures is shown in this exhibit. Since the other notices of call are similar to this exhibit, they have been omitted but the essential details are summarized in the table following the notice of call.

NOTICE OF CALL. FEDERAL REGISTER OF MARCH 29, 1962

To Holders of 2½; 2⅝; 2¾; 2⅞; 3; 3⅛; 3¼; 3⅜; 3½; 3¾; 3⅞; and 4⅛ Percent Mutual Mortgage Insurance Fund Debentures, Series AA:

NOTICE OF CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES AA

Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U.S.C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent mutual mortgage insurance fund debentures, Series AA, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on July 1, 1962, on which date interest on such debentures shall cease:

2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ Percent Mutual Mortgage Insurance Fund Debentures, Series AA

Denomination	*Serial numbers (all numbers inclusive)*
$50	11, 794 to 11, 805 11, 807 to 12, 874
100	35, 275 to 35, 324 35, 339 to 49, 510
500	9, 901 to 9, 910 9, 915 to 13, 329 13, 332
1, 000	27, 216 to 27, 254 27, 269 to 40, 086
5, 000	7, 595 to 7, 606 7, 609 to 11, 701
10, 000	5, 934 to 8, 065

The debentures first issued as determined by the issue dates thereof were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after April 1, 1962. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after April 1, 1962, and provision will be made for the payment of final interest due on July 1, 1962, with the principal thereof to the actual owner, as shown by the assignments thereon.

The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from April 1, 1962, to June 30, 1962, inclusive, at par and accrued interest, to date of purchase.

Instructions for the presentation and surrender of debentures for redemption on or after July 1, 1962, or for purchase prior to that date will be given by the Secretary of the Treasury.

APPROVED: *March 22, 1962*
W. T. HEFFELFINGER,
Fiscal Assistant Secretary of the Treasury.

NEAL J. HARDY,
Commissioner.

Debentures redeemed on or after July 1, 1962, will have interest paid with principal for each $1,000 for each percent as follows: $12.50 for 2½%; $13.125 for 2⅝%; $13.75 for 2¾%; $14.375 for 2⅞%; $15.00 for 3%; $15.625 for 3⅛%; $16.25 for 3¼%; $16.875 for 3⅜%; $17.50 for 3½%; $18.75 for 3¾%; $19.375 for 3⅞%; and $20.625 for 4⅛%.

Debentures purchased between April 1 and June 30, 1962, will have interest paid with principal from January 1, 1962, to date of purchase, at the following rates per day for each $1,000 for each percent: $0.069061 for 2½%; $0.072514 for 2⅝%; $0.075967 for 2¾%; $0.075967 for 2⅞%; $0.082873 for 3%; $0.086326 for 3⅛%; $0.089779 for 3¼%; $0.093232 for 3⅜%; $0.096685 for 3½%; $0.103591 for 3¾%; $0.107044 for 3⅞%; and $0.113950 for 4⅛%.

Summary of information contained in the notices of call for partial redemption of insurance fund debentures during the fiscal year 1962

	2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, and 4⅛ percent mutual mortgage insurance fund debentures, Series AA, eleventh call	2½, 2⅝, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent mutual mortgage insurance fund debentures, Series AA, twelfth call	2½, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, and 3½ percent housing insurance fund debentures, Series BB, seventh call	2½, 2¾, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, and 4⅛ percent housing insurance fund debentures, Series BB, eighth call	3⅜, 3¾, and 4⅛ percent section 220, housing insurance fund debentures, Series CC, second call
Notice of call	Sept. 20, 1961	March 21, 1962	Sept. 20, 1961	March 21, 1962	March 21, 1962.
Redemption date	Jan. 1, 1962	July 1, 1962	Jan. 1, 1962	July 1, 1962	July 1, 1962.
Serial numbers called by denominations:					
$50	8698–8791, 8793–11793, 11806.	11794–11805, 11807–12874	140–160	161–198	5–8.
$100	24861–25382, 25389–35274, 35325–35338, 25387.	35275–35324, 35339–49510	876–989	990–1181	1–35.
$500	6326–6477, 6479–9900, 9911–9914.	9901–9910, 9915–13329, 13332.	347–369	370–408	4–11.
$1,000	17494–17895, 17899–27215, 27255–27268.	27216–27254, 27269–40086	848–1007	1008–1197	10–35.
$5,000	5405–5499, 5501–7594, 7607–7608.	7595–7606, 7609–11701	309–357	358–407	
$10,000	3890–3962, 3964–5933	5934–8065	2249–2413	2414–2999	1–219.
Final date for transfers or denominational exchanges (but not for sale or assignment).	September 30, 1961	March 31, 1962	September 30, 1961	March 31, 1962	March 31, 1962.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$12.50 for 2½%, $13.125 for 2⅝%, $13.75 for 2¾%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%, $20.625 for 4⅛%.	$12.50 for 2½%, $13.125 for 2⅝%, $13.75 for 2¾%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½% $18.75 for 3¾%, $19.375 for 3⅞%, $20.625 for 4⅛%.	$12.50 for 2½%, $13.75 for 2¾%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%.	$12.50 for 2½%, $13.75 for 2¾%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $20.625 for 4⅛%.	$16.875 for 3⅜%, $18.75 for 3¾%, $20.625 for 4⅛%.
Presentation for purchase prior to call date:					
Period	Oct. 1—Dec. 31, 1961	April 1—June 30, 1962	Oct. 1—Dec. 31, 1961	April 1—June 30, 1962	April 1—June 30, 1962.
Amount of accrued interest per $1,000 per day paid with principal.	$0.067935 for 2½%, $0.071332 for 2⅝%, $0.074728 for 2¾%, $0.078125 for 2⅞%, $0.081522 for 3%, $0.084918 for 3⅛%, $0.088315 for 3¼%, $0.091712 for 3⅜%, $0.095109 for 3½%, $0.101902 for 3¾%, $0.112092 for 4⅛%, from July 1, 1961, to date of purchase.	$0.069061 for 2½%, $0.072514 for 2⅝%, $0.075967 for 2¾%, $0.075967 for 2⅞%, $0.082873 for 3%, $0.086326 for 3⅛%, $0.089779 for 3¼%, $0.093232 for 3⅜%, $0.096685 for 3½%, $0.103591 for 3¾%, $0.107044 for 3⅞%, $0.113950 for 4⅛%, from Jan. 1, 1962, to date of purchase.	$0.067935 for 2½%, $0.074728 for 2¾%, $0.078125 for 2⅞%, $0.081522 for 3%, $0.084918 for 3⅛%, $0.088315 for 3¼%, $0.091712 for 3⅜%, $0.095109 for 3½%, from July 1, 1961, to date of purchase.	$0.069061 for 2½%, $0.075967 for 2¾%, $0.075967 for 2⅞%, $0.082873 for 3%, $0.086326 for 3⅛%, $0.089779 for 3¼%, $0.093232 for 3⅜%, $0.096685 for 3½%, $0.113950 for 4⅛%, from Jan. 1, 1962, to date of purchase.	$0.093232 for 3⅜%, $0.103591 for 3¾%, $0.113950 for 4⅛%, from Jan. 1, 1962, to date of purchase.

	2⅝, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, and 4⅛ percent servicemen's mortgage insurance fund debentures, Series EE, eighth call	2⅝, 2⅞, 3, 3⅛, 3¼, 3⅜, 3½, 3¾, 3⅞, and 4⅛ percent servicemen's mortgage insurance fund debentures, Series EE, ninth call	2½ percent war housing insurance fund debentures, Series H, twenty-fifth call	2½ percent war housing insurance fund debentures, Series H, twenty-sixth call	2½ percent Title I housing insurance fund debentures, Series L, fourteenth call
Notice of call	Sept. 20, 1961	March 21, 1962	Sept. 20, 1961	March 21, 1962	Sept. 20, 1961.
Redemption date	Jan. 1, 1962	July 1, 1962	Jan. 1, 1962	July 1, 1962	Jan. 1, 1962.
Serial numbers called by denominations:					
$50	201-303	304-378	4701-4722	4723-4748	173-174.
$100	789-1205	1206-2445	16792-17001	17002-17392	
$500	194-366	367-639	4802-4847	4848-4945	143-147.
$1,000	665-1110	1111-2315	20556-20740	20741-21154	542-548.
$5,000	126-202	203-548	4594-4624	4625-4925	77-80.
$10,000	178-313	314-499	44223-45210	45211-47210	
Final date for transfers or denominational exchanges (but not for sale or assignment).	Sept. 30, 1961	March 31, 1962	Sept. 30, 1961	March 31, 1962	Sept. 30, 1961.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$13.125 for 2⅝%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%, $20.625 for 4⅛%.	$13.125 for 2⅝%, $14.375 for 2⅞%, $15.00 for 3%, $15.625 for 3⅛%, $16.25 for 3¼%, $16.875 for 3⅜%, $17.50 for 3½%, $18.75 for 3¾%, $19.375 for 3⅞%, $20.625 for 4⅛%.	$12.50	$12.50	$12.50.
Presentation for purchase prior to call date:					
Period	Oct. 1-Dec. 31, 1961	April 1-June 30, 1962	Oct. 1-Dec. 31, 1961	April 1-June 30, 1962	Oct. 1-Dec. 31, 1961.
Amount of accrued interest per $1,000 per day paid with principal.	$0.071332 for 2⅝%, $0.078125 for 2⅞%, $0.081522 for 3%, $0.084918 for 3⅛%, $0.088315 for 3¼%, $0.091712 for 3⅜%, $0.095109 for 3½%, $0.101902 for 3¾%, $0.112092 for 4⅛%, from July 1, 1961, to date of purchase.	$0.072514 for 2⅝%, $0.075967 for 2⅞%, $0.082873 for 3%, $0.086326 for 3⅛%, $0.089779 for 3¼%, $0.093232 for 3⅜%, $0.096685 for 3½%, $0.103591 for 3¾%, $0.107044 for 3⅞%, $0.113950 for 4⅛%, from Jan. 1, 1962, to date of purchase.	$0.067935 from July 1, 1961, to date of purchase.	$0.069061 from Jan. 1, 1961, to date of purchase.	$0.67935 from July 1, 1961, to date of purchase.

Summary of information contained in the notices of call for partial redemption of insurance fund debentures during the fiscal year 1962—Continued

	2½ percent Title I housing insurance fund debentures, Series L, fifteenth call	2¾ percent Title I housing insurance fund debentures, Series R, twelfth call	2¾ percent Title I housing insurance fund debentures, Series R, thirteenth call	3 percent Title I housing insurance fund debentures, Series T, eleventh call	3 percent Title I housing insurance fund debentures, Series T, twelfth call
Notice of call	March 21, 1962	Sept. 20, 1961	March 21, 1962	Sept. 20, 1961	March 21, 1962.
Redemption date	July 1, 1962	Jan. 1, 1962	July 1, 1962	Jan. 1, 1962	July 1, 1962.
Serial numbers called by denominations:					
$50	175–179	426–495	496–510	433–454	455–494.
$100	339–417	947–1020	1021–1134	1272–1347	1348–1630.
$500	148–168	221–229	230–273	462–482	483–561.
$1,000	549–621	290–313	314–477	637–707	708–1027.
$5,000	81–82	240–249	250–259	350–375	376–393.
Final date for transfers or denominational exchanges (but not for sale or assignment).	March 31, 1962	Sept. 30, 1961	March 31, 1962	Sept. 30, 1961	March 31, 1962.
Redemption on call date, amount of interest per $1,000 paid in full with principal.	$12.50	$13.75	$13.75	$15.00	$15.00.
Presentation for purchase prior to call date:					
Period	April 1–June 30, 1962	Oct. 1–Dec. 31, 1961	April 1–June 30, 1962	Oct. 1–Dec. 31, 1961	April 1–June 30, 1962.
Amount of accrued interest per $1,000 per day paid with principal.	$0.069061 from Jan. 1, 1962, to date of purchase.	$0.074728 from July 1, 1961, to date of purchase.	$0.075967 from Jan. 1, 1962, to date of purchase.	$0.081522 from July 1, 1961, to date of purchase.	$0.082873 from Jan. 1, 1962, to date of purchase.

Regulations

EXHIBIT 6.—Second amendment, November 17, 1961, to Department Circular No. 418, Revised, regulations governing Treasury bills

TREASURY DEPARTMENT,
Washington, November 17, 1961.

Department Circular No. 418, Revised, dated February 23, 1954 (31 CFR 309), as amended, is hereby further amended by revising sections 309.3 and 309.8 as follows:

SEC. 309.3 *Denominations and exchange.*—Treasury bills will be issued in denominations (maturity value) of $1,000, $5,000, $10,000, $50,000, $100,000, $500,000, and $1,000,000. Exchanges from higher to lower and lower to higher denominations of the same series (bearing the same issue and maturity dates) will be permitted at Federal Reserve Banks and at the Office of the Treasurer of the United States, Washington. Insofar as applicable, the general regulations of the Treasury Department governing transactions in bonds and notes will govern transactions in Treasury bills.

SEC. 309.8 *Tenders; when cash deposit is required.*—Tenders should be submitted on the printed forms and forwarded in the special envelopes which will be supplied on application to any Federal Reserve Bank, or branch. If a special envelope is not available, the inscription "Tender for Treasury bills" should be placed on the envelope used. The instructions of the Federal Reserve Banks with respect to the submission of tenders should be observed. 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 from incorporated banks and trust companies, and from responsible and recognized dealers in investment securities will be received without deposit. Tenders from all others must be accompanied by a payment of such percent of the face amount of the Treasury bills applied for as the Secretary of the Treasury may from time to time prescribe: *Provided, however,* that such deposit will not be required if the tender is accompanied by an express guaranty of payment in full by an incorporated bank or trust company. Forfeiture of the prescribed payment may be declared by the Secretary of the Treasury, if payment is not completed, in the case of accepted tenders, on the prescribed date.

ROBERT V. ROOSA,
Acting Secretary of the Treasury.

EXHIBIT 7.—Third amendment, August 2, 1961, to Department Circular No. 530, Eighth Revision, regulations governing United States savings bonds

TREASURY DEPARTMENT,
Washington, August 2, 1961.

Sections 315.32 and 315.37 of Department Circular No. 530, Eighth Revision, as amended, dated December 26, 1957 (31 CFR 1959), are hereby amended to read as follows:

SEC. 315.32(b) *Method of interest payments.*—* * *

(5) The interest due at maturity in the case of bonds for which an optional extension privilege has not been granted and at the final maturity for all bonds for which an optional extension privilege has been granted will be paid with the principal and in the same manner. However, if the registered owner of a bond in beneficiary form dies on or after the due date without having presented and surrendered the bond for payment or authorized reissue, and is survived by the beneficiary, the interest may be paid to the legal representative of or the person entitled to the registered owner's estate. To obtain such payment, the bonds with a request therefor by the beneficiary should be submitted together with the evidence required in SEC. 315.70.

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SEC. 315.37. *At or after maturity.*—Pursuant to its terms, a savings bond of any series will be paid at or after maturity at the maturity value fixed by the terms of the Department Circular offering the particular series of bonds to the public, current at the time of redemption, and in no greater amount. No advance notice will be required for the redemption of matured savings bonds except that any current income bond for which an optional extension period has been provided will, beginning with the first day of the third calendar month following the calendar month in which the bond originally matured, be regarded as unmatured until it reaches its final maturity date, and the same notice prior to redemption will be required for it as is required for bonds of the same series which have not reached original maturity.

DOUGLAS DILLON,
Secretary of the Treasury.

EXHIBIT 8.—Fourth amendment, November 17, 1961, to Department Circular No. 530, Eighth Revision, regulations governing United States savings bonds

TREASURY DEPARTMENT,
Washington, November 17, 1961.

In SEC. 315.10, paragraph (b) is hereby amended, effective January 1, 1962, to read as follows:

SEC. 315.10. *Amount which may be held.*—

* * * * * * *

(b) *Series H.*—$20,000 (maturity value) for each calendar year up to and including the calendar year 1956; $10,000 (maturity value) for the calendar years 1957 [1] to 1961, inclusive; $20,000 (maturity value) for the calendar year 1962 and each calendar year thereafter.

ROBERT V. ROOSA,
Acting Secretary of the Treasury.

EXHIBIT 9.—First amendment, August 2, 1961, to Department Circular No. 905, Second Revision, regulations governing Series H savings bonds

TREASURY DEPARTMENT,
Washington, August 2, 1961.

Sections 332.12 and 332.15 of Department Circular No. 905, Second Revision, dated September 23, 1959 (31 CFR 1960 Supp. 332), are hereby amended to read as follows:

SEC. 332.12. *Improvement of investment yield and extension of term for outstanding Series H bonds.*—(a) *Increased future investment yields to maturity for all outstanding bonds with issue dates of June 1, 1952, through May 1, 1959.*[2]—The investment yields on all outstanding Series H bonds with issue dates prior to June 1, 1959, are hereby increased (for the remaining period to maturity) by not less than one-half of one percent, and by lesser amounts if they are redeemed

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[1] Effective May 1, 1957. Accordingly investors who purchased $20,000 (maturity value) of bonds of Series E bearing issue dates of January 1 through April 1 were not entitled to purchase additional bonds of that series during 1957. The same limitation applies to bonds of Series H bearing those issue dates. Investors who purchased less than $10,000 (maturity value) of bonds of either series prior to May 1 were entitled only to purchase enough of either series to bring their total for that series for 1957 to $10,000 (maturity value).

[2] For bonds with issue dates of June 1, 1959, or thereafter, see section 332.3.

earlier.[1] The resulting yields are in terms of rate percent per annum, compounded semiannually. See tables 2 through 16 at the end of this circular for revised schedules of interest checks and investment yields.[2] This increase will be effective beginning with the interest checks due December 1, 1959, for bonds with the issue month of June or December of any year prior to 1959, and for all other bonds on the next interest payment date after December 1, 1959.

(b) *Optional extension privilege for owners of bonds with issue dates of June 1, 1952, through January 1, 1957.*—Owners of bonds with the above issue dates are hereby granted the privilege of retaining their bonds for an additional period of 10 years with an investment yield of approximately 3.75 percent payable semiannually. This privilege is generally referred to elsewhere in these regulations and the regulations governing United States savings bonds as an "optional extension privilege." No special action is required of owners desiring to take advantage of this optional extension privilege. Merely by holding their bonds after maturity they will earn further interest which will accrue and be paid semiannually by check drawn to the order of the owner or coowners beginning six months from the original maturity date. Interest payments will be made in the amounts shown in tables I through X at the end of this circular. Term "owners" as used in this section includes registered owners, coowners, surviving beneficiaries, next of kin, and legatees of deceased owners, and persons who have acquired bonds pursuant to judicial proceedings against the owners, except that judgment creditors, trustees in bankruptcy, and receivers of insolvents' estates will have the right only to payment in accordance with the regulations governing United States savings bonds.

SEC. 332.15. *Payment or redemption.*—(a) *Prior to maturity.*—Prior to maturity a bond of Series H will be redeemed at par, in whole or in part (in the amount of an authorized denomination or multiple thereof), at the option of the owner, after six months from the issue date on the first day of a calendar month and upon one month's notice in writing, by (1) a Federal Reserve Bank or branch, (2) the Bureau of the Public Debt, Division of Loans and Currency Branch, 536 South Clark Street, Chicago 5, Illinois, or (3) the Treasurer of the United States, Washington 25, D.C. Such notice may be given separately or by presenting and surrendering the bond with a duly executed request for payment. If notice is given separately, the bond must be presented with a duly executed request for payment to the same agency not less than twenty days before the redemption date fixed by the notice.

(b) *At maturity.*—Upon maturity a bond of Series H will be redeemed at par upon presentation of the bond with a duly executed request for payment to one of the agencies designated in (a). In the case of any Series H bond for which an optional extension privilege has been provided, such bond will be redeemed at par upon original maturity and for two calendar months following the month in which the bond originally matures without advance notice.[3]

(c) *During optional extension period.*—Any bond of Series H for which an optional extension period has been provided will, beginning with the first day of the third calendar month following the calendar month in which the bond originally matures, be regarded as unmatured until it reaches its final maturity date, and may be redeemed in the same manner and subject to the same notice for redemption as provided in (a).

DOUGLAS DILLON,
Secretary of the Treasury.

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[1] The investment yields to maturity heretofore prescribed for the bonds referred to in section 332.12 were (according to issue dates) as follows:

	Percent per annum compounded semiannually
June 1, 1952, through January 1, 1957	3.00
February 1, 1957, through May 1, 1959	3.25

[2] These tables were published in the 1960 annual report, pages 259–274; however, their substance is included as the first part of tables I–X appended hereto.

[3] For example, if a bond is dated June 1, 1952, the date of original maturity is February 1, 1962. The date on which the right to payment without advance notice will be suspended is May 1, 1962.

TABLE I—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1952

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	*Percent*
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[3] 3.58
4½ years	8.50	17.00	85.00	170.00	2.40	[3] 3.60
5 years	8.50	17.00	85.00	170.00	2.49	[3] 3.63
5½ years	8.50	17.00	85.00	170.00	2.57	[3] 3.66
6 years	8.50	17.00	85.00	170.00	2.63	[3] 3.69
6½ years	8.50	17.00	85.00	170.00	2.69	[3] 3.74
7 years	8.50	17.00	85.00	170.00	2.73	[4] 4.31
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
7½ years	$8.75	$17.50	$87.50	$175.00	2.78	4.51
8 years	8.75	17.50	87.50	175.00	2.82	4.83
8½ years	10.10	20.20	101.00	202.00	2.88	5.18
9 years	10.10	20.20	101.00	202.00	2.94	6.06
9½ years	10.10	20.20	101.00	202.00	2.99	12.37
9 years and 8 months (maturity)	10.10	20.20	101.00	202.00	3.12	------------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.15	3.75
1 year	9.37	18.75	93.75	187.50	3.17	3.75
1½ years	9.37	18.75	93.75	187.50	3.19	3.75
2 years	9.37	18.75	93.75	187.50	3.21	3.75
2½ years	9.37	18.75	93.75	187.50	3.23	3.75
3 years	9.37	18.75	93.75	187.50	3.25	3.75
3½ years	9.37	18.75	93.75	187.50	3.26	3.75
4 years	9.37	18.75	93.75	187.50	3.27	3.75
4½ years	9.37	18.75	93.75	187.50	3.29	3.75
5 years	9.38	18.75	93.75	187.50	3.30	3.75
5½ years	9.38	18.75	93.75	187.50	3.31	3.75
6 years	9.38	18.75	93.75	187.50	3.32	3.75
6½ years	9.38	18.75	93.75	187.50	3.33	3.75
7 years	9.38	18.75	93.75	187.50	3.34	3.75
7½ years	9.38	18.75	93.75	187.50	3.35	3.75
8 years	9.38	18.75	93.75	187.50	3.36	3.75
8½ years	9.38	18.75	93.75	197.50	3.36	3.75
9 years	9.38	18.75	93.75	187.50	3.37	3.75
9½ years	9.38	18.75	93.75	187.50	3.38	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.39	------------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE II—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1952, THROUGH MAY 1, 1953

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value	$500	$1,000	$5,000	$10,000	Approximate investment yield on face value [2]	
Maturity value	$500	$1,000	$5,000	$10,000		
Redemption value [1]	500	1,000	5,000	10,000		
Issue price	500	1,000	5,000	10,000		
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[3] 3.58
4½ years	8.50	17.00	85.00	170.00	2.40	[3] 3.60
5 years	8.50	17.00	85.00	170.00	2.49	[3] 3.63
5½ years	8.50	17.00	85.00	170.00	2.57	[4] 3.66
6 years	8.50	17.00	85.00	170.00	2.63	[3] 3.69
6½ years	8.50	17.00	85.00	170.00	2.69	[4] 4.24
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
7 years	$8.75	$17.50	$87.50	$175.00	2.74	4.39
7½ years	8.75	17.50	87.50	175.00	2.78	4.61
8 years	9.85	19.70	98.50	197.00	2.85	4.82
8½ years	9.85	19.70	98.50	197.00	2.90	5.21
9 years	10.15	20.30	101.50	203.00	2.96	6.09
9½ years	10.15	20.30	101.50	203.00	3.01	12.43
9 years and 8 months (maturity)	10.15	20.30	101.50	203.00	3.14	
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.17	3.75
1 year	9.37	18.75	93.75	187.50	3.19	3.75
1½ years	9.37	18.75	93.75	187.50	3.21	3.75
2 years	9.37	18.75	93.75	187.50	3.23	3.75
2½ years	9.37	18.75	93.75	187.50	3.25	3.75
3 years	9.37	18.75	93.75	187.50	3.26	3.75
3½ years	9.37	18.75	93.75	187.50	3.28	3.75
4 years	9.37	18.75	93.75	187.50	3.29	3.75
4½ years	9.37	18.75	93.75	187.50	3.30	3.75
5 years	9.38	18.75	93.75	187.50	3.32	3.75
5½ years	9.38	18.75	93.75	187.50	3.33	3.75
6 years	9.38	18.75	93.75	187.50	3.34	3.75
6½ years	9.38	18.75	93.75	187.50	3.35	3.75
7 years	9.38	18.75	93.75	187.50	3.36	3.75
7½ years	9.38	18.75	93.75	187.50	3.36	3.75
8 years	9.38	18.75	93.75	187.50	3.37	3.75
8½ years	9.38	18.75	93.75	187.50	3.38	3.75
9 years	9.38	18.75	93.75	187.50	3.39	3.75
9½ years	9.38	18.75	93.75	187.50	3.39	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.40	

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE III—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1953

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 500 500	$1,000 1,000 1,000	$5,000 5,000 5,000	$10,000 10,000 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	*Percent*
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[3] 3.58
4½ years	8.50	17.00	85.00	170.00	2.40	[3] 3.60
5 years	8.50	17.00	85.00	170.00	2.49	[3] 3.63
5½ years	8.50	17.00	85.00	170.00	2.57	[3] 3.66
6 years	8.50	17.00	85.00	170.00	2.63	[4] 4.19
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
6½ years	$8.75	$17.50	$87.50	$175.00	2.69	4.31
7 years	8.75	17.50	87.50	175.00	2.75	4.47
7½ years	9.55	19.10	95.50	191.00	2.81	4.62
8 years	9.55	19.10	95.50	191.00	2.87	4.88
8½ years	10.20	20.40	102.00	204.00	2.93	5.23
9 years	10.20	20.40	102.00	204.00	2.98	6.12
9½ years	10.20	20.40	102.00	204.00	3.03	12.49
9 years and 8 months (maturity)	10.20	20.40	102.00	204.00	3.17	------------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.19	3.75
1 year	9.37	18.75	93.75	187.50	3.21	3.75
1½ years	9.37	18.75	93.75	187.50	3.23	3.75
2 years	9.37	18.75	93.75	187.50	3.25	3.75
2½ years	9.37	18.75	93.75	187.50	3.27	3.75
3 years	9.37	18.75	93.75	187.50	3.28	3.75
3½ years	9.37	18.75	93.75	187.50	3.30	3.75
4 years	9.37	18.75	93.75	187.50	3.31	3.75
4½ years	9.37	18.75	93.75	187.50	3.32	3.75
5 years	9.38	18.75	93.75	187.50	3.33	3.75
5½ years	9.38	18.75	93.75	187.50	3.34	3.75
6 years	9.38	18.75	93.75	187.50	3.35	3.75
6½ years	9.38	18.75	93.75	187.50	3.36	3.75
7 years	9.38	18.75	93.75	187.50	3.37	3.75
7½ years	9.38	18.75	93.75	187.50	3.38	3.75
8 years	9.38	18.75	93.75	187.50	3.39	3.75
8½ years	9.38	18.75	93.75	187.50	3.39	3.75
9 years	9.38	18.75	93.75	187.50	3.40	3.75
9½ years	9.38	18.75	93.75	187.50	3.41	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.41	------------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE IV—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1953, THROUGH MAY 1, 1954

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	*Percent*
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[3] 3.58
4½ years	8.50	17.00	85.00	170.00	2.40	[3] 3.60
5 years	8.50	17.00	85.00	170.00	2.49	[3] 3.63
5½ years	8.50	17.00	85.00	170.00	2.57	[4] 4.16
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
6 years	$8.75	$17.50	$87.50	$175.00	2.64	4.25
6½ years	8.75	17.50	87.50	175.00	2.70	4.38
7 years	9.35	18.70	93.50	187.00	2.77	4.51
7½ years	9.35	18.70	93.50	187.00	2.83	4.70
8 years	9.35	18.70	93.50	187.00	2.88	5.00
8½ years	10.45	20.90	104.50	209.00	2.94	5.36
9 years	10.45	20.90	104.50	209.00	3.00	6.27
9½ years	10.45	20.90	104.50	209.00	3.06	12.80
9 years and 8 months (maturity)	10.45	20.90	104.50	209.00	3.19	------------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.22	3.75
1 year	9.37	18.75	93.75	187.50	3.24	3.75
1½ years	9.37	18.75	93.75	187.50	3.26	3.75
2 years	9.37	18.75	93.75	187.50	3.27	3.75
2½ years	9.37	18.75	93.75	187.50	3.29	3.75
3 years	9.37	18.75	93.75	187.50	3.30	3.75
3½ years	9.37	18.75	93.75	187.50	3.32	3.75
4 years	9.37	18.75	93.75	187.50	3.33	3.75
4½ years	9.37	18.75	93.75	187.50	3.34	3.75
5 years	9.38	18.75	93.75	187.50	3.35	3.75
5½ years	9.38	18.75	93.75	187.50	3.36	3.75
6 years	9.38	18.75	93.75	187.50	3.37	3.75
6½ years	9.38	18.75	93.75	187.50	3.38	3.75
7 years	9.38	18.75	93.75	187.50	3.39	3.75
7½ years	9.38	18.75	93.75	187.50	3.39	3.75
8 years	9.38	18.75	93.75	187.50	3.40	3.75
8½ years	9.38	18.75	93.75	187.50	3.41	3.75
9 years	9.38	18.75	93.75	187.50	3.42	3.75
9½ years	9.38	18.75	93.75	187.50	3.42	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.43	------------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE V—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1954

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value					Approximate investment yield on face value [2]	
Maturity value	$500	$1,000	$5,000	$10,000		
Redemption value [1]	500	1,000	5,000	10,000		
Issue price	500	1,000	5,000	10,000		
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[3] 3.58
4½ years	8.50	17.00	85.00	170.00	2.40	[3] 3.60
5 years	8.50	17.00	85.00	170.00	2.49	[4] 4.13
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
5½ years	$8.75	$17.50	$87.50	175.00	2.58	4.21
6 years	8.75	17.50	87.50	175.00	2.65	4.32
6½ years	8.75	17.50	87.50	175.00	2.71	4.46
7 years	9.75	19.50	97.50	195.00	2.78	4.57
7½ years	9.75	19.50	97.50	195.00	2.85	4.73
8 years	9.75	19.50	97.50	195.00	2.91	5.00
8½ years	10.45	20.90	104.50	209.00	2.97	5.36
9 years	10.45	20.90	104.50	209.00	3.03	6.27
9½ years	10.45	20.90	104.50	209.00	3.08	12.80
9 years and 8 months (maturity)	10.45	20.90	104.50	209.00	3.22	----------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.24	3.75
1 year	9.37	18.75	93.75	187.50	3.26	3.75
1½ years	9.37	18.75	93.75	187.50	3.28	3.75
2 years	9.37	18.75	93.75	187.50	3.30	3.75
2½ years	9.37	18.75	93.75	187.50	3.31	3.75
3 years	9.37	18.75	93.75	187.50	3.32	3.75
3½ years	9.37	18.75	93.75	187.50	3.34	3.75
4 years	9.37	18.75	93.75	187.50	3.35	3.75
4½ years	9.37	18.75	93.75	187.50	3.36	3.75
5 years	9.38	18.75	93.75	187.50	3.37	3.75
5½ years	9.38	18.75	93.75	187.50	3.38	3.75
6 years	9.38	18.75	93.75	187.50	3.39	3.75
6½ years	9.38	18.75	93.75	187.50	3.40	3.75
7 years	9.38	18.75	93.75	187.50	3.40	3.75
7½ years	9.38	18.75	93.75	187.50	3.41	3.75
8 years	9.38	18.75	93.75	187.50	3.42	3.75
8½ years	9.38	18.75	93.75	187.50	3.43	3.75
9 years	9.38	18.75	93.75	187.50	3.43	3.75
9½ years	9.38	18.75	93.75	187.50	3.44	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.44	----------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE VI—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1954, THROUGH MAY 1, 1955

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[3] 3.58
4½ years	8.50	17.00	85.00	170.00	2.40	[4] 4.10
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
5 years	$8.75	$17.50	$87.50	$175.00	2.50	4.17
5½ years	8.75	17.50	87.50	175.00	2.59	4.26
6 years	8.75	17.50	87.50	175.00	2.66	4.37
6½ years	9.65	19.30	96.50	193.00	2.74	4.46
7 years	9.65	19.30	96.50	193.00	2.81	4.58
7½ years	9.65	19.30	96.50	193.00	2.87	4.75
8 years	10.35	20.70	103.50	207.00	2.94	4.95
8½ years	10.35	20.70	103.50	207.00	3.01	5.31
9 years	10.35	20.70	103.50	207.00	3.06	6.21
9½ years	10.35	20.70	103.50	207.00	3.11	12.68
9 years and 8 months (maturity)	10.35	20.70	103.50	207 00	3.24	
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.26	3.75
1 year	9.37	18.75	93.75	187.50	3.28	3.75
1½ years	9.37	18.75	93.75	187.50	3.30	3.75
2 years	9.37	18.75	93.75	187.50	3.32	3.75
2½ years	9.37	18.75	93.75	187.50	3.33	3.75
3 years	9.37	18.75	93.75	187.50	3.34	3.75
3½ years	9.37	18.75	93.75	187.50	3.35	3.75
4 years	9.37	18.57	93.75	187.50	3.37	3.75
4½ years	9.37	18.75	93.75	187.50	3.38	3.75
5 years	9.38	18.75	93.75	187.50	3.39	3.75
5½ years	9.38	18.75	93.75	187.50	3.40	3.75
6 years	9.38	18.75	93.75	187.50	3.40	3.75
6½ years	9.38	18.75	93.75	187.50	3.41	3.75
7 years	9.38	18.75	93.75	187.50	3.42	3.75
7½ years	9.38	18.75	93.75	187.50	3.43	3.75
8 years	9.38	18.75	93.75	187.50	3.43	3.75
8½ years	9.38	18.75	93.75	187.50	3.44	3.75
9 years	9.38	18.75	93.75	187.50	3.44	3.75
9½ years	9.37	18.75	93.75	187.50	3.45	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.46	

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE VII—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1955

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.31
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[3] 3.49
4 years	6.25	12.50	62.50	125.00	2.28	[4] 4.09
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
4½ years	$8.75	$17.50	$87.50	$175.00	2.41	4.15
5 years	8.75	17.50	87.50	175.00	2.51	4.23
5½ years	8.75	17.50	87.50	175.00	2.59	4.32
6 years	9.55	19.10	95.50	191.00	2.69	4.39
6½ years	9.55	19.10	95.50	191.00	2.77	4.49
7 years	9.55	19.10	95.50	191.00	2.84	4.63
7½ years	9.55	19.10	95.50	191.00	2.89	4.82
8 years	10.50	21.00	105.00	210.00	2.97	5.02
8½ years	10.50	21.00	105.00	210.00	3.03	5.38
9 years	10.50	21.00	105.00	210.00	3.08	6.30
9½ years	10.50	21.00	105.00	210.00	3.13	12.87
9 years and 8 months (maturity)	10.50	21.00	105.00	210.00	3.27	
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.29	3.75
1 year	9.37	18.75	93.75	187.50	3.31	3.75
1½ years	9.37	18.75	93.75	187.50	3.32	3.75
2 years	9.37	18.75	93.75	187.50	3.34	3.75
2½ years	9.37	18.75	93.75	187.50	3.35	3.75
3 years	9.37	18.75	93.75	187.50	3.37	3.75
3½ years	9.37	18.75	93.75	187.50	3.38	3.75
4 years	9.37	18.75	93.75	187.50	3.39	3.75
4½ years	9.37	18.75	93.75	187.50	3.40	3.75
5 years	9.38	18.75	93.75	187.50	3.41	3.75
5½ years	9.38	18.75	93.75	187.50	3.41	3.75
6 years	9.38	18.75	93.75	187.50	3.42	3.75
6½ years	9.38	18.75	93.75	187.50	3.43	3.75
7 years	9.38	18.75	93.75	187.50	3.44	3.75
7½ years	9.38	18.75	93.75	187.50	3.44	3.75
8 years	9.38	18.75	93.75	187.50	3.45	3.75
8½ years	9.38	18.75	93.75	187.50	3.46	3.75
9 years	9.38	18.75	93.75	187.50	3.46	3.75
9½ years	9.38	18.75	93.75	187.50	3.47	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.47	

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE VIII—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1955, THROUGH MAY 1, 1956

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations' on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[3] 3.41
3½ years	6.25	12.50	62.50	125.00	2.25	[4] 3.99
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
4 years	$6.50	$13.00	$65.00	$130.00	2.29	4.13
4½ years	8.75	17.50	87.50	175.00	2.42	4.20
5 years	8.75	17.50	87.50	175.00	2.52	4.28
5½ years	8.75	17.50	87.50	175.00	2.60	4.38
6 years	9.80	19.60	98.00	196.00	2.70	4.45
6½ years	9.80	19.60	98.00	196.00	2.79	4.54
7 years	9.80	19.60	98.00	196.00	2.86	4.66
7½ years	9.80	19.60	98.00	196.00	2.92	4.85
8 years	10.55	21.10	105.50	211.00	3.00	5.04
8½ years	10.55	21.10	105.50	211.00	3.06	5.41
9 years	10.55	21.10	105.50	211.00	3.11	6.33
9½ years	10.55	21.10	105.50	211.00	3.16	12.93
9 years and 8 months (maturity)	10.55	21.10	105.50	211.00	3.30	-------------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.32	3.75
1 year	9.37	18.75	93.75	187.50	3.34	3.75
1½ years	9.37	18.75	93.75	187.50	3.35	3.75
2 years	9.37	18.75	93.75	187.50	3.36	3.75
2½ years	9.37	18.75	93.75	187.50	3.38	3.75
3 years	9.37	18.75	93.75	187.50	3.39	3.75
3½ years	9.37	18.75	93.75	187.50	3.40	3.75
4 years	9.37	18.75	93.75	187.50	3.41	3.75
4½ years	9.37	18.75	93.75	187.50	3.42	3.75
5 years	9.38	18.75	93.75	187.50	3.43	3.75
5½ years	9.38	18.75	93.75	187.50	3.43	3.75
6 years	9.38	18.75	93.75	187.50	3.44	3.75
6½ years	9.38	18.75	93.75	187.50	3.45	3.75
7 years	9.38	18.75	93.75	187.50	3.46	3.75
7½ years	9.38	18.75	93.75	187.50	3.46	3.75
8 years	9.38	18.75	93.75	187.50	3.47	3.75
8½ years	9.38	18.75	93.75	187.50	3.47	3.75
9 years	9.38	18.75	93.75	187.50	3.48	3.75
9½ years	9.38	18.75	93.75	187.50	3.48	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.49	-------------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

Table IX—United States Savings Bonds—Series H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1956

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[3] 3.34
3 years	6.25	12.50	62.50	125.00	2.21	[4] 3.91
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
3½ years	$6.50	$13.00	$65.00	$130.00	2.26	4.03
4 years	6.50	13.00	65.00	130.00	2.30	4.17
4½ years	8.75	17.50	87.50	175.00	2.43	4.24
5 years	8.75	17.50	87.50	175.00	2.53	4.33
5½ years	9.75	19.50	97.50	195.00	2.65	4.38
6 years	9.75	19.50	97.50	195.00	2.74	4.45
6½ years	9.75	19.50	97.50	195.00	2.82	4.55
7 years	9.75	19.50	97.50	195.00	2.89	4.68
7½ years	9.75	19.50	97.50	195.00	2.95	4.87
8 years	10.60	21.20	106.00	212.00	3.02	5.07
8½ years	10.60	21.20	106.00	212.00	3.08	5.44
9 years	10.60	21.20	106.00	212.00	3.14	6.36
9½ years	10.60	21.20	106.00	212.00	3.19	12.99
9 years and 8 months (maturity)	10.60	21.20	106.00	212.00	3.33	------------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.34	3.75
1 year	9.37	18.75	93.75	187.50	3.36	3.75
1½ years	9.37	18.75	93.75	187.50	3.37	3.75
2 years	9.37	18.75	93.75	187.50	3.39	3.75
2½ years	9.37	18.75	93.75	187.50	3.40	3.75
3 years	9.37	18.75	93.75	187.50	3.41	3.75
3½ years	9.37	18.75	93.75	187.50	3.42	3.75
4 years	9.37	18.75	93.75	187.50	3.43	3.75
4½ years	9.37	18.75	93.75	187.50	3.44	3.75
5 years	9.38	18.75	93.75	187.50	3.44	3.75
5½ years	9.38	18.75	93.75	187.50	3.45	3.75
6 years	9.38	18.75	93.75	1875.0	3.46	3.75
6½ years	9.38	18.75	93.75	1875.0	3.47	3.75
7 years	9.38	18.75	93.75	187.50	3.47	3.75
7½ years	9.38	18.75	93.75	187.50	3.48	3.75
8 years	9.38	18.75	93.75	187.50	3.48	3.75
8½ years	9.38	18.75	93.75	187.50	3.49	3.75
9 years	9.38	18.75	93.75	187.50	3.49	3.75
9½ years	9.38	18.75	93.75	187.50	3.50	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.50	------------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks is: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

TABLE X—UNITED STATES SAVINGS BONDS—SERIES H

TABLE OF CHECKS ISSUED AND INVESTMENT YIELDS FOR BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1956, THROUGH JANUARY 1, 1957

Table showing: (1) Amounts of interest checks paid on United States savings bonds of Series H, by denominations, on each interest payment date following issue; (2) the approximate investment yield on the face value from issue date to each interest payment date; and (3) the approximate investment yield on the face value from each interest payment date (a) to maturity, or (b) to extended maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Face value: Maturity value / Redemption value [1] / Issue price	$500 / 500 / 500	$1,000 / 1,000 / 1,000	$5,000 / 5,000 / 5,000	$10,000 / 10,000 / 10,000	Approximate investment yield on face value [2]	
Period of time bond is held after issue date	(1) Amounts of interest checks for each denomination				(2) From issue date to each interest payment date	(3) From each interest payment date (a) to maturity [3]
					Percent	Percent
½ year	$2.00	$4.00	$20.00	$40.00	0.80	[3] 3.13
1 year	6.25	12.50	62.50	125.00	1.65	[3] 3.18
1½ years	6.25	12.50	62.50	125.00	1.93	[3] 3.22
2 years	6.25	12.50	62.50	125.00	2.07	[3] 3.27
2½ years	6.25	12.50	62.50	125.00	2.15	[4] 3.84
Amounts of interest checks and investment yields to maturity on basis of June 1, 1959, revision						
3 years	$6.50	$13.00	$65.00	$130.00	2.22	3.95
3½ years	6.50	13.00	65.00	130.00	2.28	4.07
4 years	6.50	13.00	65.00	130.00	2.32	4.21
4½ years	8.75	17.50	87.50	175.00	2.44	4.29
5 years	8.75	17.50	87.50	175.00	2.54	4.38
5½ years	10.00	20.00	100.00	200.00	2.66	4.43
6 years	10.00	20.00	100.00	200.00	2.77	4.50
6½ years	10.00	20.00	100.00	200.00	2.85	4.58
7 years	10.00	20.00	100.00	200.00	2.92	4.70
7½ years	10.00	20.00	100.00	200.00	2.99	4.87
8 years	10.60	21.20	106.00	212.00	3.06	5.07
8½ years	10.60	21.20	106.00	212.00	3.12	5.44
9 years	10.60	21.20	106.00	212.00	3.17	6.36
9½ years	10.60	21.20	106.00	212.00	3.22	12.99
9 years and 8 months (maturity)	10.60	21.20	106.00	212.00	3.36	----------
Period of time bond is held after maturity date	Extended maturity period					(b) to extended maturity [5]
½ year	$9.37	$18.75	$93.75	$187.50	3.37	3.75
1 year	9.37	18.75	93.75	187.50	3.39	3.75
1½ years	9.37	18.75	93.75	187.50	3.40	3.75
2 years	9.37	18.75	93.75	187.50	3.41	3.75
2½ years	9.37	18.75	93.75	187.50	3.42	3.75
3 years	9.37	18.75	93.75	187.50	3.43	3.75
3½ years	9.37	18.75	93.75	187.50	3.44	3.75
4 years	9.37	18.75	93.75	187.50	3.45	3.75
4½ years	9.37	18.75	93.75	187.50	3.46	3.75
5 years	9.38	18.75	93.75	187.50	3.47	3.75
5½ years	9.38	18.75	93.75	187.50	3.47	3.75
6 years	9.38	18.75	93.75	187.50	3.48	3.75
6½ years	9.38	18.75	93.75	187.50	3.49	3.75
7 years	9.38	18.75	93.75	187.50	3.49	3.75
7½ years	9.38	18.75	93.75	187.50	3.50	3.75
8 years	9.38	18.75	93.75	187.50	3.50	3.75
8½ years	9.38	18.75	93.75	187.50	3.51	3.75
9 years	9.38	18.75	93.75	187.50	3.51	3.75
9½ years	9.38	18.75	93.75	187.50	3.52	3.75
10 years (extended maturity) [6]	9.38	18.75	93.75	187.50	3.52	----------

[1] At all times, except that bond is not redeemable during first 6 months.
[2] Calculated on the basis of $1,000 bond.
[3] Approximate investment yield on the basis of original (prior to June 1, 1959, revision) schedule of interest checks: (1) 3.00 percent per annum for entire period from issuance to maturity. (2) As shown for any period from each interest payment date to maturity.
[4] Approximate investment yield from effective date of the June 1, 1959, revision to maturity.
[5] Approximate investment yield for the full 10-year extension is 3.75 percent per annum.
[6] 19 years—8 months from issue date.

EXHIBIT 10.—Second amendment, November 17, 1961, to Department Circular No. 905, Second Revision, regulations governing Series H savings bonds

TREASURY DEPARTMENT,
Washington, November 17, 1961.

In SEC. 332.7, paragraph (a) is hereby amended, effective January 1, 1962, to read as follows:

SEC. 332.7. *Limitation on holdings.*—The limits on the amount of any Series H bonds originally issued during any one calendar year that may be held by any one person at any one time (which will be computed in accordance with the regulations currently in force governing United States savings bonds) [1] are:

(a) *General limitation.*—$20,000 (maturity value) for the calendar year 1962 and each calendar year thereafter.

ROBERT V. ROOSA,
Acting Secretary of the Treasury.

Legislation

EXHIBIT 11.—An act to increase temporarily the public debt limit set forth in section 21 of the Second Liberty Bond Act

[Public Law 87-414, 87th Congress, H.R. 10050, March 13, 1962]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of the enactment of this Act and ending on June 30, 1962, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b), shall be temporarily increased by $2,000,000,000. Such increase shall be in addition to the temporary increase provided by the Act of June 30, 1961 (Public Law 87-69; 75 Stat. 148).

Public Debt. Temporary increase.

Approved March 13, 1962.

EXHIBIT 12.—An act to increase for a one-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act

[Public Law 87-512, 87th Congress, H.R. 11990, July 1, 1962]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b), shall be temporarily increased—

Debt limit, temporary increase. *Ante,* p. 23.

(1) during the period beginning on July 1, 1962, and ending on March 31, 1963, to $308,000,000,000,

(2) during the period beginning on April 1, 1963, and ending on June 24, 1963, to $305,000,000,000, and

(3) during the period beginning on June 25, 1963, and ending on June 30, 1963, to $300,000,000,000.

Approved July 1, 1962.

Financial Policy

EXHIBIT 13.—Statement by Secretary of the Treasury Dillon, January 30, 1962, before the Joint Economic Committee

The past twelve months have been an active, and I think fruitful, period in terms of our economic policy. In many ways, remarkable progress has been evident. Nevertheless, urgent problems remain. I am grateful for this opportunity to review with you today both our recent experience and our plans for meeting the needs of the future.

[1] Department Circular No. 530.

Progress and problems

Last year began in recession, but closed with output and income at new record highs. The personal hardship and economic waste of unemployment were reduced. Nearly a million workers were added to nonfarm payrolls. Industry, while working longer hours at higher pay, is also earning greater profits. And, while providing a higher standard of living for our citizens, we have strengthened our military defenses and contributed further to the economic progress of other, less fortunate nations.

This progress was achieved within a context of general price stability. On that solid base, exports reached a record volume, contributing to a significant reduction in our basic balance-of-payments deficit. At the same time, defenses against potentially disturbing short-term capital movements are being greatly reinforced. As a result, confidence in the dollar has been strengthened.

However, the economy is still operating well below its full potential. Our growth rate over recent years has hardly been satisfactory. Unemployment is still at an unacceptably high level. The deficit in our international accounts, while smaller, remains troublesome. And, the very progress of the past year, not only in this country but in other parts of the free world, has brought with it new problems to which we must find solutions.

Financial policies in 1961

There is no single, easy explanation for our progress during 1961. A large part of the answer lies in the natural vitality of our type of market economy operating under conditions of overall price stability—the fundamental prerequisite for all our attempts to achieve faster growth at home while simultaneously working toward a sustainable balance in our international accounts. That price stability, in turn, can be traced primarily to sharp gains in industrial efficiency and worker productivity as output expanded from its recession level, gains that enabled industry to pay higher wages and to increase profits without raising prices.

Government policy supplied another large part of the answer. First, there was the psychological, but nonetheless real, reaction that flowed from President Kennedy's earliest statements and programs. At home, the President's clear intent to deal with the recession promptly and effectively helped restore confidence in the economic outlook, encouraging expanded investment and spending. Similarly, the President's expressed determination to maintain the strength of the dollar internationally without resort to protection, controls, and restraints met with a prompt response. The speculative capital outflow subsided and the gold drain was sharply reduced.

This positive approach entailed, under the particular circumstances then prevailing, acceptance of a sizable budgetary deficit, which was further enlarged by the higher levels of defense spending called for by the Berlin crisis. At a time when human and industrial resources were readily available to expand output, the rising trend of Government outlays and the consequent deficit were important factors in speeding the recovery without creating pressures on the price structure.

The stimulating effects of the budget were reinforced by monetary and credit policies. Throughout the past year, the credit markets have had ample funds to meet the combined demands of businesses, individuals, and the various levels of Government, thus facilitating a revival in capital outlays, higher levels of home building, and steady progress toward meeting the accumulated needs of local governments. In sharp contrast to other recovery periods since World War II, lending rates have held almost steady, particularly in the long-term area. Both corporations and State and local governments can still raise funds at virtually the same cost as a year ago. Mortgage rates, after declining in the early part of 1961, have been substantially unchanged since last spring. This stability was particularly striking in a year when the total funds raised in the capital markets by corporations, homebuyers, and State and local governments, reached a new alltime peak.

All this was accomplished without permitting rates for short-term money market instruments to drop to the extremely low levels characteristic of earlier periods of easy money and recession. That was a significant achievement, for short-term rates, while less important in influencing investment activity at home, can play a critical role in directing the flow of liquid capital between the financial centers of the world. Here, Treasury debt management policy, as well as greater flexibility in the day-to-day conduct of open market operations, was an important factor.

Working in close cooperation with the Federal Reserve, the Treasury, in financing the deficit, increased the outstanding total of securities maturing within a year by more than $10 billion. At the same time, there was no shortening of the average maturity of the marketable public debt, largely as a result of the continued use of the "advance refunding" technique. This type of financing involves the exchange of outstanding issues for longer maturities, with a minimum impact on market conditions and flows of funds into productive investment.

This combination of a budgetary deficit with flexible monetary and debt management policies, carefully attuned to the realities of the balance of payments as well as domestic needs, was appropriate both in terms of magnitude and timing. The extremes of the 1958 recession—when the deficit reached nearly $12½ billion and interest rates dropped sharply, only to surge abruptly higher as recovery started—were successfully avoided. Financial policies were stimulating without being inflationary; the threat of disturbing short-term capital outflows was ameliorated. Moreover, business expansion has proceeded in orderly fashion. Today, signs of the sort of excesses that breed instability and require sudden changes in policy are notable for their absence.

Our basic goals

This does not mean, of course, that all the policies appropriate to the past twelve months are suitable for meeting the challenges of 1962. With recovery largely completed, the domestic focus must now be on maintaining forward momentum while guarding against inflationary pressures as our resources are more fully utilized. Confidence in the dollar has been maintained. To sustain that confidence, further progress toward a longrun equilibrium in our basic international accounts is a necessity.

Our fundamental objectives, domestic growth and a payments balance, must be pursued together, within the framework of free markets. All administration policy is pointed toward that end. We reject policies that presume irreconcilable conflict between our objectives; policies that attach sole priority to growth, or sacrifice growth to external equilibrium. These purported solutions are both unacceptable and unworkable in a world in which our capacity to grow is being challenged and our allies in freedom need the strength and stability assured by a solid dollar.

Success in reaching our twin objectives will require hard decisions, not only by those who shape the financial policies of Government, but also by those who set price and wage policies for management and labor.

A balanced budget

The President's Budget Message is a financial reflection of our national needs and priorities. Expenditures will rise moderately in fiscal 1963, almost entirely because of defense needs and despite painstaking elimination of nonessential spending, both military and civilian. These expenditures can and should be supported by a growing economy. In the light of past experience and current trends, the projections of a further rise in the Gross National Product (GNP) to $570 billion in 1962 that underlie the revenue estimates are entirely reasonable. Without raising tax rates an advance of this sort will generate revenues slightly larger than expenditures. Under the economic conditions we foresee, the achievement of such a balance is highly important in avoiding inflationary pressures as the economy moves closer to its full potential.

One result of this budget will be to reduce the possibility of severe strains on the monetary system as the economy expands, strains that could bring sharp and sudden increases in interest rates and unsettling market reactions that impede the flow of savings into productive investment. In 1956 and 1957, and particularly in 1959, strains of this sort appeared to be developing at a time when too much of the burden of maintaining balanced growth and curbing excesses was thrust upon the monetary authorities. Monetary policy is an essential and powerful tool for facilitating appropriate adjustments in the economy. But unless it is supported by appropriate budgetary policy, the results can be capricious and unpredictable, contributing too little to either stability or growth.

The debt ceiling

The President's recent request to raise the temporary debt limit to $308 billion is the result of an unavoidable concentration of revenues in the final half of fiscal 1963, a concentration that stems largely from the normal recurring seasonal pattern of tax receipts. Borrowing of about $9 billion will be necessary between the end of this fiscal year and the principal tax payment dates in fiscal 1963, even though the budget for the fiscal year as a whole is balanced. Moreover, while we anticipate that the total debt on June 30 of this year will be somewhat lower than the current figure of over $297½ billion, prompt enactment of an increased ceiling is needed to restore some margin for flexibility and unforeseen contingencies—a margin that has been virtually exhausted by the higher defense expenditures required to meet the Berlin crisis, which developed after the enactment of the current limit of $298 billion.

Measures to encourage investment

A balanced budget in times of relative prosperity means that the Federal Government on an overall basis does not draw on the national flow of savings available for investment. Thus a balanced budget in these circumstances promotes the flow of private investment.

Why is an increase in such investment so important to us today?

At the heart of the matter is the fact that it makes possible greater productive efficiency. Gains in efficiency are necessary for growth at home, for price stability, and for aggressive penetration of foreign markets. Thus, increased investment is the key to achieving our major objectives, growth and external balance, simultaneously in the years ahead. And, this is where the American economy has fallen furthest behind in recent years.

Since the mid-fifties investment in capital equipment in the United States has averaged less than 6 percent of the Gross National Product as compared to about 7 percent during the earlier postwar years. By contrast, German investment has been averaging about 12 percent of GNP during recent years, French between 8 and 9 percent, and the Common Market countries as a group about 10 percent. It is not a coincidence that these countries have been growing by roughly 5 percent per year, while generally maintaining a strong external payments position. Nor is it mere happenstance that some other countries, where productive investment has been a relatively small proportion of GNP, have had to cope with relatively slow growth and recurrent payments difficulties.

Certainly growth alone, or larger investment by itself, is no guarantee of external balance. But foreign experience strongly suggests that our twin objectives can be not only compatible, but mutually reinforcing.

In our economy, investment in plant and equipment is properly the province of private businesses, individually responding to the profit motive and competitive pressures by increasing production efficiencies and seeking out new markets. The Government nevertheless has an essential role to play in maintaining an economic climate that will encourage and facilitate the investment process.

I have mentioned the role of budgetary policy in this regard. But a balanced budget alone cannot meet our urgent need to increase our rate of investment in productive capital equipment. It is also vitally important that our tax system should recognize the need to accelerate the modernization of our physical plant and equipment.

This is why the administration has attached first priority, among tax reform measures, to the investment credit and the related revision in depreciation schedules. The first steps toward depreciation reform have already been taken with the new depreciation allowance guidelines for most of the textile industry. Revisions in guidelines for other industries will be announced this spring.

Based on exhaustive statistical and engineering studies, these administrative actions, consistent with the present law, recognize past experience and practices as well as the impact of technological advances and other factors on the economic life of plant and equipment. They will provide a much more realistic basis for taxation, and will stimulate business modernization and expansion. They can not alone, however, assure the necessary flow of funds into new productive facilities, nor will they place American firms on an equal footing with their competitors abroad, where special incentive allowances are commonplace. To achieve this, revision of depreciation guidelines must be accompanied by the proposed investment credit. These coordinated reforms go together and should not be separated.

In enacting the investment credit, we must also recognize the need to avoid a loss of revenue that could jeopardize the prospects for a vigorous recovery with stable prices. It is for this reason that the President is urging the simultaneous enactment of tax reforms that will balance the cost of the investment credit and at the same time eliminate certain defects and inequities in our tax structure.

Meanwhile the Treasury is continuing its intensive review of the broad issues of tax reform, including the structure of the personal income tax. Fundamental changes of this sort inevitably require careful preparation, and close analysis of a welter of detail. In the end, congressional hearings will provide the best assur-

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ance of a full and fair appraisal of the implications of any basic change in the tax laws. The President plans to submit to the Congress later in this session a broad program of tax reform so that this process of public scrutiny can get underway promptly, looking to enactment of the reform in 1963. Any comment now on the nature of these proposals would be premature, but a thorough-going reform of this type will almost certainly entail some adjustments in the basic individual tax rates.

Toward payments equilibrium

Tax reform to stimulate modernization of our industrial equipment provides a foundation for other efforts to improve our balance-of-payments position, including measures aimed directly at increasing exports to the large and rapidly growing markets of Europe and other developed countries. The administration is pursuing with vigor its program to make more American businesses aware of the opportunities in foreign markets, to familiarize those markets with American products, and to enlarge and speed the flow of information between American producers and their potential markets. A new and comprehensive program of export credit insurance, undertaken by the Export-Import Bank in cooperation with private insurance companies and banks, is now ready and will provide simplified procedures and comprehensive risk guarantees fully equivalent to those long available to most of our competitors abroad.

In today's world, export markets are highly competitive. The rapid growth and consolidation of the European Common Market, creating a free internal market but protected from outsiders by a wall of uniform tariffs, poses a serious problem, but it also presents a great opportunity. The problem is that we must assure ourselves of access to the richest of our foreign markets, a market to which we export almost $3½ billion per year, a far larger amount than we import from the same area. The opportunity lies in the mutual negotiation of lower tariffs on a reciprocal basis for broad groups of products, at one and the same time expanding our export potential and forging a strong Atlantic trading partnership. To seize this opportunity, President Kennedy has sent to Congress a new Trade Expansion Act.

Increased exports are, over the longrun, the most effective means of eliminating our basic balance-of-payments deficit in a manner consistent with our other objectives and responsibilities. But because of our current position, other efforts to reduce the drains directly related to our overseas commitments must be continued and reinforced.

One of the most important is the negotiation of arrangements with certain of our allies to offset the dollar outflow arising from maintaining our military forces overseas. In addition, a large portion of our economic assistance is being tied to purchases in this country. And, the proposed legislation to equalize the impact of the corporate income tax on business operations at home and in developed countries abroad would eliminate a special stimulus to investment in industrialized nations.

The balance of payments in 1961

Although some of these measures have been in effect for only a limited period of time and others are yet to be undertaken, our balance of payments showed substantial improvement for 1961 as a whole. While firm data are still not available, current indications are that the basic deficit—the net of all our recorded transactions except volatile short-term capital flows—declined to roughly $600 million, as compared to almost $2 billion during 1960. A part of this improvement, almost $700 million, can be credited to advance repayments by foreigners of long-term Government loans. Nevertheless, the improvement in the remainder of the basic account was substantial. Preliminary figures point to an overall deficit, including short-term capital outflows, approximating $2.5 billion, down from $3.9 billion in 1960 and from an average of $3.7 billion over the three years 1958–1960.

Much remains to be done before equilibrium is restored. Some yearend figures now becoming available and tentative data for the fourth quarter emphasize the need for caution. The overall deficit appears to have risen to well over $1 billion in the final quarter, considerably above the average for the first three quarters of the year.

The increase in the deficit from the third to fourth quarters appears to have been entirely a matter of short-term capital outflows, one of the most elusive items to pin down statistically. Estimates now at hand suggest that these flows, for the year as a whole, were almost as large as in 1960.

There were, however, clear and significant differences in the character of these outflows. In 1960, reflecting some uncertainty over the stability of the dollar, the outflow had been in considerable part of a speculative character, and the flows were quickly translated into a drain of gold. This disruptive speculation ceased early in 1961. There was, however, a continuing outflow of short-term funds over the first three quarters of 1961, related largely to an increase in the financing of foreign trade by American banks.

In the fourth quarter, a further outflow from this source was coupled with large shifts of liquid funds to foreign markets, partly in response to interest rate differentials, and partly related to certain quirks in the impact of domestic and foreign tax treatment of earnings of American companies with operations in Canada resulting from changes made in Canadian tax laws during the year. Some shifts recorded as an outflow were apparently promptly reinvested in the New York market by agencies of foreign banks. This again seems to be the case particularly with Canadian banks and their agencies. We cannot as yet pinpoint the relative weight of all these factors. There are serious questions whether our conventional classifications of short-term capital flows accurately reflect their true significance for the balance of payments. This difficult subject is presently a matter of intensive study.

Certainly, the fact that the exchange markets have been calm for months belies any implication that these recent outflows are a symptom of concern about the dollar. So does the fact that a much smaller proportion of the dollars flowing abroad was converted into gold during 1961. In addition early and necessarily fragmentary data for January indicate that these unusual outflows have ceased.

Strengthening the international monetary system

Whatever their cause, the large flows of short-term capital since the institution of currency convertibility by major foreign countries provide evidence of the need to bulwark the dollar and the whole international payments mechanism against their potentially disturbing impact. In a world of convertible currencies and free markets, sizable flows of liquid funds between markets can be expected as a natural response to myriad changes in both our own and foreign economies. The danger is that, under certain circumstances, they may set off self-propelling speculative movements.

During the past year, we have used three approaches in dealing with this problem:

For many months, the Treasury, operating within the framework of the newly created Organization of Economic Cooperation and Development, has been conducting fruitful consultations with other financial powers on a periodic basis. These discussions have laid the foundation of common understanding and cooperation that is a prerequisite for effective international action to prevent, limit, or offset currency movements that could undermine a stable monetary system. They have been supplemented by Federal Reserve participation in the regular meetings of European central bankers at Basle, and by bilateral consulations with our principal financial partners.

The Treasury also has undertaken the purchase and sale of foreign currencies for the first time in a generation. These operations helped at certain critical periods to reduce incentives to shift funds abroad on a speculative basis or to take advantage of temporary differentials in the exchange markets. The Federal Reserve has also recently decided to undertake operations in foreign currencies, a development which we in Treasury regard as highly promising. Chairman Martin will be elaborating further on this approach during his testimony this afternoon. I look forward to our continued cooperation with the Federal Reserve in the international field, just as in the domestic area.

Finally, and most significant for the strengthening of the international monetary system, is the agreement reached among ten of the major industrialized countries to buttress the resources and capabilities of the International Monetary Fund by lending it specified amounts of their own currencies when necessary to cope with temporary stresses. This $6 billion of standby facilities, including almost $2½ billion of European Common Market currencies, will both reduce the likelihood of a "run" on any member currency and provide the means to withstand the impact of a speculative attack should one develop. The new arrangements will powerfully reinforce the effectiveness of the Fund, and could be of great assistance to the United States. Enabling legislation will be submitted to the Congress shortly.

Economic security and stabilization

The President has proposed a series of measures to promote greater economic security for all our people, to permit more of our citizens to share fairly in the growth of the economy, and to reduce the hardships and waste of recurrent recessions. Aid to depressed areas and worker retraining can help speed growth and eliminate pockets of hardship. Broadened unemployment insurance can both reduce personal misfortune and strengthen the "automatic stabilizers" that have helped prevent our postwar recessions from turning into full scale depressions. And, a reserve shelf of public works will strengthen our defenses against a possible future recession.

The President has also set before you a carefully devised plan for introducing an element of flexibility into our tax structure. The measure would facilitate a timely, but temporary, reduction in personal income tax rates, at his initiative, in the event of a serious business downturn. Its significance lies in the fact that a reduction in personal tax rates could speedily give a powerful boost to consumer spending power at critical junctures, when delay might permit cumulative downward forces to take hold. Adequate safeguards are provided, including strict limits on the amount and duration of any such tax reduction. This carefully circumscribed delegation of authority to the President, always subject to congressional veto, would be a significant addition to our arsenal of antirecessionary weapons.

The continuing challenge

The continuing economic challenge before us is clear: We must fashion the most effective arrangements possible to assure that our free economy will reach its unrivalled potential and enable us to fulfill our responsibilities for leadership in the free world. In meeting that challenge, we are acting in those areas where Government can appropriately and helpfully initiate new programs and policies. Equally important, we have tried to be conscious of those things Government cannot do, or that the private sector of our economy can do better.

The essential and unique characteristic of the American economy is the strength it derives from individual freedom for all of us, as workers, employers, owners, and consumers. In shaping our program for the years ahead, we are working toward the sort of environment that will strengthen and preserve that precious heritage.

Public Debt Management

EXHIBIT 14.—Statement by Secretary of the Treasury Dillon, February 28, 1962, before the Senate Finance Committee on the public debt limit

I am here today in support of H.R. 10050, approved by the House of Representatives on February 20, 1962, which provides for a temporary increase of $2 billion in the public debt limit to a total of $300 billion for the remainder of the current fiscal year. As you know, the President in his Budget Message requested an increase to $308 billion for the fiscal year 1963. It will be necessary to request the Congress later in this session to approve the additional $8 billion before June 30, 1962.

The Treasury is confronted with a serious situation: Under present legislation we are operating under a debt ceiling of $298 billion. This is made up of the permanent limit of $285 billion, plus a temporary increase of $13 billion enacted last June which expires June 30, 1962. In fixing the present ceiling at $298 billion, the Congress gave consideration to the Treasury's estimate of a high point in this fiscal year of $295 billion in the amount of debt outstanding subject to the limitation, plus a margin of $3 billion to provide for flexibility in financing and for contingencies. When the request was made for the $298 billion ceiling last June we were basing the amount required on the estimated budget deficit for fiscal year 1962, which at that time was $3.7 billion. Since then, mainly because of increased defense expenditures necessitated by the Berlin situation, the estimated budget deficit for this fiscal year has grown to $7.0 billion.

That increase in the deficit has, in effect, used up our margin of flexibility. The debt subject to the limit is now very close to the ceiling. This situation imposes serious operating difficulties on the Treasury for the remainder of the fiscal year 1962. There is no leeway as far as market financing operations are concerned, nor is there a margin to handle the necessary fluctuations in trust fund investments which are carried on mainly through special issues of public debt obligations.

When the debt ceiling becomes too restrictive, it forces the Treasury to obtain some relief through such unusual and costly measures as utilizing the borrowing power of certain Government agencies. This had to be done several times from

1953 to 1958 when the debt limit leeway became virtually exhausted. There have also been other times, including a quite recent occasion, when the Treasury because of a very low margin under the debt ceiling, has been forced, in its own financing operations, to defer some borrowing when it would have been most advantageous.

The table I am submitting to the committee shows our debt projections at semimonthly intervals for the remainder of the fiscal year 1962. The $2 billion increase we are requesting in the temporary limitation is the smallest increase that would meet essential requirements for the rest of this fiscal year. It will be noted from this table that a $300 billion ceiling will afford us a margin of only $2.1 billion in March, and only $800 million in June.

It is important to observe that for the purpose of these projections, we have assumed that the Treasury's operating cash balance at the Federal Reserve Banks and in Treasury tax and loan accounts in commercial banks would hold steady throughout the periods covered at $3.5 billion. This is not a large balance in relation to our Government's tremendous cash requirements. It represents less than half of an average month's budget expenditures. It is equal to a little more than one-third of one month's total cash payments to the public, not counting cash paid out to redeem public debt obligations. During the past twelve months, the operating cash balance has averaged about $4.5 billion, giving us a highly desirable degree of flexibility in the conduct of day-to-day Treasury operations.

I believe that a temporary increase in the debt limit to $300 billion is essential to the orderly and economical management of the Government's finances for the remainder of this fiscal year. I earnestly recommend its favorable consideration and prompt approval by this committee.

Actual and estimated public debt outstanding fiscal year 1962, with estimates based on constant operating cash balance of $3,500,000,000 (excluding free gold)

[In billions. Estimates based on 1963 Budget document]

Date	Operating balance Federal Reserve Banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
		ACTUAL		
1961—June 30	$5.9	$288.9		
July 15	3.3	289.1		
July 31	5.8	292.2		
Aug. 15	4.2	292.1		
Aug. 31	5.3	293.5		
Sept. 15	3.1	293.2		
Sept. 30	8.1	293.6		
Oct. 15	7.0	296.0		
Oct. 31	5.4	295.5		
Nov. 15	4.7	296.7		
Nov. 30	5.4	296.9		
Dec. 15	2.8	297.0		
Dec. 31	5.7	296.1		
1962—Jan. 15	3.1	296.3		
Jan. 31	3.9	296.4		
Feb. 15	3.0	296.3		
		ESTIMATED		
Feb. 28	3.5	295.3	$3.0	$298.3
Mar. 15	3.5	297.9	[1] 2.1	300.0
Mar. 31	3.5	293.3	3.0	296.3
Apr. 15	3.5	296.8	3.0	299.8
Apr. 30	3.5	296.1	3.0	299.1
May 15	3.5	296.3	3.0	299.3
May 31	3.5	296.6	3.0	299.6
June 15	3.5	299.2	[1] .8	300.0
June 30	3.5	294.0	3.0	297.0

[1] Temporarily the full $3 billion flexibility will not be available on these dates.

Exhibit 15.—Statement by Secretary of the Treasury Dillon, March 14, 1962, before the Senate Finance Committee on debt management policies

I welcome the opportunity to discuss with this distinguished committee the Treasury's debt management policies and, in particular, our use of advance refunding as a tool in achieving our debt management objectives.

The management of the debt is one of the major financial responsibilities of the Federal Government and it is, in addition, an important arm of economic policy-making. If the Federal debt were small, we could afford to manage it much as the treasurer of a corporation manages his company's debt, without giving much thought to the impact of our operations on the money markets and the economy. This is not, however, the case. The magnitude of the Federal debt is such that the decisions made in managing the debt can have profound effects on the money markets, on the structure of interest rates, and on the magnitude of the flow of funds into corporate and municipal bonds and mortgages. Moreover, debt management decisions can have a significant impact on the liquidity of the economy, on the effectiveness of monetary policy, and on the balance of payments.

All of this means that the management of the debt is a continuous and unrelenting task. Even in a year in which the Federal budget is in balance, debt operations on a very large scale must be carried out both to meet the seasonal financial needs of the Government and to refund maturing obligations.

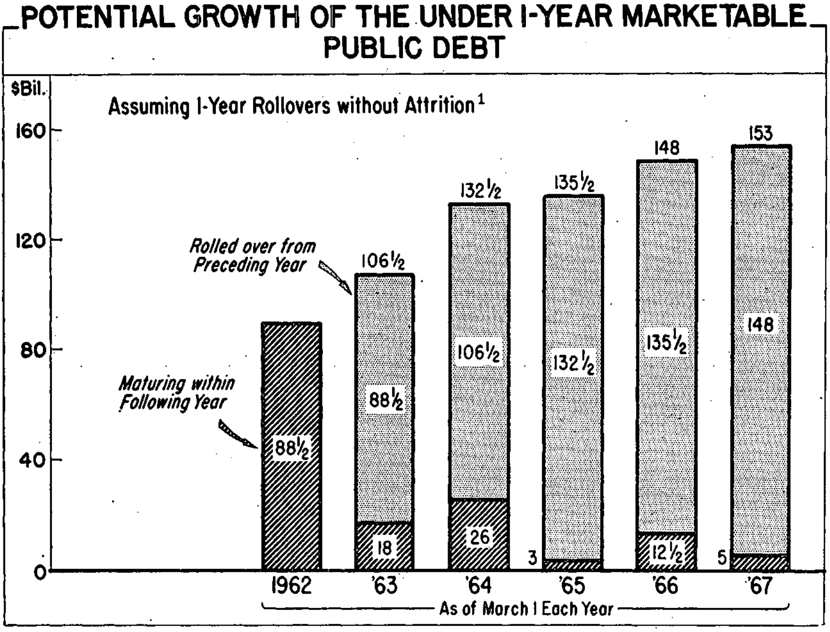
The primary objective of debt management is to assure a satisfactory placement of the debt, and our aim must always be to minimize the burden on the American taxpayer of the interest cost of the debt. An important objective of economic policy with respect to debt management is to help create conditions in the money and capital markets which are most conducive to the orderly growth of the economy without inflation. A further objective, now of very great importance, is to conduct operations in such a way as to contribute toward the achievement of equilibrium in our balance of payments. We must constantly blend these objectives so as to obtain the overall result that most clearly reflects the national interest at the moment, as well as over the long term.

In seeking to attain these debt management objectives, we are continually striving to produce a more balanced maturity structure for the debt, that is, a broad distribution of the outstanding debt among holders interested in short-term securities, others who want issues of intermediate term, and those whose needs are for long-term bonds. This will enable us to reach all types of demand for Government securities and to avoid the problems produced by an excessive concentration of debt in a particular maturity area.

One of the Treasury's principal instruments in working toward the needed restructuring of the debt over the past few years has been the advance refunding. I would like to emphasize, however, that the achievement of a more balanced debt structure is not an end in itself. It is a necessary means toward achieving all of the other goals that I have already mentioned. We do not advocate lengthening the debt structure merely for its own sake. If it were possible to accomplish all of our objectives with a Federal debt entirely composed of short maturities, our problem, in some respects, might be easier. In that same light, the shortest maturity of all would be that of printing money. But merely to mention that extreme result—the ultimate result of continually shortening the maturity of the debt—is to give the answer. The eventual breakdown of the entire payments mechanism would be the inevitable end of that kind of course.

One fact of life which bears heavily on any debt manager is that, unless he moves in a fairly regular fashion to put out reasonable amounts of intermediate and long-term debt, he will, within the space of a few years, find himself with a debt that is predominantly short-term in character, and getting shorter every day. In this connection, I would like to call your attention to chart A. This chart shows what would happen to the size of the under one-year debt if, beginning today, we were to refund all maturing securities with one-year issues during the next five years. With no change in the total size of the debt, the amount of debt maturing within one year would rise from the present level of $88.5 billion to $132.4 billion in two years and to $153.1 billion in five years. As a percentage of the present total of outstanding marketable debt, this would mean a rise from 45 percent to 67 percent to 77 percent.

CHART A



[1] Without any future change in the marketable debt or in the volume of seasonal bills. Partially tax-exempt bonds to earliest call date.

Granted that the printing press extreme is out of the question, why, though, should a concentration of debt in the short-term area cause serious economic problems? Why are we seeking a balanced maturity structure which includes reasonable amounts of intermediate and long-term debt? These are the questions I would like to discuss further before considering the subsequent question: namely, if it should be agreed that we ought to put out some long-term debt, why use the advance refunding technique rather than offering long-term issues for cash or in regular refunding operations?

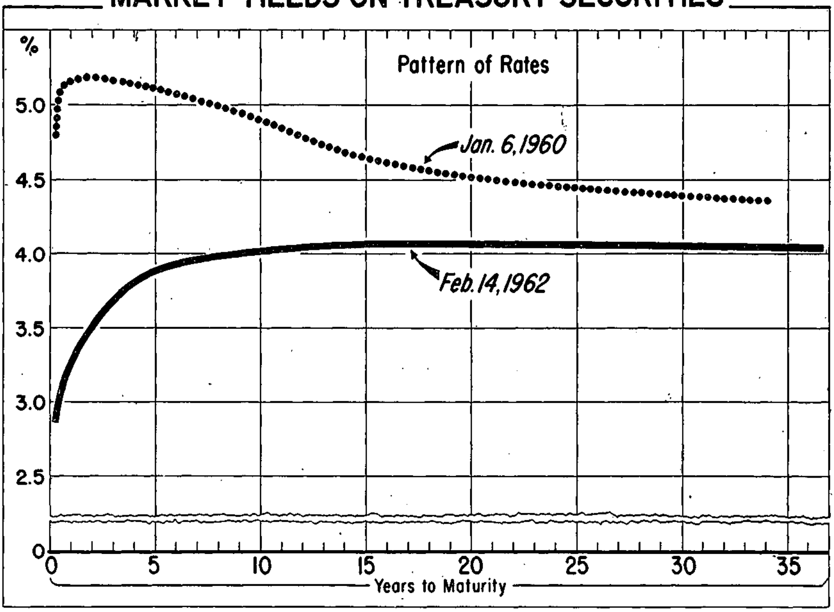
Off hand, looking at the smooth manner in which our short-term security operations have usually been carried out, with relatively little disruptive impact on the money markets, and at interest rates usually lower than on longer-term issues, one might ask why we do not put the entire Federal debt in short-term securities.

The answer is that the short debt only behaves this way now because we have kept its size down to the present relative magnitudes. While it is true that there is a strong demand for short-term Government securities, the demand is not without limits. If the Federal Government were to try to increase the supply of short-term securities far beyond the needs of the economy for this kind of instrument, yields would be certain to rise sharply. As a consequence, if we were to concentrate the entire Federal debt in maturities of five years or less, the average interest cost of the debt would probably be at least as high as it is with our present debt structure.

A good example of what can happen when the Federal Goverment pushes more debt into a particular maturity area than the economy wishes to hold is provided by the experience of 1959. Because, under the interest rate ceiling, it could not offer securities with a maturity over five years bearing a coupon higher than 4¼ percent, while the market demanded a higher rate, the Treasury concentrated all of its financing operations from April 1959 through March 1960 in the five-year or under area. During that period you will recall that the debt increased by $9.1 billion. I would like to call your attention to chart B, which shows the effect on yields of this concentration of relatively short-term financing. Chart B shows the pattern of yields on Government securities in January 1960, when short-term issues from 91-day bills out to five-year notes were selling at higher yields than bonds maturing in twenty-five to thirty-five years. I need not remind you that we have only one outstanding U.S. Government security bearing a coupon of 5 percent. This was a 4-year and 10-month obligation sold on October 6, 1959. Without reviewing the experience of 1959 and early 1960 in detail or the related role of Federal Reserve action and other market factors at that time, the events of that period provide a vivid demonstration that concentrating an excessive amount of Treasury securities in short maturities, a greater quantity than the market desires to absorb, produces higher rather than lower interest costs.

CHART B

MARKET YIELDS ON TREASURY SECURITIES



As time passes and the economy grows, the demand for short-term Government securities for use as liquidity reserves will also grow, and it would be quite appropriate for the Treasury to expand the outstanding volume of short-term Government securities consistent with this growing demand. During 1961, the outstanding amount of Government securities maturing within one-year was increased by $10.6 billion. Thus far in 1962, the under one-year debt has been increased by an additional $2.6 billion. We have not been reluctant to increase the outstanding short-term debt in those quantities which we felt the economy could appropriately absorb, and we will continue to do so in the future.

Increasing the supply of short-term securities, of course, tends to put upward pressure on short-term rates. One of the Treasury's purposes in increasing the volume of under one-year debt during the past year has been to do just that—to put upward pressure on short-term interest rates and, thereby, to keep our short-term rates in reasonable equilibrium with rates in other countries. The objective was to deter outflows of short-term money to foreign countries stemming from interest rate differentials, outflows which would weaken our balance-of-payments position. In substantially increasing the supply of under one-year debt, the Treasury did help to push short-term rates higher, as illustrated by the fact that yields on 3-month Treasury bills have moved up from around 2.25 percent in January 1961 to 2.80 percent at present.

Even if it were possible to reduce substantially the burden of interest costs by concentrating on relatively short-term security offerings, which we do not believe to be true, there is a vital economic reason for avoiding an excessive concentration of short-term debt; that is, the undesirable effects of such an excessive concentration on the liquidity of the economy and the effectiveness of monetary policy.

Short-term Government securities are close substitutes for money. They can be turned into cash quickly, with little marketing cost and relatively little risk of loss. A banking system holding excessive quantities of short-term Government securities will respond only slowly to monetary controls. This means that to achieve a given level of monetary restraint the Federal Reserve would be required to adopt more restrictive measures than would otherwise be necessary.

An excessive volume of short-term debt hampers an effective monetary policy in still another way. The shorter the maturity structure of the debt, the more often the Treasury must come to the market in sizable refunding operations. Because of the magnitude of Treasury debt operations, it has always been considered essential that the Federal Reserve maintain an "even keel" in the market during such operations. However, if the Treasury is almost continually in the market, the Federal Reserve will find itself with very little room to operate in carrying out its responsibilities. A balanced debt structure, which reduces the number of occasions during the year that the Treasury must carry out sizable refunding operations, will make for the exercise of more effective monetary control by the Federal Reserve.

For all of these reasons, it is essential that the Treasury, from time to time, put out some longer-term debt. If this must be done, why is it often more advantageous to put out longer-term debt through advance refunding rather than through direct cash sales or regular refunding operations?

There are three important and unique advantages to the Treasury in the advance refunding approach. First, and most important, the advance refunding technique does not immediately pull large blocks of long-term funds out of the capital markets, funds which otherwise would go into corporate and municipal bonds or mortgages. What this means is that job-creating business investments and the financing necessary to build schools, roads, other public improvements, and homes will not be curtailed. Were the Treasury to sell any substantial quantity of long-term bonds for cash, it would immediately reduce the quantity of long-term funds available for private investment and investment by State and local governments and, thereby, slow down our economic expansion. With the economy still operating well below capacity levels, we believe that this would be poor economic policy.

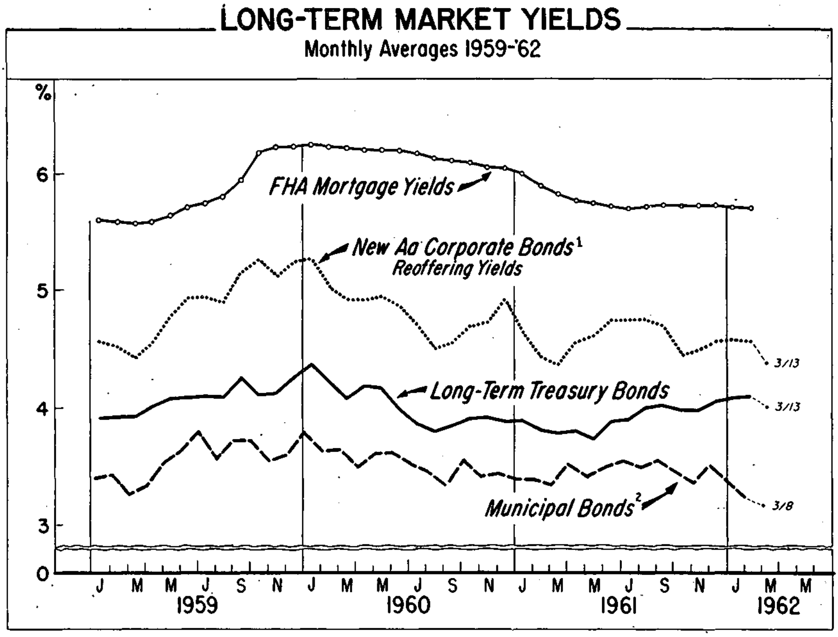
The advance refunding, however, has the least possible immediate impact on the current flow of new long-term savings. It merely changes the form in which old savings are held by lengthening the maturity of the obligation. New cash funds are not involved, except to the relatively minor extent that some investors buy the eligible securities in the market in order to make the exchange, and even in such cases an equivalent amount of funds is freed for other uses.

By use of the advance refunding technique, the Treasury can assure the retention of its regular customers for genuine long-term investments. This is not possible if long-term securities are only sold as part of regular refundings since, for a considerable period before the maturing securities come due, they have become liquid money market instruments; and their ownership has largely been shifted out of the hands of long-term investors into the hands of short-term investors who are not likely to be interested in long-term securities.

A second important advantage of advance refunding is that, through this technique, a substantial quantity of long-term bonds can be added to the Government's debt structure with an absolute minimum of upward pressure on long-term interest rates. This was the experience in earlier advance refundings, and it was certainly the experience in our most recent operation. In last month's advance refunding, we placed an additional $1.4 billion in bonds maturing in 1990 and 1998 in the hands of the public. Yet the level of long-term Government bond yields is somewhat lower today than it was at the time we announced the advance refunding on February 15. The level of long-term interest rates in both the corporate and the municipal bond markets is lower now than on February 15. If we had attempted to sell $1.4 billion of long-term bonds in the current market as a cash offering or regular refunding, we would certainly have put substantial and immediate upward pressures on long-term bond yields.

The administration's policy on long-term interest rates has been stated on many occasions during the past year. We have continually sought to avoid putting upward pressures on long-term interest rates, in order to provide the kind of atmosphere in the capital markets conducive to a large flow of long-term funds into private investment. Our debt management policies have been and are being directed toward this end. We feel that our efforts in this direction have been successful. For 1961 saw the largest combined flow of funds into corporate bonds, municipal bonds, and mortgages in our history and, despite this fact, long-term interest rates, on the whole, are no higher today than they were a year ago, when we were close to the bottom of the recession (see chart C). While yields on long-term U.S. Government bonds are about ¼ of one percent higher than a year ago, yields on corporate bonds are approximately unchanged and those on municipal bonds and mortgages are lower. In considering these results, we should realize that the most important long-term rates from the point of view of the economy are those for new corporate borrowing, for the sale of new municipal bonds, and for mortgages, since they finance new jobs and new schools, roads, and homes.

CHART C



[1] Estimate of average yields on Moody's Aa rated new Corporate bonds.
[2] Bond Buyers average of 20 bonds on first Thursday in each month.

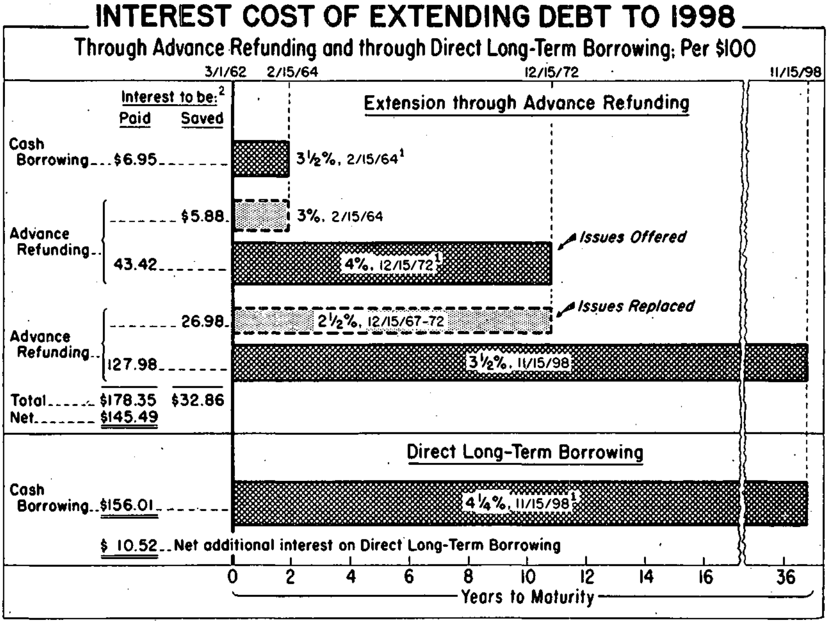
A third important reason for using the advance refunding approach is that it is usually the cheapest way for the Treasury to put out long-term securities. There is one simple reason for this. When the Treasury puts out long-term securities for cash or in a regular refunding, we must appeal to investors who have complete freedom of action. They are free to choose among our Treasury offerings, corporate bonds, corporate equities, municipal bonds, mortgages, and still other alternatives. The yields on our long-term cash or refunding issues must be fully competitive with these alternatives.

However, in an advance refunding we are appealing to a group of investors who do not have complete freedom of action. To move out of their present holdings, many of these investors would have to realize substantial capital losses on market sales. Through the advance refunding, these investors may extend the maturity of their holdings without putting capital losses on their books and with a minimum of inconvenience and uncertainty. It is because of this special appeal of an advance refunding to those who otherwise would not wish to disturb their holdings that the Treasury can in this way put out larger quantities of long-term bonds at lower interest costs to the taxpayer than would be possible by other means.

I mentioned earlier that we placed in the hands of private investors $1.4 billion of bonds maturing in 1990 and 1998 in last month's advance refunding. To have attempted to sell such a large quantity of long-term bonds for cash would have required a greater total interest cost to the Treasury than we paid in our advance refunding offering.

I would like to present a numerical example, which, I believe, illustrates this last point. While the situation is hypothetical, it rather closely parallels the form of last month's advance refunding. The details of the example are shown in chart D, but I will attempt to summarize the principal features.

CHART D



¹ Hypothetical issues based on market pattern of rates on Feb. 14, 1962: 3½% note due Feb. 15, 1964, "sold" at a discount to yield 3.55%; 4% bond due Dec. 15, 1972, "exchanged" for 3% bond due Feb. 15, 1964, plus $0.25 per $100 payable by the Treasury; and 4¼% bond due Nov. 15, 1998, "sold" at par. Other issues were actually involved in the latest advance refunding.

² Interest figures are simple arithmetic totals. They are not discounted to present value. Even when discounted at 4.25% (the rate for 1998 cash borrowing directly) the net discounted cost through advance refunding is lower.

In the example we assume that the Treasury needs to borrow $1 billion in cash and that, to improve the debt structure, it is desirable to place this $1 billion out in the 1998 maturity area. We can accomplish these objectives in one of two ways. One way, of course, is to sell a $1 billion 1998 bond directly for cash. An alternative is to place $1 billion in bonds out in the 1998 area through advance refunding and to raise the required cash through the sale of a short-term issue in the maturity area vacated by the advance refunding.

We will assume that the $1 billion of 1998 bonds could have been sold for cash in the present market with a 4¼ percent coupon, priced at par. In the opinion of the Treasury, this interest cost assumption for the sale of such a large quantity of new long-term bonds is most conservative. Even on the basis of this conservative assumption the total interest payments on these 4¼ percent bonds through their maturity in 1998 would amount to $156.01 per $100 of bonds sold.

Now let us look at an alternative way of handling the situation which, as I noted earlier, rather closely parallels last month's advance refunding operation. It is, in effect, a way of putting an issue into the long-term area while drawing funds from the shorter-term area. This is done by what some market observers have called "leap frogging". Not all of the leaps may occur at once; but to make this example clear, I will assume that they do. What happens is that a 10-year issue, for example, is converted into a 36-year issue; then, following behind that, a 2-year issue is converted into a 10-year issue. There are two leaps involved: one from 10 out to 36 years; the second from 2 out to 10 years. In effect, the second move has filled in the space vacated when the first move occurred.

After that, the third step is an easy one: borrow for cash at a two-year maturity. In the end, then, the Treasury will have its cash. It will have borrowed the cash at the two-year rate of interest, but it will have no more two-year debt outstanding than before the operation began. Nor will it have any more 10-year debt than before. The only increase will have occurred in the 36-year debt.

Now let me repeat the example more precisely, using issues and prices now in the market. What we have here is a combination "junior" and "senior" advance refunding. The "senior" portion involves the advance refunding of $1 billion of 2½ percent bonds maturing in 1972 into 3½ percent bonds maturing in 1998. To fill the 1972 vacancy in the maturity structure created by this "senior" advance refunding, there is a "junior" advance refunding of 3 percent bonds maturing in 1964 into 4 percent bonds maturing in 1972. Finally, to meet the $1 billion cash requirement, the 1964 gap in the maturity structure created by the "junior" advance refunding is filled by selling for cash $1 billion of 3½ percent notes maturing in 1964.

Adding the interest payments to maturity on the 1964 note which we would sell for cash, and the interest payments on the 1972 bonds placed through the "junior" advance refunding and the 1998 bonds placed through the "senior" advance refunding, we find that the total interest cost resulting from this three-part operation over the entire period to 1998 is $145.49 per $100 borrowed. Thus, we would have achieved our objectives of raising $1 billion in cash and placing $1 billion in bonds out in the 1998 area through advance refunding at a total interest cost during the period of $10.52 less per $100 borrowed than if we had issued $1 billion of 4¼ percent 1998 bonds directly for cash. The total interest cost savings on the $1 billion of debt would have amounted to $105.2 million.

Moreover, the debt management objectives would have been achieved without draining new long-term funds out of the capital markets or placing any overall upward pressure on long-term interest rates.

The basic reason that the advance refunding approach resulted in a lower total interest cost to the Treasury is that, in the "senior" advance refunding, holders of the 1972 maturities were induced to extend an additional 26 years with a 3½ percent coupon, ¾ of 1 percent below the minimum coupon that would have been required for a direct cash sale of 1998 bonds. In order to induce the holders of the 1972 bonds to extend to 1998 at 3½ percent, the Treasury had to offer to increase their return from 2½ percent to 3½ percent during the ten years from 1962 to 1972, but this was an exchange that the Treasury could well afford to make. It represented a payment of 1 percent in additional interest for the next 10 years in return for a saving of ¾ of 1 percent in interest over the following 26 years—a fair offer but no bonanza.[1]

In our last advance refunding, 19 percent of the public holdings of the 2½ percent bonds of 1967–72 were exchanged for 3½ percent bonds maturing in 1990 and 1998. This was a response with which the Treasury was well satisfied. But if this had been a windfall offering, something which involved an undeserved gain for the investor, one would have to conclude that American investors holding 81 percent of the bonds did not know a windfall when they saw one, because 81 percent of the bonds were not exchanged.

To sum up, the advance refunding offers a number of unique advantages to the Treasury. Through this device, it is possible to put out substantial quantities of long-term Treasury bonds with the least possible drain of new long-term funds out of private investment channels and with the minimum of upward pressures

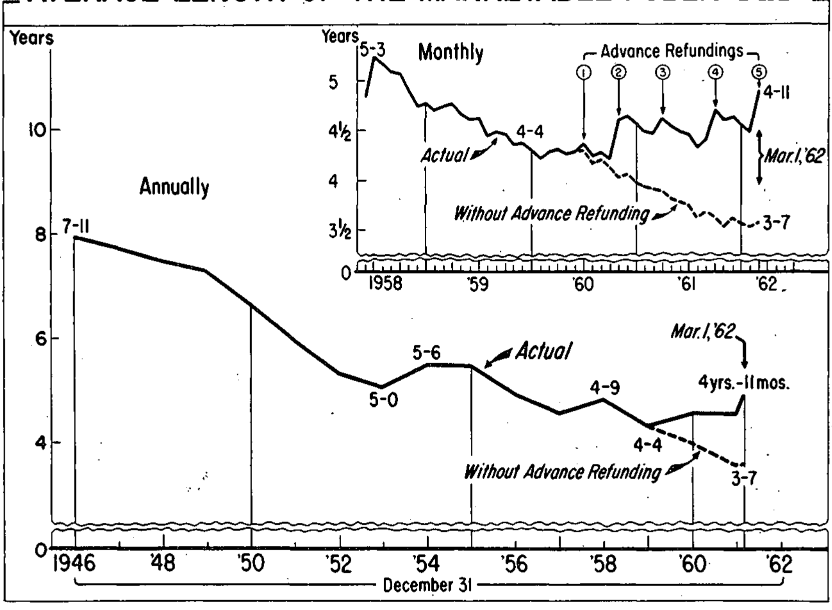
[1] The calculated interest costs and interest savings in the five advance refundings are summarized in the tables attached to the appended correspondence with Senator John J. Williams.

on long-term interest rates. In addition, this technique has enabled the Treasury to place long-term bonds in private hands at lower interest costs than could have been possible through cash offerings or regular refunding offerings of any comparable size. To be sure, as market conditions shift about, there will be times when long-term cash issues or refunding exchanges will also be appropriate. But the appraisal will depend in large part upon analysis of alternatives such as I have tried to outline here. Clearly, in the toolkit of debt management, advance refunding must be recognized as an instrument of major importance.

Advance refunding was first used by my predecessor, Secretary Anderson, who conducted two advance refunding operations in 1960. Last month's operation was this administration's third use of this technique, making a total of five advance refundings in all. These advance refunding operations have accomplished much in producing a more balanced maturity structure for the debt. The average length of the debt today is 4 years and 11 months, the longest it has been since the fall of 1958. If the five advance refundings had not been undertaken, the average length of the debt would now be only 3 years and 7 months, almost 30 percent shorter (see chart E). We now have \$15.2 billion in outstanding debt maturing beyond 20 years. \$7.7 billion, or just over half of this total, was placed through advance refunding.

CHART E

AVERAGE LENGTH OF THE MARKETABLE PUBLIC DEBT[1]



[1] Adjusted to exclude 2½% bonds exchanged for nonmarketable 2¾% bonds. Partially tax-exempt bonds to earliest call date; all other callable bonds to maturity.

In conclusion, advance refunding is a technique that we would hope to use again in the future, whenever circumstances are appropriate for its use. In seeking to conduct our debt management operations in a responsible manner, we will continue to be mindful of the need to minimize the interest burden of the debt, and we will also continue to be mindful that our debt management policies, through their impact on the money and capital markets, must contribute toward our major economic objectives of sound economic growth, reasonable price stability, and equilibrium in our balance-of-payments position.

WASHINGTON, D.C., *March 5, 1962.*

Honorable DOUGLAS DILLON,
Secretary of the Treasury,
Washington 25, D.C.

MY DEAR MR. SECRETARY:

In connection with the series of advance refunding operations by the Treasury Department I would appreciate the following information:

1. The maturity date and the coupon rate of the outstanding bonds involved in the refunding operation and the maturity date and coupon rate of the new bonds offered in transfer.
2. The total amount of these bonds of each series which were traded for the new issue (if more than one issue is involved give the amount involved in each transfer).
3. In connection with each refunding operation please furnish the total amount of additional interest which will be paid by the Government to these new bondholders during the period between the date of the refunding operation and the original date of maturity of the bonds traded in.

What I am trying to establish is how much additional interest the Federal Government will be paying during the next five to ten years above the amount which would have been paid had these low coupon bonds been allowed to mature in a normal manner.

Yours sincerely,

JOHN J. WILLIAMS,
U.S. Senator from Delaware.

WASHINGTON, D.C., *March 13, 1962.*

DEAR JOHN:

In response to your letter of March 5, I enclose two tables which provide the information you requested on the five advance refundings which the Treasury has undertaken in the past two years.

One of the tables presents the additional interest costs incurred by the Treasury in the five advance refundings. In addition, it shows the interest savings to the Treasury in these advance refundings on the assumption that the original issues are to be refunded at maturity into the issues offered in exchange at today's interest rate levels. Looking at both the additional interest costs to the Treasury and the interest savings involved in advance refundings places the interest cost issue in its proper perspective.

You will note that only the June 1960 and March 1961 "junior" advance refundings resulted in a net interest cost to the Treasury on these assumptions and that, in taking the five advance refundings as a whole, these calculations indicate a net interest savings to the Treasury of $541 million over the entire period through fiscal year 1999.

With best wishes.

Sincerely,

DOUGLAS DILLON,
Secretary of the Treasury.

The Honorable JOHN J. WILLIAMS,
United States Senate,
Washington 25, D.C.

Five advance refundings 1960–62
[Dollar amounts in millions]

Old issues: Description	Old issues: Amount outstanding	Old issues: Term to maturity (years-months)	New issues: Description (Percent)	New issues: Description (Date)	New issues: Term to maturity (years-months)	New issues: Extension (years-months)	Amount exchanged: Total	Amount exchanged: Publicly held	Percent exchanged: Total	Percent exchanged: Publicly held	Effect on average length of marketable debt (months)	"Boot"[1] paid to Treasury (+) per $100	For nontaxable holders or before tax: Approximate investment yield from exchange date to maturity[2]	For nontaxable holders or before tax: Approximate minimum reinvestment rate for extension period adjustment for "boot"[1]
June 1960:			*Percent*	*Date*									*Percent*	*Percent*
2½% 11/15/61	$11,177	1-5	3¾	5-15-64	3-11	2-6	$3,893	$3,814	34.8	34.7		----------	4.24	4.51
			3⅞	5-15-68	7-11	6-6	320	264	2.9	2.4		----------	4.14	4.22
	11,177					2-10	4,214	4,077	37.7	37.1	0.8			
October 1960:														
2½% 6/15/62-67	2,109	6-8½	3½	11-15-80	20-1½	13-5	643	512	30.5	27.8		----------	3.92	4.23
2½% 12/15/63-68	2,815	8-2½	3½	2-15-90	29-4½	21-2	993	777	35.3	32.5		----------	3.96	4.17
2½% 6/15/64-69	3,738	8-8½	3½	11-15-98	38-1½	29-5	1,095	993	29.3	30.3		----------	3.97	4.09
2½% 12/15/64-69	3,812	9-2½	3½	11-15-98	38-1½	28-11	1,248	1,113	32.7	33.9		----------	3.99	4.14
	12,474					24-7	3,979	3,395	31.9	31.4	6.3			
March 1961:														
2¼% 6/15/59-62	5,262	1-3	3⅝	11-15-67	6-8	5-5	1,296	1,226	24.6	25.9		----------	3.75	3.98
2¼% 12/15/59-62	3,449	1-9	3⅝	11-15-67	6-8	4-11	1,177	819	34.1	30.2		+$0.30	3.75	4.10
2⅝% 2/15/63	3,971	1-11	3⅝	11-15-67	6-8	4-9	1,131	998	28.5	26.3		----------	3.75	4.08
2½% 8/15/63	6,755	2-5	3⅜	11-15-66	5-8	3-3	2,438	2,399	36.1	35.8		----------	3.63	4.09
	19,436					4-4	6,041	5,442	31.1	30.3	1.6			
September 1961:														
			3½	11-15-80	19-2	10-8	1,035	589				+2.25	4.16	4.31
2½% 3/15/65-70	4,688	8-6	3½	2-15-90	28-5	19-11	722	622	48.0	50.1		−1.00	4.23	4.36
			3½	11-15-98	37-2	28-8	495	469				−2.00	4.19	4.28
			3½	11-15-80	19-2	9-8	238	203				+3.50	4.15	4.30
2½% 3/15/66-71	2,927	9-6	3½	2-15-90	28-5	18-11	576	515	51.4	52.6		+0.25	4.21	4.36
			3½	11-15-98	37-2	27-8	692	428				−1.00	4.19	4.30
	7,615					19-2	3,757	2,826	49.3	51.1	4.5			
March 1962:														
3% 2/15/64	3,854	1-11½	4	8-15-71	9-5½	7-6	p 1,154	p 1,104	29.9	29.9		----------	4.11	4.32
2⅝% 2/15/65	6,896	2-11½	4	8-15-71	9-5½	6-6	p 1,651	p 1,293	32.1	27.5		+2.00	4.10	4.36
			4	2-15-80	17-11½	15-0	p 561	p 384				+0.25	4.20	4.36
2½% 6/15/67-72	1,756	10-3½	3½	2-15-90	27-11½	17-8	p 233	p 198	23.5	23.1		+1.25	4.21	4.37
			3½	11-15-98	36-8½	26-5	p 180	p 165				----------	4.19	4.30
2½% 9/15/67-72	2,716	10-6½	3½	2-15-90	27-11½	17-5	p 345	p 185	28.2	19.1		+1.50	4.21	4.38
			3½	11-15-98	36-8½	26-2	p 420	p 266				+0.25	4.19	4.30
2½% 12/15/67-72	3,512	10-9½	3½	2-15-90	27-11½	17-2	p 322	p 299	18.7	18.0		+1.75	4.19	4.38
			3½	11-15-98	36-8½	25-11	p 333	p 281				+0.50	4.17	4.30
	18,734					13-0	p 5,198	p 4,174	p 27.7	p 24.6	4.1			
Total	69,435					11-11	p 23,189	p 19,915	p 33.4	p 33.0	[3] 16.6			

p Preliminary.
[1] In sense of equalizing an exchange.
[2] Based on price of bonds eligible for exchange—mean of bid and ask prices at noon on day before announcement, adjusted for "boot" payments.
[3] Based on debt level of March 1, 1962.

Five advance refundings—Interest costs and interest savings

Added interest cost over remaining life of issues eligible for exchange and estimated interest savings from maturity of eligible issues to maturity of issues offered in exchange [1]

[In millions]

Fiscal year	June 1960		October 1960		March 1961		September 1961		March 1962		Total of five advance refundings	
	Added interest to maturity of eligible issue	Interest savings from maturity of eligible issue to maturity of offered issue [2]	Added interest to maturity of eligible issue	Interest savings from maturity of eligible issue to maturity of offered issue [2]	Added interest to maturity of eligible issue	Interest savings from maturity of eligible issue to maturity of offered issue [2]	Added interest to maturity of eligible issue	Interest savings from maturity of eligible issue to maturity of offered issue [2]	Added interest to maturity of eligible issue	Interest savings from maturity of eligible issue to maturity of offered issue [2]	Added interest to maturity of eligible issue	Interest savings from maturity of eligible issue to maturity of offered issue [2]
1960	$1.0	-----	-----	-----	-----	-----	-----	-----	-----	-----	$1.0	-----
1961	53.1	-----	$29.5	-----	$15.9	-----	-----	-----	-----	-----	98.5	-----
1962	19.9	−$1.8	39.8	-----	65.9	$0.2	[3] −$3.3	-----	[3] −$30.8	-----	91.5	−$1.7
1963	-----	−2.9	39.8	-----	35.8	6.2	37.6	-----	60.3	-----	173.5	3.2
1964	-----	−2.5	39.8	-----	2.7	15.0	37.6	-----	56.0	$0.3	136.0	12.7
1965	-----	.2	39.8	-----	-----	15.9	37.6	-----	37.3	1.2	114.7	17.3
1966	-----	.2	39.8	-----	-----	15.9	37.6	-----	18.3	2.0	95.7	18.1
1967	-----	.2	39.5	$0.2	-----	11.3	37.6	-----	18.3	2.0	95.4	13.6
1968	-----	.2	33.4	4.4	-----	3.2	37.6	-----	18.3	2.0	89.3	9.8
1969	-----	-----	27.5	8.7	-----	-----	37.6	-----	18.3	2.0	83.4	10.7
1970	-----	-----	5.7	24.8	-----	-----	31.0	$4.7	18.3	2.0	55.1	31.4
1971	-----	-----	-----	29.0	-----	-----	10.7	19.2	18.3	2.0	29.0	50.2
1972	-----	-----	-----	29.0	-----	-----	-----	26.9	18.2	1.4	18.2	57.3
1973	-----	-----	-----	29.0	-----	-----	-----	26.9	4.6	11.2	4.6	67.1
1974	-----	-----	-----	29.0	-----	-----	-----	26.9	-----	14.5	-----	70.4
1975	-----	-----	-----	29.0	-----	-----	-----	26.9	-----	14.5	-----	70.4

1976				29.0				26.9		14.5		70.4
1977				29.0				26.9		14.5		70.4
1978				29.0				26.9		14.5		70.4
1979				29.0				26.9		14.5		70.4
1980				29.0				26.9		14.1		70.0
1981				26.3				21.9		13.4		61.5
1982				24.6				18.8		13.4		56.8
1983				24.6				18.8		13.4		56.8
1984				24.6				18.8		13.4		56.8
1985				24.6				18.8		13.4		56.8
1986				24.6				18.8		13.4		56.8
1987				24.6				18.8		13.4		56.8
1988				24.6				18.8		13.4		56.8
1989				24.6				18.8		13.4		56.8
1990				21.9				15.2		11.0		48.1
1991				17.3				9.2		6.9		33.5
1992				17.3				9.2		6.9		33.5
1993				17.3				9.2		6.9		33.5
1994				17.3				9.2		6.9		33.5
1995				17.3				9.2		6.9		33.5
1996				17.3				9.2		6.9		33.5
1997				17.3				9.2		6.9		33.5
1998				17.3				9.2		6.9		33.5
1999				6.5				3.5		2.6		12.6
Totals	74.0	−6.4	334.6	718.4	120.3	67.6	301.4	531.2	255.5	316.2	1,085.9	1,626.9
Net savings, or added cost (−) over life of issue offered	−$80.4		$383.8		−$52.7		$229.8		$60.7		$541.0	

[1] Includes cash payments on account of issue price: Payments to the Treasury are credited in the fiscal year received; payments by the Treasury are charged pro rata over the term of the issue offered in exchange.

[2] Estimates based on hypothetical issues needed to refund eligible issues at their maturity for the remaining term of the issues offered in exchange. For June 1960 advance refunding rates based on market yields at the time of the November 1961 refunding on the issues offered in the June 1960 exchange. For all other advance refundings, rates are based on market pattern of yields on February 28, 1962.

[3] Cash payments to the Treasury on account of issue price exceed added interest cost

EXHIBIT 16.—Statement by Secretary of the Treasury Dillon, June 26, 1962, before the Senate Finance Committee on the debt limit [1]

The President in his Budget Message last January requested a temporary debt limit of $308 billion for fiscal 1963. This request was based on his estimate that the fiscal 1962 deficit would amount to $7 billion and that there would be a $500 million surplus in fiscal 1963. I am here today to renew the request for a $308 billion temporary debt limit for fiscal year 1963.

The present temporary limit of $300 billion will expire at the end of this month. On July 1st the debt limit will revert to its permanent level of $285 billion unless new legislation has been enacted prior thereto. Since the debt will substantially exceed the permanent level of $285 billion on July 1st, it is essential that there be new legislation prior to that date.

The debt limit bill which passed the House of Representatives on June 14, 1962 (H.R. 11990) does not provide the flat $308 billion debt limit which we requested for fiscal 1963. Rather, it provides a graduated debt limit set at $308 billion for the period July 1, 1962, through March 31, 1963, $305 billion for the period April 1, 1963, through June 24, 1963, and $300 billion from June 25, 1963, through the end of the fiscal year. This graduated debt limit is acceptable to the Treasury, provided that it is understood that the debt ceilings in the House bill were carefully tailored to meet the Treasury's seasonal financial requirements under the assumption of a balanced budget. The graduated reductions established in the House bill would not be adequate if we were to run a deficit of any substantial size in fiscal 1963. This fact was specifically recognized and clearly set forth in the report of the House Ways and Means Committee, which reads as follows (page 2):

> "* * * it is the view of your committee that the increases provided by this bill are the minimum necessary to provide for the seasonal variation in the collection of revenues, assuming a balanced budget for the fiscal year 1963. The administration has indicated that there may be a balanced budget for the fiscal year 1963. Your committee has concluded that the series of debt limitations provided under this bill for the various periods of the year will be adequate to provide for the expected seasonal variation in expenditures and receipts, but would not give sufficient flexibility should a deficit be incurred in the fiscal year 1963. In this latter eventuality, your committee believes that it will be appropriate later in the fiscal year 1963 to again review the statutory debt limitation. Thus this 'step approach' to the debt limitation, with the two reductions in the latter part of the fiscal year, is designed to provide for seasonal needs, without providing so much leeway that it can subsequently be used to cover deficit financing."

This statement by the House Ways and Means Committee regarding the nature of the graduated set of debt limits passed by the House is, I believe, wholly accurate.

With the fiscal year 1962 now nearly concluded, I can report to you that we still expect the deficit for fiscal 1962 to be about $7 billion. Past experience has shown, however, that fiscal yearend totals are apt to vary several hundred million dollars in either direction from preliminary estimates. Therefore, the final deficit figure for fiscal 1962 may prove to be somewhat less than $7 billion or it may exceed that amount by a few hundred million dollars. In order to be on the conservative side, we have used a $7¼ billion figure in the projections on the attached table.

For fiscal year 1963, the January Budget document showed a $500 million surplus. The President has requested a few new programs since January, in particular a capital improvement program for distressed areas, that would use the bulk of this estimated surplus but still leave a balance. Whether or not this balance is actually achieved depends largely on revenue receipts which, in turn, are dependent on the state of the national economy. The January revenue estimate of $93 billion assumed that the gross national product would average

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[1] The Secretary also made a statement on May 31, 1962, before the House Ways and Means Committee on the debt limit.

$570 billion during calendar 1962 and that the economy would continue its upward trend throughout the entire fiscal year.

Admittedly, the expansion of the economy so far this year has not measured up to our expectations. While this has substantially diminished the likelihood of achieving our goals, the economy continues to move steadily forward and it is still too early for a new and refined estimate of the gross national product for 1962 upon which our revenues necessarily depend. As to expenditures, the best we can do is to rely on the January Budget document with the realization that Congress has not yet acted on any 1963 appropriation bill, nor has it taken final action on our tax bill, the President's proposals on postal rates and farm price supports, or on various other legislative recommendations. Until these matters are decided by congressional action, there is no firm basis for any new estimate of expenditures and revenues.

Accordingly, we have made no change in the basic assumption of a balanced budget in fiscal 1963, and our request for a $308 billion temporary debt ceiling is based squarely on that assumption.

It may seem incongruous to some that, while projecting a balanced budget for fiscal 1963, we are at the same time requesting an $8 billion increase in the temporary debt ceiling. Of course, if the timing of our receipts and expenditures were in balance throughout the year, there would be no need for this increase in the debt ceiling. Unfortunately, this is never the case. Even with a balanced budget for fiscal 1963 as a whole, our estimates indicate that the first half of the fiscal year will show a substantial seasonal deficit, a deficit which will be offset by a surplus during the remainder of the fiscal year.

Specifically, our projections indicate a seasonal cash deficit which reaches a peak of $11.2 billion on December 15, just before the receipt of the large tax payments due on that date. Succeeding peaks of $11 billion and $10.7 billion will be reached on January 15 and March 15, before the receipt of the substantial tax payments due on those dates. Thereafter, this seasonal deficit will rapidly be erased by a similarly large seasonal surplus; and by June 30, 1963, our projections show the debt returning to approximately the same level as June 30, 1962.

This seasonal imbalance between receipts and expenditures is illustrated on an attached chart. The imbalance in fiscal 1963 is entirely attributable to the marked seasonal pattern of our tax receipts, since expenditures are projected at a fairly constant level throughout the fiscal year. It is to finance this seasonal deficit of $11 billion in tax receipts, a deficit which will occur even with a fully balanced budget, that we need the $8 billion increase in the temporary debt limit. It should be borne in mind that, since the chart is based on semiannual figures which include the heavy December 15 tax receipts, it understates by several billion dollars the seasonal swing which reaches its peak in mid-December.

As the attached table indicates, we are ending the current fiscal year with a debt projected at about $294 billion. Adding the $3 billion allowance for flexibility to this figure, gives a total of about $297 billion, $3 billion under the current temporary debt limit of $300 billion. It is because of this extra leeway of $3 billion which we will have on June 30th that we will be able to finance a seasonal deficit of $11 billion with an $8 billion increase in the debt limit.

The seasonal imbalance between Federal Government receipts and expenditures is a regular feature of our financial mechanism. It is not just something that will occur in fiscal 1963. I would like to call your attention again to the chart which shows semiannual receipts and expenditures from fiscal 1958 through fiscal 1963. You will note that a pronounced seasonal pattern in revenues shows up in each and every year. It was as much in evidence in fiscal 1960, when we last ran a budget surplus, as it was in years when we ran budget deficits.

On the assumption of a constant $4 billion operating balance, we expect the debt to rise to about $305 billion before dropping back again to around $294 billion at the end of fiscal 1963. A $308 billion debt ceiling is the minimum needed to provide us with the usual $3 billion leeway for flexibility in debt management and for unforeseen contingencies, a margin which prudent and economic financial management requires.

The bill which passed the House embodies a formal recognition of the seasonal variation in Federal Government revenues by proposing, for the first time, seasonal debt limits. While we would prefer the simpler, overall annual debt limit such as we have had in the past, we recognize that the House bill does have the characteristic of setting forth very clearly the seasonal nature of the Treasury's borrowing requirements under the assumption of a balanced budget in fiscal 1963.

The Treasury's operating cash balance consists essentially of funds on deposit at the twelve Federal Reserve Banks and in approximately 11,400 commercial banks throughout the country. For the past few years the Treasury, in its presentations at hearings on the debt limit, has assumed a \$3.5 billion constant operating cash balance. Experience has shown that this is an unrealistically low figure. With careful management to have the necessary funds on hand in the proper places and at the proper times to meet the Government's obligations as they come due and with every effort to avoid excess cash balances, our average operating cash balance (excluding gold) for the first eleven months of this fiscal year was \$4,755 million. The average for fiscal year 1961 was \$4,620 million and for fiscal year 1960 it was \$4,638 million. In 1958, when the \$3.5 billion figure was first used for illustrative purposes, Federal expenditures amounted to \$71.4 billion. Fiscal year 1963 expenditures are expected to be some 30 percent larger. With larger expenditures, we require larger operating cash balances. For these reasons, we have used a \$4 billion figure in the attached tables as a conservative figure for a constant operating balance. That this figure is truly conservative can readily be seen by the fact that a 30 percent increase, comparable to the increase in budget expenditures between fiscal 1958 and fiscal 1963, would have indicated a figure of \$4½ billion, a figure substantially closer to, but still lower than, the actual average of our operating balance during each of the past three years. An operating balance at least as large as the average of the past three years is needed to permit the day-to-day operations of the Treasury to be conducted in an efficient manner.

Our estimates also provide, as in the past, for a \$3 billion margin to provide much needed flexibility in debt management and to cover unforeseen contingencies, including the inescapable uncertainties in our month-to-month projections of revenues and expenditures. Since the assumed cash balance of \$4 billion is over \$500 million less than our actual needs, this margin of flexibility in practice works out to less than \$2½ billion. Such a margin for flexibility is the minimum needed for the efficient management of the public debt. It is not in the public interest to require the Treasury to operate with a smaller margin under the debt limit. The end result of an excessively tight debt limit is likely to be higher interest costs on the debt and other serious consequences, not only in our domestic affairs, but also in our balance-of-payments position and its related effect on our gold stock.

I would like to give you a few examples to illustrate why the \$3 billion margin for flexibility is so essential for efficient debt management. First, the Treasury should be able to take advantage of especially favorable conditions in the money and capital markets whenever they arise. However, an excessively tight debt limit may prevent the Treasury from timing its borrowing operations most advantageously and the opportunity to make important savings on interest costs would, therefore, be lost.

Second, in conducting our debt management operations during the past seventeen months we have been very conscious of the impact of these operations on our balance-of-payments position. It is of critical importance to our international financial position that our short-term interest rate structure be in reasonable equilibrium with short-term rates abroad. If this equilibrium is not maintained, funds are induced to flow abroad seeking interest rate differentials, thus increasing the drain on our gold stock. In order to avoid any disturbance of this equilibrium, the Treasury has arranged its recent cash borrowing so as to permit the maximum use of additional quantities of Treasury bills. It is vitally important that the Treasury have enough room under the debt limit to take such actions whenever market conditions warrant. To deny the Treasury a sufficient margin for such debt operations could result in substantial and unnecessary drains on our gold stock.

Third, it may often be in the best interest of both the Government and the private capital markets if the Treasury consolidates some of its refunding operations. For example, in refunding the \$7.2 billion in securities maturing this coming November 15, it may be advantageous to make the same refunding offer to the holders of the \$2.3 billion of securities maturing December 15. An excessively tight debt limit could prevent us from using the cash refunding approach in handling such an operation, even though market conditions might suggest that a cash refunding operation would be most advantageous to the Treasury.

Fourth, if the debt limit becomes exceedingly binding, the Treasury might have to do some of its financing through the sale of nonguaranteed issues of Federal agencies which are not subject to the debt limit. This was done back in October 1957 and January 1958, under the preceding administration, when the Treasury was struggling to live with an unrealistically low debt limit. This is a very unsound financial practice which has been severely criticized by the Comptroller General. It means that the Government has to pay ½ percent to ¾ percent more in interest costs than it would have to pay on Treasury obligations. Secretary Anderson used this device only with the greatest reluctance. I would hope that we would never again be forced to use it.

For all of these reasons, a sufficient margin for flexibility in debt management and for contingencies is essential if we are to have efficient and economical management of the Government's finances.

The level of the debt is the resultant of all of our past decisions on appropriations, expenditures, and taxes. However, it is important to recognize that these decisions are reflected in the debt only after a considerable time lag. The time lag between decisions on appropriations and the impact of those decisions on the debt is, in fact, the reason why we need a substantial increase in the debt limit in fiscal 1963 even under the assumption of a balanced budget. The increased debt level during the coming fiscal year is a product of the deficit in fiscal 1962. If we have a balanced budget in fiscal 1963 and, a year from now, contemplate a balanced budget for fiscal 1964, we could get by in fiscal 1964 with the same \$308 billion debt limit which we are requesting now.

The level of the debt is the final link in a sequential chain which has as its first link the appropriations process. Debt levels in the future are the product of past decisions on appropriations and taxes and the debt ceiling must be consistent with those past decisions.

In conclusion, I wish to reemphasize that the increase in the debt ceiling to \$308 billion is based on the assumption of a balanced budget in fiscal 1963. The last attached table shows monthly estimates of budget receipts and expenditures in fiscal 1963, under a balanced budget assumption, and their relationship to our month-end debt projections. The \$8 billion increase in the temporary debt ceiling is required to cover the seasonal low in receipts, which always occurs during the first half of the fiscal year. Such an increase is needed in fiscal 1963 because of the substantial deficit which has already been incurred in fiscal 1962. In other words, the increase is being requested to meet the fiscal consequences of past deficits and does not reflect the expectation of a deficit in fiscal 1963.

There are those who think our revenue estimates for fiscal 1963 are too optimistic, and certainly they look more optimistic today than they did last January. In April the staff of the Joint Committee on Internal Revenue Taxation, on the basis of its independent revenue projections, estimated that fiscal 1963 would produce an administrative budget deficit of \$4.9 billion, assuming that the administration's tax bill is approved by the Congress. I will not attempt to evaluate this estimate, since I have already given you the reasons why we feel that there is no firm basis, as yet, for revising the estimates presented in the President's Budget Message. I raise the issue only to emphasize that if the budget deficit forecast for fiscal 1963 by the staff of the Joint Committee on Internal Revenue Taxation should prove to be correct, the graduated set of debt ceilings approved by the House will not be adequate to meet the Treasury's needs, and we will be forced to return to the Congress early in the next session, as was envisioned by the report of the Ways and Means Committee.

A temporary increase in the debt limit to \$308 billion, as provided by the House in the bill before you, is the absolute minimum needed if the Government's finances are to be managed in an orderly and economical manner and if we are to be able to finance our purely seasonal cash requirements in fiscal 1963 within the framework of a balanced budget. I earnestly recommend its approval by this committee.

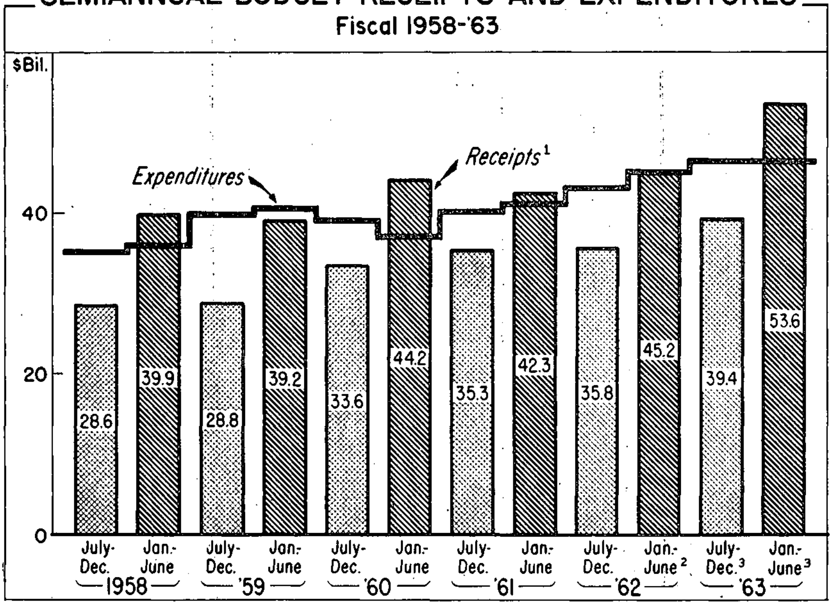
Actual public debt outstanding fiscal year 1962, with June 30, 1962, estimate based on operating cash balance of $4,000,000,000 (excluding free gold)

[In billions, based on projection of June 22, 1962]

Date	Operating balance Federal Reserve Banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
	ACTUAL			
July 15, 1961	$3.3	$289.1		
July 31	5.8	292.2		
Aug. 15	4.2	292.1		
Aug. 31	5.3	293.5		
Sept. 15	3.1	293.2		
Sept. 30	8.1	293.6		
Oct. 15	7.0	296.0		
Oct. 31	5.4	295.5		
Nov. 15	4.7	296.7		
Nov. 30	5.4	296.9		
Dec. 15	2.8	297.0		
Dec. 31	5.6	296.1		
Jan. 15, 1962	3.1	296.3		
Jan. 31	3.9	296.4		
Feb. 15	3.0	296.3		
Feb. 28	4.6	296.9		
Mar. 15	2.7	297.8		
Mar. 31	6.0	296.1		
Apr. 15	2.2	295.8		
Apr. 30	4.7	296.9		
May 15	5.6	296.7		
May 31	7.2	299.2		
June 15	5.2	299.4		
	ESTIMATED			
June 30	4.0	293.7	$3.0	$296.7

NOTE: For seasonal reasons the June 30, 1962, operating balance will be significantly above $4.0 billion, so the actual debt outstanding will be higher than shown here.

SEMIANNUAL BUDGET RECEIPTS AND EXPENDITURES



[1] Net receipts after refunds.
[2] May 1962 estimate.
[3] Estimates on basis of January 1962 Budget Message plus formal modifications.

Forecast of public debt outstanding fiscal year 1963, based on constant operating cash balance of $4,000,000,000 (excluding free gold)

[In billions, based on 1963 Budget document—plus formal modifications]

Date	Operating balance Federal Reserve Banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
1962				
June 30	$4.0	$293.7	$3.0	$296.7
July 15	4.0	297.0	3.0	300.0
July 31	4.0	297.8	3.0	300.8
Aug. 15	4.0	299.2	3.0	302.2
Aug. 31	4.0	299.0	3.0	302.0
Sept. 15	4.0	301.2	3.0	304.2
Sept. 30	4.0	295.7	3.0	298.7
Oct. 15	4.0	299.5	3.0	302.5
Oct. 31	4.0	300.5	3.0	303.5
Nov. 15	4.0	302.3	3.0	305.3
Nov. 30	4.0	302.1	3.0	305.1
Dec. 15	4.0	304.9	3.0	307.9
Dec. 31	4.0	301.5	3.0	304.5
1963				
Jan. 15	4.0	304.7	3.0	307.7
Jan. 31	4.0	302.1	3.0	305.1
Feb. 15	4.0	302.8	3.0	305.8
Feb. 28	4.0	302.0	3.0	305.0
Mar. 15	4.0	304.4	3.0	307.4
Mar. 31	4.0	297.9	3.0	300.9
Apr. 15	4.0	301.0	3.0	304.0
Apr. 30	4.0	299.4	3.0	302.4
May 15	4.0	299.4	3.0	302.4
May 31	4.0	299.6	3.0	302.6
June 15	4.0	302.0	3.0	305.0
June 30	4.0	294.0	3.0	297.0

Estimated monthly budget receipts and expenditures and resulting end-of-month debt levels, fiscal year 1963

[In billions, based on 1963 Budget document—plus formal modifications]

	Budget receipts and expenditures				Net receipts of trust and clearing accounts and other transactions	Total to be financed	Operating cash balance [1]	Debt subject to limitation	Allowance for flexibility and contingencies	Total debt limitation required [2]
	Net receipts	Expenditures	Monthly surplus, or deficit (−)	Cumulative surplus, or deficit (−)						
Balance on June 30, 1962							$4.0	$293.7	$3.0	$296.7
1962: July	$3.1	$7.2	−$4.1	−$4.1	(*)	$4.1	4.0	297.8	3.0	300.8
Aug	7.0	7.6	−.6	−4.7	−$0.6	1.2	4.0	299.0	3.0	302.0
Sept	10.2	7.6	+2.6	−2.1	+.7	−3.3	4.0	295.7	3.0	298.7
Oct	3.2	8.1	−4.9	−7.0	+.1	4.8	4.0	300.5	3.0	303.5
Nov	6.9	7.6	−.7	−7.7	−.9	1.6	4.0	302.1	3.0	305.1
Dec	9.0	8.4	+.6	−7.1	(*)	−.6	4.0	301.5	3.0	304.5
1963: Jan	6.3	7.4	−1.1	−8.2	+.5	.6	4.0	302.1	3.0	305.1
Feb	8.0	7.4	+.6	−7.6	−.5	−.1	4.0	302.0	3.0	305.0
Mar	11.5	7.7	+3.8	−3.8	+.3	−4.1	4.0	297.9	3.0	300.9
Apr	5.9	7.6	−1.7	−5.5	+.2	1.5	4.0	299.4	3.0	302.4
May	8.2	8.0	+.2	−5.3	−.4	.2	4.0	299.6	3.0	302.6
June	13.7	8.4	+5.3	0	+.3	−5.6	4.0	294.0	3.0	297.0
Fiscal Year 1963	93.0	93.0	0	0	−.3	.3				

*Less than $50 million.
[1] Excluding free gold.
[2] At the mid-month points in December, January, and March the requirements are $307.9 billion, $307.7 billion, and $307.4 billion, respectively.

Taxation Developments

EXHIBIT 17.—Statement by the President, October 16, 1962, on signing H.R. 10650, the Revenue Act of 1962

I have today signed H. R. 10650, the Revenue Act of 1962.

This is an important bill—one possessing many desirable features which will stimulate the economy and provide a greater measure of fairness in our tax sytem.

The bill provides an investment tax credit. In combination with the recently revised guidelines for depreciation of assets, this credit will provide added stimulus to investment in machinery and equipment, and give American firms tax treatment which compares favorably with their competitors in world markets.

It includes several provisions designed to reduce tax avoidance on incomes earned by American companies and individuals at home and abroad. By limiting the opportunities to escape tax liability, it makes the distribution of tax burdens fairer and increases our total tax revenues from those sources.

Congress did not adopt the withholding system on interest and dividend income which I had recommended. However, as automatic data processing is installed by the Internal Revenue Service, the interest and dividend reporting requirements in the bill will be helpful in improving compliance with the tax laws on these sources of income.

In summary, this bill makes a good start on bringing our tax structure up to date and provides a favorable context for the overall tax reform program I intend to propose to the next Congress.

EXHIBIT 18.—Statement by Secretary of the Treasury Dillon, January 18, 1962, before the Joint Committee on Internal Revenue Taxation on depreciation reform

I am happy to have this opportunity to appear before this committee to discuss the work the Treasury has been doing in the area of depreciation reform. As you know, the first step of this reform was completed last fall with the announcement of new depreciation guidelines for a major part of the textile industry. A further step was taken this week with the announcement of new guidelines for machinery and equipment used by apparel manufacturers. This spring we plan to announce new guidelines for major types of assets for all other industries.

The changes being made will assist American business in its efforts to modernize and expand. The law calls for a reasonable allowance for depreciation, including a recognition of obsolescence as a factor. The new guidelines will be designed to meet this requirement.

The new guidelines will be based on three major sources of information. The first, initiated by my predecessor, is a survey of business opinion and practice regarding depreciation. The second, also started by Secretary Anderson, is a study based on information drawn from corporate tax returns. This was designed to supply additional data on actual current experience. The third, begun late last year, is a group of engineering studies of six major industries aimed at supplementing the statistical data. In addition, we have studied foreign depreciation laws and practices.

Although our work has not been completed, there is sufficient evidence to indicate a real need for revision. We also plan to establish procedures for continuous review and revision of the new guidelines to take account of current developments affecting depreciation.

This admistrative revision of depreciation—if complemented by the investment credit now before the Congress—will place American industry on a substantially equal footing with its foreign competitors.

Introduction

Depreciation is one of the most difficult items of business costs to deal with under income tax accounting. As a charge against income or addition to business costs, it is designed to spread the cost to business of using depreciable capital asset over their useful economic lives. Its purpose is to charge to each accounting year a proportion of the original cost of each asset so that over the life of the asset there will be reflected its loss of value due to wear and tear, including the destructive forces of the elements, and obsolescence.

At best, the depreciation to be charged against each year's income can be only an informed estimate. Establishing the rate at which any given asset is to be depreciated over its economically useful life is made particularly difficult by the fact that obsolescence is a function of prospective developments and future changes in technology, wage rates relative to the cost of capital, competitive conditions, consumer tastes, preferences and demand, and other forces that cannot be foreseen with accuracy. And it is not surprising that depreciation for income tax purposes has long been a subject of controversy among accountants, economists, and lawyers, and between the taxpayer and those responsible for administration of the income tax. In consequence it is appropriate that the general rule governing depreciation, as set forth in the Internal Revenue Code of 1954, states only that "There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence) * * *" of property used in a trade or business or held for the production of income.

Brief history of depreciation under the income tax

Because I believe that the history of administrative and legislative procedures in the depreciation area will help to place the present situation in proper focus, I shall briefly describe that history.

For the twenty years following the introduction of our modern income tax, considerable freedom was allowed to the taxpayer in the determination of depreciation. Deductions taken by taxpayers for depreciation were generally not challenged by the Internal Revenue Service unless it could be shown by clear and convincing evidence that they were unreasonable. Through most of this period tax rates were relatively low—the top rates of the corporate and personal income taxes, for example, were at 12.5 and 25 percent, respectively—and depreciation evoked few problems.

However, in the early thirties when tax rates were raised substantially, Congress became very much concerned about the level of depreciation allowances. In 1933 a subcommittee of the Committee on Ways and Means reviewed depreciation policy in connection with the major tax revision of 1934. It reported that excessive depreciation was being taken and recommended legislation to provide a 25 percent across-the-board reduction in depreciation allowances for the next three years.

The Treasury objected to this approach and suggested instead that it be permitted administrative discretion to tighten up depreciation allowances in a manner which would be more equitable than an arbitrary and broadside percentage reduction. This proposal was accepted by the congressional committees and the Treasury proceeded to issue its now rather famous T. D. 4422. This document shifted to the taxpayer the burden of proof as to the correctness of depreciation and paved the way for redetermining useful lives of depreciable property for tax purposes along more stringent lines. Following the issuance of T.D. 4422, the administration of depreciation was considerably tightened, although the extent of readjustment has sometimes been exaggerated.

Subsequently, in 1942, the still used *Bulletin F* was issued as a guide to tax lives. Conflict and controversy between taxpayers and administrative officials continued, although eased somewhat by several developments.

The first of these were the provisions for accelerated amortization for defense and defense related facilities, adopted as emergency measures in 1940 and again in 1950. In 1946 more general administrative approval was given to the use of the 150 percent declining-balance method of computing depreciation. A major change in administrative policy was introduced in 1953. This new policy, designed to reduce controversies over depreciation, was contained in Revenue Rulings 90 and 91. These new rulings implied in large measure a return to pre-1934 arrangements. They stated, in effect, that the Internal Revenue Service would generally not disturb depreciation deductions claimed and revenue agents would propose adjustments only where there was a clear and convincing basis for a change. This policy has since been incorporated into the regulations under the 1954 Internal Revenue Code.

The Revenue Act of 1954 marked an important new direction in depreciation policy. New liberalized methods—the declining-balance method at twice the corresponding straight-line rate and the sum-of-the-years-digits formula—were specifically authorized. These new methods permit acceleration of the timing of deductions for depreciation and concentrate more of the capital recovery for tax purposes in the early years of an asset's life. However, neither the 1954 Code nor administrative policy provided changes with respect to useful lives over which assets might be written off.

In the period following the 1954 Code liberalization the Treasury continued to study the question of useful life determination and possible revision of *Bulletin F*. It was recognized that *Bulletin F* was outmoded, but the task of carrying through a realistic revision proved difficult.

One major project the object of which was to revise *Bulletin F* was undertaken by the Treasury with the cooperation of nongovernment advisers in the years 1956 to 1958. This project provided suggested new guideline schedules for tax lives, but the Treasury believed that these schedules did not give adequate recognition to increasingly rapid obsolescence and, consequently, did not indicate a sufficient shortening of useful lives in many cases.

The Treasury depreciation studies

In order to obtain fuller insight into the problem, the Treasury, in 1960, initiated two major studies designed to provide an adequate factual background on the operation of existing depreciation practices and tax lives actually being used. We have, in addition, carefully studied depreciation practices in nine of the other leading industrial nations of the world.

Both of the Treasury's major depreciation studies are elaborate, detailed, statistical surveys. One is based on a questionnaire survey of corporations. The other draws its data from a tabulation of information contained in the depreciation schedules submitted as part of the corporate income tax returns for 1959. These studies were first undertaken on a pilot study basis in 1959, designed to test their feasibility and to perfect statistical procedures.

The Treasury Depreciation Survey

In July 1960 the Treasury Department asked approximately 2,700 large corporations to supply information on the amount of their depreciable assets, reserves for depreciation, depreciation deductions, and fully depreciated property, as well as the service lives being used in the depreciation of various types of property, and the extent to which the new methods of depreciation permitted under the Internal Revenue Code of 1954 had been adopted. In addition, a questionnaire was distributed to these corporations requesting information on depreciation practices, experience under the existing law, and opinions on various alternative proposals for revision of the depreciation system. With the cooperation of the Small Business Administration, the questionnaire portion of the survey material was also mailed to approximately 7,600 small businesses. Completed returns were received from about 2,000 of the large corporations and 1,300 of the smaller firms.

A preliminary report on the questionnaire portion of this survey, dealing chiefly with business opinions on alternative approaches to depreciation reform, was issued in January 1961. Early in 1961 the processing of the statistical data was accelerated and by the fall of that year, thanks to the prodigious efforts put forth by the Statistics Division of the Internal Revenue Service, the compilations of the data were completed.

These compilations provide a vast mass of data which the Treasury is intensively engaged in analyzing. This analysis is not yet complete, but some indications of the nature of the findings may be indicated at this point. The 1,900 corporations which responded with usable data account for close to one-half of all corporate depreciable assets and approximately half of all corporate depreciation charges taken in 1959.

The survey results available at this date indicate that in general depreciation charges allowed to American corporations have by no means been liberal. This conclusion is based on two major findings. One is that the amount of fully depreciated assets reported is surprisingly small. The other is that the ratio of depreciation reserves to gross depreciable assets is below the level commonly accepted as a measure of conservative depreciation practices.

The Life of Depreciable Assets Study

Our second study, designed to complement the Treasury Depreciation Survey, was also started on a full scale in 1960 and pursued with sharply stepped-up intensity after the beginning of 1961. This study, known as the Life of Depreciable Assets Study, is based on a tabulation of the detailed depreciation information submitted on 1959 corporation income tax returns. The data are drawn from the returns of a large representative statistical sample of more then 50,000 corporations. It is designed to provide more detailed information by asset type, year of acquisition, and depreciation method used than that obtained from the Treasury Depreciation Survey. Moreover, whereas the latter provides information primarily for corporations with assets in excess of $5 million, the LDA covers the full range of corporations classified by size.

The great mass of data provided by the Life of Depreciable Assets Study is indicated by the fact that when all of the tabulations have been delivered to the Treasury they will be contained in a pile of documents that will stand seven feet high. Final deliveries are expected within the next few weeks. I regard this unprecedentedly detailed and massive compilation of data as a potential source of information of great value. It will not only provide hitherto unavailable information on depreciation practices, but it will also be extremely useful as a source of information that has not been available in the past on many aspects of the operation of our corporate economy.

With the help of consultants the Treasury is proceeding as rapidly as possible with the analysis of the data. Our findings thus far tend to confirm those arrived at on the basis of the Treasury Depreciation Survey in that they too tend to demonstrate that the existing depreciation guidelines are outmoded and in need of revision.

The engineering studies

In order to supplement the statistical data being developed we have also undertaken engineering studies. While statistical data show what practice has been, engineering studies are designed to disclose the nature of current and prospective technological developments. Internal Revenue Service engineers have completed an engineering study of the textile industry and are currently engaged in similar studies in the following industries: aircraft, automobiles, electrical machinery and equipment, machine tools, railroads, and steel. The six were selected because they are large, basic industries and because, among them, they represent major types of U.S. business activity. They also differ widely in their level of automation and their recent experience with technological change. The studies being conducted for these industries are expected to be completed by the end of this month.

Because of their importance in our program of revision and because of the widespread publicity which has been accorded to them, I should like to describe briefly for you the nature of our engineering studies.

For the purpose of carrying out our studies of the industries named, seven teams of three engineers each were formed and each team was assigned to conduct a study of one of the selected industries. Each engineer assigned to a team has the experience and training which qualify him to render expert opinion as to the useful life of depreciable assets used in the industry under study. In most cases the engineering team is made up of one engineer designated by the Washington office and two field engineers.

After the engineering teams were formed, they were assembled in the national office simultaneously for briefing and general instructions. At that time each team arranged a tentative schedule of activities, including conferences with industry personnel and inspection trips to selected representative plants.

The selection of these plants has been subject to extreme care, so as to insure access to the greatest possible variety of operating conditions within each industry. Inspection trips involve the observation of actual plant operations and discussions with management officials associated with each plant. The discussions are designed to elicit management views as to the useful lives they believe should be assigned to various items of depreciable property. In order to secure fullest cooperation, all visits to plants have been preceded by letters from the Commissioner of Internal Revenue to the appropriate company officials, briefly explaining the project and requesting cooperation and assistance.

Our engineers seek further information through the inspection of plant records of purchases and retirements of machinery and equipment and other records which may have a bearing on the taxpayer's operating practices and policies.

Another source of information being used is the major suppliers of machinery and equipment to each of the industries. Officials of the firms producing the various types of capital goods are being interviewed with a view to obtaining insights into technological developments which may be expected to have a bearing on the useful life of the machinery and equipment used and expected to be used in each of the industries.

Conferences with major trade associations and individual firms representing large segments of these industries have been arranged. At these conferences taxpayers and spokesmen for groups of taxpayers have been encouraged to present briefs supporting each industry's position with respect to depreciation policy. These conferences have thus far proved to be an excellent forum for the exchange of views between industry representatives, the Treasury and the technical personnel of the Internal Revenue Service.

As a final step, an engineering report is being prepared by each of the industry teams, setting out its findings and recommendations with respect to the average useful lives of items of depreciable property used in the industry studied. These reports are expected to reflect the expert opinions of the engineers, after giving full consideration to all of the factors brought into the picture.

Depreciation abroad

Because American industry does not operate in a setting entirely of our own making, but is actively in competition at home and abroad with foreign producers, our practices with respect to depreciation policy need to be examined in the light of foreign experience. Thus the Treasury has gathered a substantial amount of information on depreciation practices in leading foreign industrial nations from a wide variety of published and unpublished sources, including our Embassy personnel and officials of foreign governments.

In today's highly competitive world we find widespread use of initial allowances and incentive allowances supplementing depreciation charges. Thus for the major industrialized nations of the free world, Belgium, Canada, France, West Germany, Italy, Japan, the Netherlands, Sweden, and the United Kingdom, we have assembled reliable information with respect not only to depreciation practices, but also regarding initial and incentive allowances.

The information presented in the first column of Table I shows that the typical or representative tax life permitted with respect to production machinery and equipment in each of these countries, except Japan and the United Kingdom, is substantially lower than it is in the United States. Moreover, in addition to ordinary depreciation, Belgium, the Netherlands, the United Kingdom, and under certain conditions, Sweden, permit the deduction from income of incentive allowances. Initial allowances, which add very appreciably to the deduction that may be taken in the year of acquisition of a depreciable asset, are permitted in Canada, Italy, Japan, the Netherlands, Sweden, and the United Kingdom.

The impact of ordinary depreciation plus initial and incentive allowances on the amounts that may be deducted in the year in which a new asset is acquired is shown in the second column of the table. Here it may be seen that the percentage of the cost of an asset that may be deducted in the first year ranges from 20 percent in West Germany to 43.4 percent in Japan, compared with as low as 10.5 percent in the United States.

Columns 3 and 4 of Table I show the percentage of the cost of the asset that may be deducted during the first two and first five years of its life. Here, again, it may be seen that the deductions permitted in each of the nine industrialized foreign countries comprise a far higher proportion of the cost of industrial machinery and equipment than is permitted under current law and practices in the United States. For the first five years of the life of the asset, the relevant proportion falls within the range of 60 to 70 percent for West Germany, Japan, and the United Kingdom, between 70 and 80 percent for Canada and France, and 85 to as much as 100 percent for Belgium, Italy, the Netherlands, and Sweden. In sharp contrast, the applicable percentage in the United States is 42.7 under the present average *Bulletin F* life and 51.1 percent for the commonly used 15-year life.

TABLE I.—*Comparison of depreciation deductions, initial and incentive allowances*[1] *for industrial equipment in leading industrial countries with similar deductions and allowances in the United States under actual and various proposed plans*

	Representative tax lives (years)	Depreciation deductions, initial and incentive allowances		
		First year	First 2 years	First 5 years
		Percentage of cost of asset		
Belgium	8	22.5	45.0	92.5
Canada	10	30.0	44.0	71.4
France	10	25.0	43.8	76.3
West Germany	10	20.0	36.0	67.2
Italy	10	25.0	50.0	100.0
Japan	16	43.4	51.0	68.2
Netherlands	10	26.2	49.6	85.6
Sweden	5	30.0	51.0	100.0
United Kingdom	27	39.0	46.3	64.0
United States:				
Without investment credit and lives equal to current *Bulletin F* weighted average of 19 years		10.5	19.9	42.7
With lives of:				
15 years		13.3	24.9	51.1
14 years		14.3	26.5	53.7
13 years		15.4	28.4	56.6
12 years		16.7	30.6	59.8
11 years		18.2	33.1	63.0
10 years		20.0	36.0	67.2
With investment credit and lives equal to current *Bulletin F* weighted average of 19 years[2]		26.5	35.9	58.7
With lives of:				
15 years		29.3	40.9	67.1
14 years		30.3	42.5	69.7
13 years		31.4	44.4	72.6
12 years		32.7	46.6	75.8
11 years		34.2	49.1	79.0
10 years		36.0	52.0	83.2

[1] The deductions and allowances for each of the foreign countries have been computed on the basis that the investment qualifies fully for any special allowances or deductions permitted. The deductions in the United States have been determined under the double-declining balance depreciation method, without regard to the limited first-year allowances for small business.

[2] For purposes of this table, the proposed 8 percent investment credit has been considered as equivalent to a 16 percent investment allowance. For corporations subject only to the 30 percent normal tax it is equivalent to an incentive allowance of 27 percent. The initial allowance of 20 percent of each year's investment, up to $10,000, is not taken into account because of its relatively small impact.

This picture changes dramatically, however, when the proposed investment credit enters. In terms of its effect on current liability, the 8 percent investment tax credit is equivalent to an incentive allowance of approximately 16 percent for corporations subject to the 52 percent corporate income tax rate and about 27 percent for corporations subject only to the normal tax rate of 30 percent.[1] The bottom seven rows of Table I indicate the effect on comparable allowances for new depreciable assets that would be achieved if the 8 percent investment tax credit were currently in force. Assuming the existing weighted average *Bulletin F* life of about 19 years, the equivalent first-year deductions would be 26.5 percent. In combination with a somewhat shorter life of 15 years, we find that the first year's equivalent deductions in the United States would be equal to 29.3 percent of the cost of new depreciable assets. This proportion is higher than that which obtains in Belgium, France, West Germany, Italy, and the Netherlands. First-year deductions or their equivalents would remain substantially higher than those permitted in the United States only in Japan and the United Kingdom. For the first five years of the life of the asset, permissible deductions would still exceed appreciably those allowed in the United States in Belgium, France, Italy, the Netherlands, and Sweden. But allowances in the United States would be approximately the same as those allowed in Canada, West Germany, Japan, and the United Kingdom.

[1] Both the investment credit and the incentive allowance have greater overall effects than a similar initial allowance because they do not reduce the amount of depreciation that may be taken over the life of an asset.

The data presented in the bottom portion of Table I demonstrate clearly that, especially within the first two years of the life of an asset, even a revision to provide realistic tax lives will not, by itself, place the United States in a position comparable to that of its most immediate foreign competitors. The achievement of this objective, rather, requires both the investment tax credit and the faster writeoffs that would be permitted under depreciation policies, which, in broader recognition of the increasing importance of obsolescence in the postwar world, would permit American firms to assume shorter tax lives for depreciable property.

Reviewing this summary and analysis, three important conclusions emerge: (1) Shorter tax lives alone will not do the job of bringing American industry abreast of its foreign competitors with respect to tax allowances for investment. (2) The investment credit will make a major contribution toward achieving that goal. (3) The combination of the credit and the forthcoming revision of depreciation guidelines will place the United States on substantially equal footing with other major industrial nations. These conclusions underscore the necessity for the Treasury's two-pronged program of revised, realistic depreciation and the investment credit.

Objectives of depreciation revision

It is my firm intention to announce new guidelines for depreciation during the course of the spring of this year. These guidelines will cover all major assets for all industries. The combination of engineering studies and statistical analyses will provide, on the basis of information never before gathered in such volume and detail, the necessary guidance for this full scale revision. Our basic objective is to provide realistic tax lives in the light of past actual practices and present and foreseeable technological innovations and other factors affecting obsolescence. Following the promulgation of the new guidelines, further revisions may be forthcoming with respect to any particular industry on the basis of subsequent engineering studies that may be requested and found necessary.

Complementary to, but not subsidiary to this objective of providing realistic lives, is our aim of achieving a far more simple and flexible system of depreciation under the directive of the Internal Revenue Code which, as I indicated earlier, requires that "reasonable allowances" for depreciation be permitted.

The existing *Bulletin F*, with its suggested useful lives for some 5,000 items of depreciable property, is a morass of detail. One of the important goals of our revision program is to reduce this detail. I intend to move toward guideline lives for broad classes of assets used by each of the industries in our economy. The Treasury Depreciation Survey has clearly demonstrated that one of the major irritants now experienced by American business stems from the detail of existing guidelines. A large proportion of our respondents has expressed a strong preference for a system that involves establishment of tax lives for broad classes of assets. At the same time our procedures must be sufficiently flexible to allow for recognition of the varying circumstances surrounding the economics of the operation of individual firms within industries as well as varying practices with respect to replacement policy, intensity of use of machinery and equipment, and practices with respect to repairs and maintenance.

Substantial simplification and elimination of controversy between the tax agent and the taxpayer will be achieved with the enactment by Congress of that feature of the bill now before the Ways and Means Committee which will permit disregarding the first 10 percent of salvage value for purposes of computing annual depreciation charges. Flexibility and simplification of the system of depreciation will require one important safeguard. This important safeguard is available in the Treasury's proposal to tax as ordinary income gains from the sale of depreciable assets to the extent of prior depreciation charged after December 31, 1960. This amendment of section 1231 of the Internal Revenue Code, now pending before the Ways and Means Committeee, will asssist greatly in facilitating the achievement of administrative depreciation practices that are fully in keeping with the requirements of the economy of 1962.

As you know, we began to move ahead with our revision of depreciation guidelines in October, when we announced new average useful lives for machinery and equipment used in the spinning and weaving of textile products. This was followed, early this week, by similar action with respect to apparel manufacturers. Revised tax lives for other segments of the textile industry are being developed as rapidly as possible.

The Treasury accelerated action with respect to the textile industry in response to the President's directive of May 2. Our actions taken thus far have provided reductions in *Bulletin F* guideline lives for depreciation of machinery and equipment of about 40 percent, specifically from 25 years or more to 15 years for production machinery and from 15 to 20 to 12 years for finishing equipment in the textile mill products industry and from 15 to 9 years for sewing equipment. Because many firms were depreciating their assets on the basis of lives considerably shorter than those suggested in *Bulletin F*, the actual average reduction in tax lives will be equal to 12 to 15 percent.

The new guidelines for the textile industry are designed to take into account increased rates of obsolescence due to such factors as acceleration of technological innovation and increasingly intensive international competition. They are far more realistic lives than the old ones and will bring a reduction in the wide variance among firms in depreciation allowances, thus improving equity. In addition, the new lives involve fewer differences among closely related assets. They will recognize the growing importance of the use of the system approach to factory organization (in contrast with an assemblage of more or less unrelated machines). They will also simplify accounting for depreciation, and facilitate the use of composite and group depreciation.

Summary and conclusion

I consider our program of depreciation reform, including the investment credit, a central part of our economic policy. Our two most important long-range economic problems today are to stimulate growth in the domestic economy and to eliminate the deficit in our balance of payments.

Comparison with other industrialized countries shows, as would be expected, that those countries with higher levels of investment in productive equipment have higher levels of economic expansion. As for our balance of payments, the most effective way to eliminate that deficit is to increase our exports. Indications are that other countries have been modernizing more rapidly, thus stepping up their productivity, lowering costs, and offering stiffer competition to our own producers, not only in foreign markets, but in domestic markets within the United States as well. To meet that competition our manufacturers need the increased stimulus to investment and modernization which can best be brought about by these changes in tax policy.

It is no exaggeration to say that at the present time, one of the most important policy goals of the administration is to increase productive private investment, for both domestic and international reasons. We need to make sure that our tax laws are fostering a strong flow of funds into investment in new productive facilities.

It is my conviction that depreciation reform, including both the administrative revision of depreciation guidelines and the investment credit, is not only the best way to bring about a higher investment level, but is absolutely necessary if we are to grow at a more rapid rate and maintain widespread international confidence in our currency.

EXHIBIT 19.—Address by Secretary of the Treasury Dillon, March 19, 1962, before the Tax Executives Institute, Washington, D.C., on the role of tax policy in economic growth

The United States is the richest, the strongest, and the most productive nation on earth, but we are still well short of our vast potential. There is no automatic way of closing the gap between what we are and what we could be. That gap can be narrowed in only one way, by accelerating our rate of economic growth.

We must grow faster if we are to provide employment for our expanding labor force and find new jobs for workers displaced by technological progress.

We must grow faster to increase business opportunities and profits.

We must grow faster to ensure the benefits of the world's highest standard of living to all of our people.

We must grow faster if we are to help the peoples of the emerging nations to improve their standards of living within the framework of free institutions.

We must grow faster to demonstrate the vitality of a free market economy to those in the emerging nations who may be influenced by Communist boasts of the superiority of a controlled economy.

And we must grow faster to ensure that the future will find us able to meet our heavy defense commitments both at home and around the world.

We can ignore the need for rapid economic growth only at our peril, for economic strength is essential to our survival as a free and prospering nation.

Growth has become such an imperative American goal that all of our national policies must take it into account. Nowhere is this more important than in the field of tax policy, because our present tax system does not contribute enough to faster growth.

To grow more rapidly, we must among other things, raise our level of productive investment. We must use our tax laws to make such investment more attractive and to foster a strong flow of investment funds. That is the aim of the administration's plan for depreciation reform, a twofold program which includes the proposed tax credit for new investment and the revision of existing depreciation guidelines.

Depreciation revision began last October with the announcement of new guidelines for machinery and equipment used by spinning and weaving mills in the textile industry. In January, we brought out new guidelines for the apparel part of the industry. Last month, revisions were published for the machinery and equipment used by hosiery and knitwear producers, thus completing depreciation revision for textiles, which President Kennedy had ordered expedited as part of his overall program to assist that struggling industry.

Depreciation studies for all other industries are now well advanced and the new guidelines will be in effect by late spring.

In setting guidelines, we are giving careful attention to the pace of technological change and obsolescence as a standard for judging the useful "lives" of productive equipment. And in attempting to determine actual and potential rates of obsolescence, we will not be bound by the obsolete notion that equipment is still usable as long as it remains in good working condition. That is the narrow concept of "physical" life. To the greatest extent possible, we will consider the "economic" life of machinery and equipment. For a 25-year-old machine may still run well enough, but its economically useful life is over if a newer machine produces at a significantly lower overall cost per unit.

Establishing new depreciation schedules by that standard of obsolescence is no simple task, especially when we are endeavoring to take into account, not only recent technological change, but that which is foreseeable in the near future. However, we do have a great deal of information on which to base our decisions, including two extensive statistical studies of depreciation practices initiated by my predecessor, Secretary Robert Anderson. They have been supplemented by recent engineering studies of six basic industries to give us a broad look at actual industry experience with technological change and obsolescence. In addition, the many conferences and meetings we have held with industry and trade association representatives and with their tax advisers have been most helpful.

Although we have reached no final decisions on new depreciable lives for any industry other than textiles, the general shape of the revision is becoming clear. We shall move to shorter and more realistic depreciable lives, and, in addition, put into effect a truly significant simplification of *Bulletin F*. This audience is well aware that *Bulletin F*, with its suggested useful lives for some 5,000 items of depreciable property, is a morass of detail. We intend to substitute a set of guideline lives for broad classes of assets in each of our industries.

But administrative revision of depreciation, important though it is, is not enough. If our economy is to grow and prosper, it is essential that our industry meet the highest standards of efficiency. Our prized American standard of living means higher wages for our workers than for workers elsewhere. If they are to be more highly paid, they must be more productive. And if they are to be more productive they must have the most modern equipment available anywhere in the world.

Our tax laws, as they presently stand, do not provide as great an incentive to modernize as do the laws of our major competitors. To place American industry on a comparable footing with industry elsewhere will require enactment of the proposed investment credit which will soon come before the House of Representatives.

Canada, Japan, and each of the seven major industrial nations of Western Europe provide first-year depreciation writeoffs for machinery and equipment—including, in most cases, special incentive allowances—that are much more generous than ours. West Germany typically allows 20 percent and the first year total writeoff in the other eight countries ranges upward from there to as high as

43.4 percent in Japan. The average first-year allowance among all nine of these countries is 29 percent.

Compared with this, our own industry now averages a first-year writeoff of only 13.3 percent less than half that of our competitors. Under present depreciation practices, our industrial equipment has an average useful life of about 15 years. Even if we were to reduce this to 10 years, and that would be unrealistically low, our industry generally would be able to write off only 20 percent of the cost of its new assets in the first year: still a third less than our foreign competitors.

The proposed investment credit would dramatically change those figures. For with the eight percent investment credit, we could keep the average depreciable life of our equipment right where it is now, at 15 years, and our industry's total first-year cost recovery would amount to 29.3 percent. That would be fractionally better than the average of our major competitors and significantly higher than the first-year writeoffs presently allowed in Belgium, France, Italy, the Netherlands, and West Germany. We do not, of course, expect average depreciable lives to remain at 15 years. To whatever extent they are reduced from that level, our future first-year writeoffs will become relatively even more advantageous.

Enactment of the investment credit is the only feasible means of achieving this result. Alternative plans would provide much less incentive to modernization with much greater revenue losses to the Government.

Our studies show, for example, that the proposed eight percent investment credit would improve the profitability of a typical 15-year asset by 30 percent, increasing the rate of aftertax return under double-declining balance depreciation from 5.6 percent to 7.3 percent. To achieve the same increase in profitability by use of special depreciation writeoffs would require a full 40 percent first-year depreciation allowance. Whereas the revenue loss from the proposed investment credit is estimated at only $1.8 billion in the first year, first-year depreciation of 40 percent would reduce Government tax collections by $5.3 billion. Over a five-year period, the credit would cost $9.9 billion in Federal revenues, while achievement of the same result by 40 percent first-year depreciation would cost $24.1 billion.

The recently advanced proposal for a 20 percent increase in depreciation allowances would likewise produce far less stimulation per tax dollar lost. Its revenue cost in the first full year of operation would be $600 million and would rise thereafter as new equipment was installed, reaching $1.6 billion in the fifth year, and $3.0 billion in the tenth year. Over a ten-year period, the total cost of this proposal would be $17.9 billion, somewhat less than the $22.1 billion cost of the investment credit. But the credit would provide more than four times the stimulative effect in increased profitability of investment.

The proposed 20 percent increase in depreciation writeoffs has been coupled by its sponsors with a one-shot, windfall tax allowance for distributors' inventories. This would cost $1¼ billion in its first year but would have only minor revenue impact thereafter. This proposed tax treatment of inventories has many serious flaws, not the least of which is that it would increase taxes on small businesses at the very worst time—when they are being forced to reduce inventories because of unfavorable business conditions.

As I have said, the suggested twenty percent increase in depreciation allowances does not even come close to the eight percent investment credit as a stimulus to business investment. Its effect would not even equal that of a two percent investment credit. The relative merits of the two proposals are most clearly seen when you realize that a full ninety percent increase in annual depreciation writeoffs, rather than a mere twenty percent, would be required to achieve a rise in the profitability of investment equal to that attainable by the eight percent investment credit. And such a 90 percent increase would involve a cost over 10 years of well over three times that of the investment credit.

It is essential that we have the full increase in profitability inherent in the investment credit if our industry is to modernize and compete on even terms, both against imports into our home markets and in world export markets. If American industry is prevented from becoming fully competitive, it will cost us literally hundreds of millions of dollars a year in our balance of payments, a loss we simply cannot afford. All Americans now recognize that the achievement of balance-of-payments equilibrium has become essential to our national security. Those who oppose the investment credit and suggest mere poultices in its place should be fully aware that in so doing they are contributing directly to a serious aggravation of our balance-of-payments difficulties.

Now pending before the Congress are two other changes in the tax treatment of depreciation which should have special interest for this audience:

The first, which has received inadequate public attention, would virtually eliminate one of the most difficult and controversial questions in the entire area of depreciation by changing the manner in which the prospective salvage value of depreciable assets is treated. We propose that taxpayers be permitted to ignore the whole issue of salvage value to the extent that such value does not exceed ten percent of the cost of the asset. This change would completely wipe out all problems concerning salvage value on the overwhelming majority of industrial assets.

The second proposed change tightens the tax laws governing earnings on sales of depreciable property. The reason for this goes far beyond our aim of tax equity. Adoption of the proposal to treat earnings from such sales as ordinary income is also an essential prerequisite to our efforts to simplify depreciation. Without this change, we will be thwarted in one of our major tax reform goals—the elimination, to the greatest extent possible, of rankling controversy between business taxpayers and Government tax agents for, once this provision is put into effect, errors made in determining the proper depreciable lives of equipment would no longer lead to tax windfalls on their sales. If we are to move forward with our plan for a broad category approach to the establishment of useful lives—and with the proposed liberalized treatment of salvage value—this modification is absolutely essential.

The Congress is also considering a number of other major tax changes designed to offset the revenue cost of the investment credit and to remove inequities in our tax system. We are gratified by the careful consideration they have received during exhaustive hearings and months of study by the House Ways and Means Committee. This extended discussion has helped to clarify areas where even the experts are sometimes less than certain. While the present bill, as modified by the committee, is not as complete as we would like, it does represent a good start on our program of overall tax reform.

The pending bill establishes a system of withholding on income from interest and dividends, thereby assuring the collection of some $650 million annually in taxes which are legally owed but are not now being paid. There is absolutely no reason why those who receive income from interest and dividends and who year in and year out avoid the payment of more than $800 million in taxes due their Government should not be subject to withholding, just as wage and salary earners have been for twenty years. The withholding system will collect fully three times as much revenue as the proposed alternative of a vastly expanded interest reporting system. $200 million is the maximum that could be collected by this means and even this would call for literally thousands more revenue agents to run down possible tax evaders identified by automatic data processing.

Adequate safeguards to protect the current income of people with little or no tax liability are built into the Ways and Means Committee bill which completely exempts from withholding those who owe no tax on their dividends, their savings accounts, or their savings bond interest. For those subject to tax, but to less than the amount withheld, prompt quarterly refunds are planned.

As for payers of interest or dividends, they will not be required to make detailed reports to the Government identifying those to whom the payments have been made. In addition, they will be permitted to retain and to use the withheld taxes for certain specified periods. This provision is designed to help them offset the cost of the withholding system.

Other sections of the bill make additional important steps toward tax fairness:

The bill provides for more equitable taxation of mutual thrift institutions and mutual fire and casualty insurance companies, although they will still bear a relatively lighter tax load than their competitors.

It ends the existing possibilities for prolonged postponement of tax payments on the earnings of cooperatives, by taxing currently either the co-op itself or its patrons.

It makes a progessive move toward eliminating the widespread abuse of tax deductibility as a means of paying for much personal entertainment, travel, and recreation.

And, finally, it takes a major step toward ending the proliferating use of tax havens abroad as a device for avoiding U.S. corporate taxes. The data we now have, which we know is incomplete, shows that there are several thousand American-controlled subsidiaries in the Bahamas, Liechtenstein, Panama, and Switzerland to name just the areas most often used, and most of them appear to have tax avoidance as the main reason for their existence. While the Ways and Means Committee bill does not go as far as we would like toward ending the advantageous tax treatment of income earned from overseas operations, it will certainly curb the most obvious abuses. As in the case of the investment credit, our balance-of-payments difficulties make it essential that we move ahead vigorously in this area.

The pending tax bill, as you know, represents only a first step in a comprehensive program of tax reform which this adminstration is undertaking. Our fundamental goal of more rapid economic growth underlies every aspect of that program.

Growth is the basic consideration behind the President's recent request for authority—subject to congressional concurrence—to reduce tax rates temporarily by as much as five percentage points in the early stages of a recession. For recessions, with their utter waste of manpower and resources, constitute the greatest of all setbacks to economic growth. We hope to increase our ability to mitigate these periodic slumps through the use of a flexible tax policy which will add to consumer purchasing power—and thus to overall economic activity—during times when that is most essential.

Growth is also a primary objective of our overall tax reform bill, which will be presented to the Congress later this year.

Our present tax system does not make the maximum possible contribution to our goal of economic vitality. For example, it makes investment in some kinds of business activity, such as speculative real estate transactions, more attractive than investment in other forms of business enterprise that contribute more to a growing economy.

Not the least of the economically undesirable consequences of our present tax law is the fact that it diverts highly skilled talent from the making of fruitful business decisions to the pursuit of the legal avoidance of tax liabilities. I need not spell that out for this particular audience.

Simplifying our tax structure, and making it more equitable, is essential if our nation is to achieve its economic potential. The job must be done even though there is little prospect, for the immediate future, of our being able to afford a truly significant reduction in the total amount of our tax bill.

That amount is not, in fact, as burdensome as has sometimes been claimed. Our Federal taxes are much less, as a proportion of total national income, than they have been at various times in the past. And our combined Federal, State, and local tax load is smaller, proportionate to either national income or gross national product, than the taxes borne by the citizens and businesses of six of our major allies, five of which have steadily maintained a rate of economic progress considerably in excess of our own.

Those who reject our concept of tax reform to be achieved largely through a broadening of the tax base and urge instead massive reductions in tax rates, without any provision for compensating revenue—are simply refusing to recognize that such a course would leave us no alternative but withdrawal from our world commitments and neglect of our pressing needs at home—a course that would be entirely unacceptable.

Tax rates can be cut. That is what our overall tax reform program will be all about. Our aim is to reduce tax rates for all by eliminating the special tax privileges of some—while at the same time maintaining the revenues needed to fulfill our national commitments.

The tax burden imposed by our urgent needs at home and by our inescapable leadership of the free world is a heavy one. But it can be borne.

The price of freedom may be high—but the day our citizens think it is too high will be the day when freedom has no future.

I do not think that day will ever come.

EXHIBIT 20.—Statement by Secretary of the Treasury Dillon, April 2, 1962, before the Senate Committee on Finance on H.R. 10650, the Revenue Act of 1962

During my appearance before you this morning, I hope that I shall be able to convey my strong personal feeling of urgency concerning the need for favorable action on the balanced tax revision bill so painstakingly constructed by the House Ways and Means Committee.

H.R. 10650—entitled the Revenue Act of 1962—was passed by the House of Representatives last Thursday. This forward-looking measure was developed on the basis of the tax recommendations contained in the President's message to the Congress of April 20, 1961.

The President pointed out in his message that although the basic framework of our tax system is generally acceptable, constructive reforms are essential to ensure that it serves our changing domestic and international economic goals and that it continues to meet the requirements of tax fairness in a changing economy.

The bill before you incorporates most of the President's recommendations, although some of them in modified form. The House Ways and Means Committee merits high commendation for its thoughtful and truly prodigious efforts over the past eleven months. Those efforts have produced a bill that moves the tax structure a considerable distance in the directions sought by the President and at the same time provides a modest revenue gain.

I appreciate being able to discuss with you the features of the bill which I consider satisfactory as well as our recommendations for improvements. I will not follow the order in which these features are taken up in the bill. The sequence used in the bill does not group related subjects together but rather takes up sections in accordance with the order in which they will appear in the Internal Revenue Code. Thus, I will depart from this sequence in order to treat related items in close conjunction with one another.

Tax credit for investment in certain depreciable property (section 2)

The central element in the bill is the tax credit for investment in depreciable machinery and equipment. The bill provides in general for the deduction from taxes otherwise due of 7 percent of the cost of new machinery and equipment. A similar result could have been achieved by a 14 percent investment allowance, under which 14 percent of the investment would be deductible in computing taxable income. This method of investment stimulation is presently in use in the United Kingdom, Belgium, and Canada, and is in the process of being enacted by the Australian Parliament. The Netherlands makes use of an investment credit similar to that in the House bill. Both of these approaches are tried and proven. We have preferred the 7 percent tax credit to the 14 percent investment allowance because it gives full credit to small businesses subject to the 30 percent corporate tax rate and to those unincorporated businesses whose tax rate is less than 52 percent. With an investment allowance a small business would receive only 30 percent of the benefit compared to 52 percent for larger companies. With a tax credit the full benefit flows to small businesses. The credit will apply to investment in eligible assets acquired after December 31, 1961. It will stimulate investment in modernization and expansion of our industrial capacity, strengthen our whole economy, contribute to economic growth and substantially increase the competitiveness of American products in markets at home and abroad.

American industry must compete in a world of diminishing trade barriers, in which the advantages of a vast market, so long enjoyed here in the United States, are now being or are about to be realized by many of our foreign competitors. Our balance-of-payments position, as well as our standard of living in the long run, can be improved or even maintained only if we can increase our efficiency and productivity at a rate at least equal to that of other leading industrialized nations. These nations have now largely achieved the conditions needed to attract massive investment in productive facilities, including external currency convertibility, price stability, and political stability, and they are providing effective tax incentives designed to accelerate investment and growth. We cannot, therefore, afford to stand by and do nothing, or put off affirmative action to a later day. We need to increase our investment in machinery and equipment now—delay can only place greater strains on our international payments position and put off the achievement of the rate of growth we must achieve if we are to meet our domestic and international commitments and provide jobs for our ever-increasing labor force.

Machinery and equipment expenditures—the type of business capital expenditure which is basic to the creation of new products and which also makes the most direct contribution to cost-cutting, productivity, and efficiency—constitute a smaller percentage of the gross national product in the United States than in any major industrial nation of the world. In recent years we have devoted less than 6 percent of our GNP (less than 5 percent in 1961) to this type of vital capital outlay, only half the proportion devoted to this purpose by West Germany, only three-fourths that of the United Kingdom, and about 60 percent as much as the combined average of the European members of the Organization for Economic Cooperation and Development (OECD). Even more significant is the fact that in the United States this percentage has recently been declining steadily, whereas it has been increasing in these other nations.

Recent studies indicate a close correlation between the ratio of investment in productive equipment to GNP and the rate of economic growth. In view of the relatively small proportion of GNP that has been allocated to investment in machinery and equipment in the United States, it is not surprising to find that the average annual rate of growth (in constant prices) experienced in the United States in the decade of the fifties was only 3 percent, compared with more than 7 percent for West Germany, and with a range of 4 to 6 percent for most other industrial countries of Western Europe. In order to minimize unemployment, to satisfy the desire of our people for rising standards of living, to meet our defense and other domestic and international obligations, and to demonstrate the vitality of our free economy, we must achieve a higher rate of growth. This we cannot do unless we achieve a more satisfactory rate of capital formation.

We cannot hope to achieve the increased rate of capital formation necessary to more rapid economic growth and full employment unless we bring our tax treatment of capital investment into line with the standards which our European competitors have used so successfully over the past decade. To attain this result the administration is pursuing a two-pronged course in the area of depreciation. One step involves administrative action to modernize depreciation guidelines in keeping with the statutory provision of a "reasonable allowance" for depreciation, including obsolescence. In addition to more realistic recognition of obsolescence and technological trends, the Treasury aims to achieve a simpler, more flexible system of depreciation.

The revised depreciation guidelines, to be announced in late spring of this year, will constitute the first really major change in the administration of depreciation since the early 1930's. The establishment of a modern depreciation system which takes account of the current faster tempo of obsolescence will help to stimulate investment in this country. But, I must emphasize, the shortening of depreciable lives to a fully realistic basis will not bring American industry abreast of its foreign competitors. For all of the other major industrialized nations of the free world provide for either the use of unrealistically short lives for depreciation purposes, a practice which distorts income and cost statements, or for special initial allowances or investment allowances which supplement regular depreciation charges, or for a combination of two or more of these incentives.

The impact of depreciation plus initial and investment allowances on the amounts that may be deducted in the year in which a new asset is acquired in

Canada, Japan, and the seven leading industrial nations of Western Europe is shown in Table I. Here it may be seen that the percentage of the cost of an asset that may be deducted in the first year ranges from 20 percent in West Germany to 43.4 percent in Japan compared with as low as 10.5 percent in the United States. For the first 5 years of the life of the asset, the relevant proportion falls within the range of 62–70 percent for West Germany, Japan, and the United Kingdom, between 70 and 80 percent for Canada and France, and 85 to as much as 100 percent for Belgium, Italy, the Netherlands, and Sweden. In sharp contrast, the applicable percentage in the United States is 42.7 under the present average *Bulletin F* life and 51.1 percent for the most commonly used 15-year life.

The data presented in the table demonstrate clearly that even a drastic downward revision of depreciable lives beyond anything that can be justified by realistic asset lives would still not bring capital allowances in the United States to a level comparable with that permitted by our foreign competitors. Should our overall administrative revision of depreciation bring about reductions in guideline lives as large as those which were found appropriate for the textile industry, not more than a quarter of the current gap between depreciation practices here and abroad will be closed. Administrative modernization of depreciation simply cannot do the job. The reason is simple. Realistic depreciation cannot be expected to produce depreciation chargeoffs equal to the special incentive provisions in general use abroad. Nor can it provide the additional incentive which the experience of other industrialized countries has demonstrated is needed to broaden and deepen the flow of investment into new, more efficient equipment. The combination of both the forthcoming modernization of depreciation guidelines and a special incentive such as the investment credit contained in the bill before you is required if U.S. business firms are to be placed on substantially equal footing with their foreign competitors in this respect. It is essential to our competitive position in markets both here at home and abroad that American industry be put on the same basis as foreign industry. Unless this is done increased imports and decreased exports will unnecessarily add to the burden of our balance-of-payments deficit.

The investment credit will stimulate investment in a number of ways. Because it reduces the net cost of acquiring depreciable assets it increases the rate of profitability. Thus, for example, a 10-year asset that is expected to yield a rate of return after taxes of 5.0 percent under straight-line or 5.6 percent under double-declining balance depreciation will, with an 8 percent investment credit, yield a return of 7.9 percent per year. This represents an increase in profitability of more than 40 percent (for a 7 percent credit the 7.9 and 40 percent become 7.6 and 35 percent). An increase of this magnitude will provide a major stimulus to business firms to replace older, less efficient machinery and equipment and, in the process, incorporate the most recent technological developments into productive facilities. Detailed explanations of the procedures involved in computing profitability and the costs of the various incentive measures that have been suggested at one time or another are contained in Exhibit I.[1]

Investment decisions are influenced as well by the availability of funds. Since the credit will increase the flow of cash available for investment, it will stimulate investment through this effect as well as through its effect on profitability. The increased cash flow will be particularly important for new and smaller firms, which do not have ready access to the capital markets and whose growth is often restrained by a lack of capital funds.

Still another way in which the credit may be expected to stimulate investment is through a reduction in the pay-off period for investment in a particular asset, which is one measure of the risk associated with any investment. This reduction in risk, coupled with the higher rate of profitability and increased cash flow, will shift the margin at which positive decisions to invest are made and will help to restore to past levels the proportion of our annual output that is devoted, through investment in machinery and equipment, to building the strength, vitality, and competitive force of the American economy.

Another interesting comparison may be made, one that should intrigue those who favor a low interest rate as a primary investment stimulus.

[1] Omitted from this exhibit; for document reference see note at end of this statement.

TABLE I.—*Comparison of depreciation deductions, initial and investment allowances* [1] *for industrial equipment in leading industrial countries with similar deductions and allowances in the United States*

	Representative tax lives (years)	Depreciation deductions, initial and investment allowances		
		First year	First 2 years	First 5 years
		(Percentage of cost of asset)		
Belgium	8	22.5	45.0	92.5
Canada	10	30.0	44.0	71.4
France	10	25.0	43.8	76.3
West Germany	10	20.0	36.0	67.2
Italy	10	25.0	50.0	100.0
Japan	16	43.4	51.0	68.2
Netherlands	10	26.2	49.6	85.6
Sweden	5	30.0	51.0	100.0
United Kingdom	27	39.0	46.3	64.0
United States:				
Without investment credit and lives equal to current *Bulletin F* weighted average of 19 years		10.5	19.9	42.7
With lives of:				
15 years		13.3	24.9	51.1
14 years		14.3	26.5	53.7
13 years		15.4	28.4	56.6
12 years		16.7	30.6	59.8
11 years		18.2	33.1	63.0
10 years		20.0	36.0	67.2
With investment credit and lives equal to current *Bulletin F* weighted average of 19 years [2]		(24.5) 26.5	(33.9) 35.9	(56.7) 58.7
With lives of:				
15 years		(27.3) 29.3	(38.9) 40.9	(65.1) 67.1
14 years		(28.3) 30.3	(40.5) 42.5	(67.7) 69.7
13 years		(29.4) 31.4	(42.4) 44.4	(70.6) 72.6
12 years		(30.7) 32.7	(44.6) 46.6	(73.8) 75.8
11 years		(32.2) 34.2	(47.1) 49.1	(77.0) 79.0
10 years		(34.0) 36.0	(50.0) 52.0	(81.2) 83.2

[1] The deductions and allowances for each of the foreign countries have been computed on the assumption that the investment qualifies fully for any special allowances or deductions permitted. The deductions in the United States have been determined under the double-declining balance depreciation method, without regard to the limited first-year allowances for small business.

[2] For purposes of this table, the 8 percent investment credit has been considered as equivalent to a 16 percent investment allowance. For corporations subject only to the 30 percent normal tax it is equivalent to an investment allowance of 27 percent. The figures in parentheses indicate the effect of a 7 percent credit, equivalent to an investment allowance of 14 percent (23 percent for corporations subject only to the normal tax).

An 8 percent investment credit reduces the gross financing costs of a 10-year asset as much as would a reduction of the interest rate from 5 percent to 3⅓ percent; for a 15-year asset from 5 percent to 3⅔ percent. But the credit does not entail the balance of payments and other difficulties that would accompany a concerted effort to bring long-term interest rates down by such a large extent.

Some critics of the investment credit have suggested that we should approach the problem of increasing investment through tax changes by giving first priority to measures designed to add to consumer demand. An increase in consumer demand will of course induce additional investment, but this is not the only way in which the level of investment may be raised and it would be wrong to place our entire reliance on this approach. This is because investment induced by consumer demand suggests primarily expansion using existing kinds of equipment and techniques, rather than more efficient and larger quantities of capital per worker and, therefore, greater productivity. We cannot be content merely with the level of capital formation that will result from response to increased consumer demand. We must have both more capital equipment per unit of output and increased demand for that output. Thus a higher rate of growth requires a more rapid accumulation of productive facilities than would be forthcoming if investment were induced solely by an increase in final demand. The American economy now is much in need of modernization of its capital equipment which, in the technological environment of the 1960's, requires an increase in the ratio of capital to output. One of the important means of achieving a higher rate of economic growth lies precisely in increasing this ratio, and a direct approach to investment incentives is needed to accomplish this. We must increase the overall attractiveness of investment at any given volume of consumer demand in order that our productivity and growth may be maximized.

With this objective in mind, the credit should be viewed primarily as a means of encouraging the modernization of industrial, mining, agricultural, and other equipment, increasing the productivity of the American economy by adding to the quantity and quality of capital available per worker, and increasing the relative attractiveness of investment at home compared with investment abroad.

Those who are properly concerned about the existing gap between current and full employment output urge that this gap should be filled by expansion of consumer demand. But the increase in overall demand required to bring the economy closer to full employment need not consist solely of an increase in consumer demand. Increased investment adds equally to aggregate demand, and in the transition to full employment the rising aggregate demand due to increased investment will, by transmitting itself through the economy, add substantially to consumer demand. Moreover, in this transition period the total increase in demand, generated by increased investment but including additional outlays on consumer goods and services, will far exceed any overall increase in capacity. Thus the credit will contribute significantly to our objective of achieving a higher level of employment. It should be clearly noted that the increased productive capacity resulting from a more rapid rate of capital formation will also in the long run make possible far higher levels of consumption.

Another objection to the investment credit stems from concern about our ability to maintain full utilization of the increased productive capacity after it has been acquired. I believe that this concern reflects a viewpoint that is far too pessimistic. The underlying forces of expansion in our economy are strong and will be strengthened further by the enactment of the investment credit. The substantial anticipated increase in the labor force in the years ahead provides a challenge and an opportunity, if the necessary tools of production are forthcoming, for a more rapid rate of economic growth than we have experienced in recent history. I am confident that this administration will take such steps as are needed to maintain the required level of total demand. The economic effects of the investment credit will make its task easier. It is in the context of this approach to public policy that the merits of the investment credit must be appraised.

Another criticism which was heard frequently last year was based on a misunderstanding. This was the thought that the credit is a temporary remedy for recession or that it would be somehow offset by more restrictive administration of depreciation. The arguments I have made for the credit clearly reveal that such legislation must be a permanent part of our tax code if we are to meet foreign competition, and our administrative action in the textile field is a harbinger of what is being prepared for other fields—more liberal rather than more restrictive administrative action.

Finally there has been the criticism that holds that the credit is a form of subsidy which other incentive measures are not and that it will not be sufficiently effective as a means of increasing investment. Those who hold this view, including the National Association of Manufacturers, usually favor the acceleration of depreciation beyond what is justified on the basis of realistic accounting. Careful study and consideration of a wide variety of alternatives to the investment credit show, however, that all of these alternatives, without exception, share the same characteristic of giving the investor in equipment a monetary reward beyond what he would receive on the basis of realistic accounting. The element of subsidy or incentive is equally present in all of them. We have chosen the credit primarily because it increases the profitability of investment far more per dollar of revenue cost than any of the other alternatives. For example, the first 5 years' revenue cost of a 20 percent initial allowance would exceed that of an 8 percent investment credit by about $1 billion, but the allowance would increase the profitability of investment in a 10-year asset by less than 10 percent, compared with more than 40 percent for the investment credit. Even a 40 percent initial allowance, the cost of which over the next 5 years would be more than twice as great as the cost of the credit, would have an appreciably smaller effect on profitability for assets with expected useful lives of up to 20 years.

Similar conclusions emerge from our analysis of such incentives as triple-declining balance depreciation and across-the-board percentage increases in depreciation allowances. In addition all of these alternatives which go beyond realistic depreciation suffer from a number of important disadvantages which are not associated with the investment credit. Unrealistically high depreciation charges tend to distort income accounting and produce higher costs for tax and, in the case of a great number of firms, book purposes. Such higher costs may frequently be reflected in higher prices. Since they also cost the Government more and provide a lesser stimulus to investment, it seems clear that the investment credit is the best way in which to supply the additional incentive that is so badly needed.

In general, the House bill carries out the President's recommendation on the investment credit in an acceptable manner. As you know, however, the general rate of the investment credit was reduced in the final stage of House consideration of the bill from 8 percent to 7 percent in order to achieve an overall revenue balance in the bill. At the same time the House reduced the limit on the credit allowable against tax liability in any taxable year from the first $100,000 plus 50 percent of the excess to $25,000 plus 25 percent. Although a 7 percent credit would provide a substantial stimulus to investment, the 8 percent figure was originally chosen because it produced the maximum stimulus consistent with our revenue needs. I therefore urge the committee to restore the credit to the original level as reported by the Ways and Means Committee. It would also be helpful if the committee would restore the limitation over $25,000 to the 50 percent figure originally adopted by the Ways and Means Committee. These two changes can be accomplished at a gross cost of $375 million, which would be more than offset by other changes which I shall suggest. In order to reduce the revenue cost of the credit for fiscal year 1963 I recommend that the 25 percent limit be retained for the current year. This would hold the gross increase in cost for fiscal year 1963 to $135 million, which would be more than offset by other reductions in the cost of the credit which I shall suggest.

Under the House bill the credit can be taken on up to $50,000 a year in used equipment which otherwise meets the tests of eligibility. This feature is intended to aid small businesses, which frequently purchase used equipment. It should help those smaller firms with limited capital resources which seek to upgrade their equipment by replacing wholly obsolete assets with used but more recent models. At the same time adequate safeguards are provided to ensure against abuses that might otherwise arise as a consequence of fictitious trading in used assets.

H.R. 10650 provides a partial credit of 3 percent with respect to otherwise qualified outlays by regulated public utilities such as electric power, gas, and telephone companies. The full credit is allowed transportation companies which do not enjoy the monopoly privileges of the other utilities, and whose rates are not regulated in a manner designed to permit a specific rate of return for each company. The full credit is also allowed to gas pipelines.

The President's original proposal recommended that the credit not apply to regulated public utility corporations. This recommendation was made with full recognition of the great contribution the utilities make to the American economy. It was based on the fact that public utilities are regulated monopolies with substantial assurance of a given rate of return on investment after tax. Moreover, investment in public utility facilities is based largely on demand, governed by public requirements.

After evaluating serious conflicting considerations, the Ways and Means Committee and the House adopted a compromise position, granting a 3 percent rather than a 7 percent credit to eligible investments of the utilities. While we recognize that industrial power costs are an important element in manufacturing costs, we have not been able to separate this element of the utility business from the regulated fields of commercial and household consumption. For this reason and for the reasons more fully set out in Exhibit I[1], the Treasury considers that on balance the issue would be better resolved through the exclusion of the regulated utilities in the electric, gas, and communications fields. The Federal Power Commission has informed us that the gas pipelines share the basic characteristics of these regulated utilities and would be treated for ratemaking purposes in the same manner. For this reason gas pipelines should be grouped with other regulated public utilities and be excluded from qualification for the credit. The revenue gain from exclusion of these utilities from the credit in the House bill would amount to more than $250 million. With the changes I have suggested the annual gross cost of the investment credit when fully operable will be $1,350 million, based on level of investment anticipated for 1962.

[1] Omitted from this exhibit; for document reference see note at end of this statement.

I should like to make a few concluding comments on the investment credit proposal before passing on to other aspects of the bill. Throughout our economy, there will be thousands of investment decisions involving billions of dollars during the remainder of this year and in succeeding years which may hinge on the outcome of this legislation. There is often a thin line between a yes and no decision in the investment area. With the credit we will have affirmative actions where there would otherwise be none.

This matter has top priority in the agenda for tax reform. As chief financial officer of the Nation, I do not lightly regard tax abatements on the scale proposed here. I urge this legislation because it will make a real addition to growth consistent with the principles of a free economy; because it will provide substantial help in alleviating our balance-of-payments problem, both by substantially increasing the relative attractiveness of domestic as compared with foreign investment and by helping to improve the competitive position of American industry in markets at home and abroad; and because, far from adding to the forces responsible for alternating recessions and recoveries, it will be of major assistance in strengthening our present recovery and enabling us to attain a higher rate of growth and sustained full employment. Early action will resolve uncertainty or hesitancy and begin at once a strong and lasting incentive for modernization of the productive facilities of our national economy.

The rest of the bill and our further recommendations will bring substantial improvements in tax equity and will more than offset the gross cost of an 8 percent investment credit.

Gains from the disposition of depreciable property (section 14)

The President recommended that capital gain treatment be withdrawn from gains on the disposition of depreciable property, both real and personal, to the extent of prior depreciation allowances. Such gain reflects depreciation allowances in excess of the actual decline in value of the asset and under the President's proposal would be treated as ordinary income. Any gain in excess of the cost of the asset would still be treated as capital gain. This reform would eliminate an unfair tax advantage which the law today gives to those who depreciate property at a rate in excess of the actual decline in market value and then proceed to sell the property, thus, in effect, converting ordinary income into a capital gain. It is particularly essential at this time in view of the impending administrative revision of depreciation guidelines.

Under H. R. 10650 gain on the disposition of depreciable personal property, and certain other property which is eligible for the investment credit, will be treated as ordinary income to the extent of depreciation taken for taxable years beginning after December 31, 1961.

However, the House failed to act on the President's proposal as it applies ta real estate, largely because of difficulties in reaching a consensus on the appropriate remedy. There nevertheless appears to be recognition that excessive depreciation in the real estate area is a serious problem and that some action is required.

It is my view that it would be unwise to delay action. I therefore renew the recommendation for legislation at this time. Specifically I recommend that depreciation, with respect to all real property hereafter acquired, be limited to an amount not in excess of the depreciation allowed under the straight-line method. Under present rules depreciation at accelerated rates applies not only to the taxpayer's investment, but also to the amount of mortgage indebtedness to which the property is subject. Since the acquisition of real property is usually heavily financed by mortgage indebtedness, accelerated depreciation often provides deductions far in excess of the income from the property. In such cases the investor is able, because of the depreciation deduction, to amortize the principal of the mortgage, to obtain a nontaxable cash return of 10 to 12 percent or more on his equity investment, and even to wipe out tax on other income at top bracket rates. When the depreciation deductions cease to produce such spectacular results, the property is frequently sold. Thus the excess depreciation, having been charged against income taxable at ordinary rates, is recouped and taxed only as capital gains. Concrete examples of this process are contained in Exhibit VI.[1]

Furthermore, accelerated depreciation applied to real estate is not an appropriate measure of decline in value. Real estate, unlike personal property, does not generally suffer unusually heavy depreciation in the early years of its life.

[1] Omitted from this exhibit; for document reference see note at end of this statement.

In addition, gain on the sale of all real property should be treated as ordinary income to the extent of depreciation for taxable years beginning after December 31, 1961. To meet the assertion of real estate investors that such ordinary income treatment would operate peculiarly in the real estate area to lock them into their investments after a long period of time, such treatment could be subject to a sliding scale cutoff as follows: In the case of real estate held for 6 years or less at time of disposition, gain would be ordinary income to the extent of 100 percent of depreciation for taxable years beginning after December 31, 1961; in the case of real estate held for more than 6 years prior to disposition, the percentage of such depreciation which would be treated as ordinary income would be reduced by one percentage point for each month the property has been held in addition to 6 years.

A sliding scale cutoff, starting as early as 6 years after acquisition, is appropriate only if depreciation of real estate is limited to the straight-line method. Even with straight-line depreciation, taxation of gain on the sale of depreciable real estate at ordinary income rates to the extent of prior depreciation is necessary for at least the period provided in the sliding scale cutoff. This will relieve the pressure on depreciable lives that would otherwise obtain and will permit more flexibility to the taxpayer. It will therefore limit disputes in the determination of tax lives, salvage values, and expenditures allowable as repair deductions for depreciable real estate.

The House bill also should be amended to provide for the treatment as ordinary income of gain on the sale of depreciable property to the extent of prior deductions for amortization of interests in depreciable property, in order to prevent avoidance of this section by the use of leaseholds of depreciable property.

The revenue gain to be realized from the enactment of the House bill's provision for taxation of gain on the sale of depreciable property is $100 million. Adding the features I have recommended with respect to real property will add a further $80 million to our tax receipts.

Expense accounts (section 4)

One of the most publicized and troublesome areas in our tax system today is the deductible expense account. The problem is not simply one of the tax avoidance that arises through abuse of existing rules, such as disguising as business expense the entertainment and recreational activities of members of the family or the gross overestimating of expenditures on business entertainment. The requirement in the House bill that entertainment, traveling, and gift expenses be properly substantiated represents an effective step forward in controlling this abuse. But even where business associates are involved and proper records are kept, present law allows members of a select group to charge a large portion of their recreational and personal living expenses to the Federal Government.

Tighter enforcement of present law is not the answer to the problem. Under present law the use of a yacht to entertain acquaintances ostensibly to seek potential business, or wining and dining acquaintances in night clubs and at cocktail parties for similar purposes, can be charged against income otherwise taxable. This confers substantial tax-free personal benefits upon those offering the entertainment and the beneficiaries of the entertainment. Personal expenses disguised as business expenses present difficult enforcement problems. Only clear-cut decisive legislation will remedy this ever-worsening situation, with its unfortunate effects on the morale of the general taxpayer and on tax revenues.

Originally in the House and today before this committee, we urge that the cost of business entertainment, including club dues, and the maintenance of entertainment facilities (such as yachts and hunting lodges) be disallowed in full as a tax deduction. Restrictions should also be imposed on the amount to be deducted as business gifts, and on travel expenses for vacations that are combined with business travel. To permit the normal conduct of business affairs, a number of important exceptions should be provided. Thus, deductions should not be denied for the cost of meals in surroundings conducive to business discussions, employee recreational programs, entertainment extended to the public in general, and similar items, as set forth in the House bill.

As it relates to entertainment and facilities, H.R. 10650 is designed to require a closer connection between the entertainment and the carrying on of business activities. While this will enable the Internal Revenue Service to disallow the cost of entertaining which is not directly related to the actual conduct of business, the House provision obviously draws only a vaguely defined line. It seems certain that considerable controversy and litigation will ensue. Moreover, the House approach does not fully solve the basic problem. It still permits the deduction, for a relatively small and select group, of expenditures which, unlike other business expenses, confer substantial personal benefits upon their recipients.

As regards gifts, the House provision denying deductions for business gifts having a value of more than $25 would effectively curb present abuses.

The bill before you will also effect an improvement in the area of travel expenses if, as we assume, the standard of "reasonableness" inserted in the statutory provisions dealing with the deduction of traveling expenses, is intended to curtail lavish and extravagant expenditures. However, the bill fails to provide for any allocation of traveling expenses when a trip is devoted partly to business and partly to vacation; deduction of the total expenses of such travel is a serious abuse problem today and a reasonable allocation provision is needed.

In its present form, the expense account features of H.R. 10650 will add $125 million per year to tax receipts. Adoption of the provisions we are now recommending will increase this figure to $250 million.

Withholding of income tax at source on interest and dividends (section 19)

An obvious defect in our tax system lies in the failure of some individuals to report dividend and interest income on their tax returns. Most dividend and interest recipients are responsible taxpayers who faithfully report each year about $15 billion of such income. There is, however, about $3 billion of interest and dividends received by taxable individuals which is not reported. That shortage results in a revenue loss of more than $800 million annually, which must be made up by the general taxpayer.

This nonreporting of dividends and interest is a chronic problem which must be dealt with effectively. Billions of dollars in Government revenues have been lost over the years and the substantial, continuing avoidance of tax in this area has a demoralizing effect.

The Government has not let this problem go unchallenged. Strong efforts have been made, with the full support and cooperation of the financial community, to improve voluntary compliance through educational drives. The Internal Revenue Service has enlarged its audit enforcement and educational activities in this area. But the overall results have been disappointing.

It has been suggested that in the future, with automatic data processing, additional information reporting by interest and dividend payers, and more audit enforcement effort, the nonreporting gap might be closed. This approach has been carefully studied by our tax administrators. But the failure to report dividends and interest is a mass compliance problem involving millions of transactions and ADP, although helpful in the sorting of information documents filed by payers, will not, in itself, collect any tax. To collect taxes by this procedure would require an inordinate amount of time, manpower, and money in audit-followup and collection procedures, as well as the use of at least 250 million information returns. Moreover, at best, the Government could be expected to recover only a small portion of the unpaid taxes which, though large in total, represent an aggregation of a large number of rather small sums.

The Commissioner of Internal Revenue has concluded that the ADP-enforcement approach alone, as compared to withholding, "would be burdensome and expensive to business and Government out of all proportion to the effect it would have on the reporting gap." He estimates that, even with a substantially enlarged enforcement and collection effort, based upon greatly expanded reporting by payers of interest, this approach would only reduce the nonreporting gap by about 25 percent as compared to 80 percent for withholding. At the same time, withholding will cost the Service about one-third less, $19 million, as compared with $27 million.

The Commissioner regards withholding as "the most workable, businesslike approach" for closing the gap, by assuring the automatic collection of tax at the first tax bracket rate. ADP, as a system complementary to withholding, can be efficiently and effectively applied to assist in achieving tax compliance in the higher income brackets.

The President's recommendation for tax withholding does not involve a new tax on dividend and interest income; it is simply an administrative device to assure collection of existing tax obligations. We have had tax withholding on wages and salaries for almost two decades. It is a proven tax collection method—helpful not only to the Government but also to taxpayers as a gradual and systematic method of tax payment and collection. Since most dividend and interest recipients also are, or have been, wage and salary earners, withholding on dividends and interest would in large part cover taxpayers already familiar with withholding operations. The House bill provides for exemptions from withholding for most interest and dividends receivable by all children under 18 and for adults who do not expect to owe any tax. It also provides for prompt quarterly refunds in all cases involving overwithholding.

The mechanics of withholding on dividends and interest will be simple. The institution paying the dividends and interest will merely total up the amount of dividends or interest due to persons who have not filed exemption certificates, deduct 20 percent of this total amount, and pay the 20 percent over to the Government at the end of the month following the quarter in which the dividends or interest are paid. It will pay each dividend or interest recipient who has not filed an exemption certificate 80 percent of the amount of his dividend or interest. It will not be necessary for payers to furnish information statements either to the Government or to the recipient of dividends or interest. Persons who have filed exemption certificates will be paid the full amount of the dividend or interest.

Dividend and interest withholding is equally simple for the recipient. Since withholding will always be at a flat 20 percent rate, the recipient can easily determine how much has been withheld. In fact, the recipient does not even have to know how much has been withheld in order to complete his tax return. The return will carefully lead him through a simple gross-up procedure whereby he can determine the amount of his dividends and interest to be included in his income and the credit he is allowed for the amount of tax withheld.

The mechanics of the Treasury's original withholding proposal, with no provision for exemption certificates, were even simpler. The Ways and Means Committee after full consideration, however, decided that a system of exemption certificates for nontaxable individuals is more desirable. Although this will mean some additional record keeping for payers, the House felt that the benefits of an exemption procedure clearly outweigh the additional work involved.

The withholding provisions of H.R. 10650, which would be made effective on January 1, 1963, meet the President's objective in this area. It is estimated that the withholding system provided in the bill will recoup $650 million of the annual revenue loss resulting from the nonreporting of dividends and interest

Provisions involving tax equality among competing businesses

1. Tax treatment of cooperatives and patrons (section 17)

Legislation enacted by the Congress in 1951 was intended to tax cooperative income on a current basis at the cooperative level if the income was not paid out or allocated as patronage dividends, or at the patron level, if it was paid out or allocated. As the result of court decisions which held that certain noncash patronage refunds are nontaxable when received by patrons, even though the dividends continued to be deductible by the cooperatives, this intent has not been carried out.

The President recommended that the law be amended to make the intent of the 1951 legislation effective. Another recommendation would extend the proposed tax withholding on dividends and interest to patronage dividends. Withholding on patronage dividends at the 20 percent rate would assure the average patron of the funds with which to meet his tax on noncash dividends.

The House bill provides an adequate remedy for the unintended exemption of some cooperative income. Under the bill, cooperatives would be permitted a deduction for patronage dividends paid in cash and for noncash dividends paid in the form of written notices of allocation. These written notices of allocation, in the form of noncash or "scrip" dividends, would be deductible by the cooperative either if they are payable in cash within 90 days at the option of the patron or if the patron has consented in writing to include them in his income, or if the cooperative has adopted a bylaw requiring all patron members to pay tax on these written notices of allocation. As under present law, patrons would not have to pay tax on dividends received with respect to purchases of items for personal use.

Cooperatives engaged in furnishing electrical energy or providing telephone service in rural areas would not be subject to these provisions as these cooperatives are exempt from taxation or are in the process of qualifying for exemption.

The enactment of the House bill will ensure that the earnings of cooperatives will be taxed currently, either to the cooperative or to the patrons. This provision will yield $35 million per year in additional revenue.

2. Taxation of mutual fire and casualty insurance companies (section 8)

The House bill, in line with the President's recommendation, is designed to achieve more equal treatment of stock and mutual fire and casualty insurance companies. Since 1942 the mutual companies have been taxed only on their investment income, subject to a minimum tax of one percent on gross income from all sources. This formula disregards both underwriting gains and underwriting losses. On the other hand, the stock companies are fully taxed on all of their income, in the same manner as other corporations.

Under H.R. 10650 mutual fire and casualty companies, after generous provision for reserves for losses in a deferred income account, would be subject to tax at ordinary corporate rates on net underwriting and investment income. Amounts equal to one percent of claims paid plus one-quarter of underwriting gain may be deducted from currently taxable income and credited to a deferred income account. If the amount set aside in this account in any taxable year is not used to absorb losses in the following 5 years it will be added to taxable income in the sixth year, but only to the extent of the one percent of claims paid and one-half of the one-quarter of underwriting gain that remains. Thus one-eighth of underwriting gains may be permanently deferred from taxation and, in addition, taxation of a large portion of underwriting gains is deferred for 5 years.

The 5-year deferral provision is continuous in its effect; taxation of each succeeding year's underwriting gain is deferred for 5 years. Thus it is more than a mere transition to regular corporate taxation. If the growth trend of the mutual companies continues, each successive year's underwriting gains will exceed the gains of the fifth preceding year, so that current full taxation will never be achieved. In addition, permanent deferral of one-eighth of underwriting gains is a windfall for the most profitable companies; only those companies with consistent underwriting profits will be able to enjoy this permanent deferral and the larger their profits the greater the value of the benefit.

The House provisions represent an important step towards placing the mutual fire and casualty insurance companies on a tax basis which recognizes underwriting as well as investment sources of income or loss. But the regular corporate basis of taxation, as orginally recommended by the President, and as now applied to the stock companies would provide simpler and more equitable treatment. In effect, this recommendation would eliminate both the 5-year and permanent deferral provisions of the House bill. Consideration might be given to providing a gradual transition to regular corporate taxation over a 5-year period. This would be preferable to the continuing and permanent deferral provisions of the House bill.

Full corporate taxation would yield about $50 million of additional revenue annually. The provisions in the House bill will yield about $40 million after the lapse of 5 years.

3. Mutual savings banks and savings and loan associations

Under present law, mutual savings banks and savings and loan associations can deduct from their income amounts added to a reserve for bad debts until reserves, surplus, and undivided profits equal 12 percent of deposits or withdrawable accounts. As a result, during the entire decade, 1952–1961, all mutual savings banks and savings and loan associations paid total Federal income taxes of less than $70 million, while at the same time they retained $5.5 billion as additions to reserves, surplus, and undivided profits. From an economic and accounting point of view a large part of the untaxed additions to bad debt reserves constitutes net income which, were it earned by competing financial institutions, would be subject to corporate income tax.

H.R. 10650 goes part of the way toward implementing the President's recommendation that the tax laws should assure nondiscriminatory treatment of competing financial institutions. It reflects the conclusion of the House of Representatives that mutual thrift institutions do retain a considerable amount of income which should be subject to tax. The bill would substitute for the present reserve provision an annual deduction for reserves for bad debts of either 3 percent of the net increase in all real estate loans or 60 percent of the retained income of the institutions.

The proposed substitute reserve provision is still more generous than is warranted by any reasonable concept of a bad debt reserve. The alternative deduction of 60 percent of the retained income of these organizations is not related to bad debt reserve needs. In effect, it provides that the mutual thrift institutions will pay tax on about 55 percent of their operating income, computed after deduction of a reasonable reserve for bad debts and after distributions to depositors. In contrast the estimated comparable percentage for commercial banks is equal to about 80 percent.

I believe your committee will wish to reexamine this provision of H.R. 10650 in the light of the President's recommendations to assure nondiscriminatory taxation among competing financial institutions. The action by the House of Representatives will yield $200 million per year in revenue, contrasted with $365 million under a proposal that would provide taxation more closely comparable to that applicable to commercial banks. Such comparability could be achieved by allowing these institutions to deduct from net income after distributions to depositors an amount equal to either 3 percent of net additions to real estate loans, as in the House bill, or 33⅓ percent of retained income before deduction of a reserve for bad debts. This alternative would permit tax-free additions to reserves of amounts well in excess of bad debt reserve needs and would allow, in effect, substantial tax-free additions to capital. Under these alternatives the mutual thrift institutions would pay tax on about 80 percent of their net operating income, and thus this approach would achieve substantial equality in the taxation of competing financial institutions.

Lobbying expenses (section 3)

Section 3 of the House bill would permit taxpayers engaged in business to deduct certain lobbying expenditures. These include the cost of appearing before committees of Federal, State, or local legislative bodies, contacting individual legislators, transmitting legislative information between a taxpayer and an organization of which he is a member, and the portion of the dues paid by a member attributable to carrying on of such activities by the organization. The Treasury is opposed to this substantial change in the law.

The taxation of foreign income and investment

The President's recommendations on the tax treatment of foreign income and investment all support the general principles of equity and neutrality in the taxation of U.S. citizens at home and abroad, and as such would promote fairness and the efficient allocation of resources here and abroad. Moreover, since the special tax preferences we seek to eliminate tend to favor foreign over home investment, the President's recommendations have two important additional advantages for us at the present time. They will promote domestic capital formation and employment, and thus stimulate economic growth in this country. They will thereby reinforce the stimulating effect of the investment credit, which is limited to domestic investment. Implementation of these recommendations will also contribute to an improved balance-of-payments position for at least the next 10 to 15 years, when we expect we will most need that improvement. These considerations lend urgency to the enactment of the recommendations.

H.R. 10650 contains provisions relating to all of the President's recommendations, each of which I will take up in turn. In addition, I will deal with the growing problem of artificial tax incentives to short-term capital movements. The bill includes several technical provisions which I will only mention here, such as those dealing with gains from the liquidation of foreign corporations, distributions in kind, rules for allocating income on sales between U.S. parent corporations and their foreign subsidiaries, and reporting requirements with respect to foreign corporations. Under the House bill, gain from the sale or liquidation of a stock interest in a controlled foreign corporation is taxed as ordinary income to the extent of the stockholder's share of earnings accumulated abroad. The committee may want to consider whether it wishes to retain the applicability of this provision to earnings heretofore accumulated.

1. Exemption of earned income of individuals living abroad (section 12)

Under existing law an American citizen who qualifies as a foreign resident is tax exempt on all of his income earned outside the United States. A citizen who does not establish foreign residence but remains abroad for a period of 17 out of 18 consecutive months is exempt on earned income of up to $20,000 a year.

H.R. 10650 would continue the $20,000 annual exemption for those physically present abroad for 17 out of 18 months but would limit the exemption to $20,000 a year for our citizens who have been resident abroad for three or less years, and to $35,000 a year for those who have been residents of foreign countries for more than three consecutive years.

There are about 50,000 U.S. citizens living abroad who claim an aggregate exemption of more than $500 million under these two provisions. The President recommended elimination of the exemption privilege for American citizens living in economically developed countries since neither living conditions in such countries nor national policy requires special tax benefits in these cases. Because it is in our national interest, however, that Americans skilled in industry, education, medicine and other professions be encouraged to go to less-developed countries and contribute to their economic growth, the President also recommended continuing exemption for our citizens who qualify as foreign residents of these less-developed countries or who are present there for 17 out of 18 consecutive months, but only to the extent of $20,000 a year.

The limitations in the bill of $20,000 and $35,000 are generous in view of the allowance of the foreign tax credit and the fact that income that is exempt from tax is income that would otherwise be subject to higher statutory marginal rates than the remaining taxable income. An American citizen living abroad and earning a salary of $50,000 would pay no U.S. tax whatever on that salary under the $20,000 exclusion if the foreign tax rate is as low as 19 percent, and under the $35,000 exclusion if the foreign tax rate is as low as 7 percent. Equity, revenue needs, and balance-of-payments considerations all warrant modifying this section of H.R. 10650 to accord with the President's recommendation. The bill's provisions on this matter will yield only $5 million per year in tax revenue, compared with $25 million under the President's proposal.

2. Estate tax exemption of foreign real estate (section 18)

At present, foreign real estate is exempt from the U.S. estate tax. A number of persons have made investments in such property to take advantage of this exemption—in one known case, for the specific purpose of avoiding estate tax, $13 million was invested in this way within 6 months of death, with an estimated tax saving of $5 million.

Under legislation adopted in 1951, a tax credit is allowed for estate and inheritance taxes paid abroad, and there is therefore no longer any possible justification for continuing the special exemption for foreign real estate. The amendment included in H.R. 10650 would correct this defect in the law and would involve renegotiating only one estate tax treaty, that with Greece. The effective date of the House amendment is July 1, 1964, but it would seem appropriate to change this to January 1, 1963. This provision would add $10 to $15 million per year to our tax receipts.

3. Shares in foreign investment companies (section 15)

Unlike regulated domestic investment companies, foreign investment companies whose shares are held by persons resident in the United States are not subject to U.S. tax on income currently earned, unless that income is from U.S. sources. Hence, these companies provide a means for shareholders in this country to accumulate investment income indefinitely without paying American taxes at either the corporate or shareholder level. Moreover, when a shareholder receives his pro rata share of such accumulated earnings by submitting shares to the company for redemption or by selling the shares, he obtains capital gains treatment on the income.

H.R. 10650, following the President's recommendation that this escape from ordinary taxation be ended, will eliminate the preferential treatment of income from foreign investment companies. Gain on the sale of shares in such companies, to the extent of the shareholder's undistributed portion of the company's earnings, would be taxed as ordinary income. An exception is allowed if the company elects to distribute 90 percent of its ordinary income annually and if, in addition, the shareholders report their portion of the company's realized capital gains, whether or not they are distributed.

It was not possible to estimate the revenue gain from this particular change. There are currently 13 such companies, most of them Canadian, registered with the Securities and Exchange Commission, having total assets of $422 million. In addition, there are apparently many more companies not so registered.

4. Foreign trusts (section 9)

Under present law many American citizens are accumulating income in foreign trusts. The accumulated income is subject to little or no foreign tax. When the trust is finally terminated after a number of years, the corpus and income are brought back home to American beneficiaries who, in turn, pay little, if any, U.S. tax on the distribution. The House bill taxes the American beneficiaries on termination of the trust substantially as if they had received the trust income as it was earned. The bill therefore ends an unjustifiable device through which Americans are now able to accumulate income abroad solely for the purpose of escaping the U.S. income tax. While this provision of the bill will undoubtedly increase our revenues, it is not possible to make any valid estimate.

5. "Grossing up" distributions in computing foreign tax credit on dividends from foreign subsidiary corporations (section 11)

The income of an American-owned foreign subsidiary corporation is now subject to U.S. tax only when dividends are remitted to the parent company. The U.S. tax is computed as 52 percent of the actual dividend paid to the parent company less a tax credit approximately equal to the effective foreign tax on this dividend. The foreign income tax is, in effect, deducted from taxable profits in computing the U.S. tax, but a good share of it is also allowed as a credit against the U.S. tax liability. The combined effective foreign and U.S. tax rate under this method of computation can be reduced, depending on the foreign tax rate, to about 45 percent, or even 40 percent in cases involving two levels of foreign subsidiaries. The table below illustrates this point.

TABLE II.—*The computation of corporate taxes on foreign income*

	Existing law	Proposed law
	(Dollars)	
Profits of subsidiary	100.00	100
Foreign tax (assumed rate: 30 percent)	30.00	30
Dividend to U.S. parent	70.00	70
"Gross-up" of dividend		30
Tentative U.S. tax at 52 percent	36.40	52
Credit for foreign tax paid by subsidiary	21.00	30
Net U.S. tax	15.40	22
Combined foreign and U.S. tax	45.40	52

To eliminate this unjustified tax advantage, H.R. 10650 contains an amendment that would require the U.S. taxpayer, as a condition for obtaining the foreign tax credit, to include in reported taxable income the full profit before the payment of foreign tax. This results in a combined effective U.S. and foreign tax rate of 52 percent, where the foreign rate is not above the U.S. rate. This amendment will add $30 million per year to tax receipts.

The House bill postpones the effective date of this provision in two ways. It will not apply to pre-1963 earnings of foreign subsidiaries distributed as dividends before 1965, and it will not apply to distributions of current earnings prior to January 1, 1963. There is no reason to postpone the application of the gross-up provision, especially since this change has been under consideration by Congress since 1959. I therefore urge that this change be made applicable to all distributions after December 31,1961.

6. "Tax haven" transactions (section 13)

Certain countries of the world, among them Switzerland, Panama, and various Western Hemisphere dependencies such as the Bahamas, do not tax at all, or tax at very low rates, corporate earnings attributable to activities carried on outside their borders. This situation, together with the privilege of deferring U.S. tax on retained earnings of foreign subsidiaries of American corporations, has invited the establishment of what may be termed "tax haven" corporations. Profits on overseas operations may be channeled into these tax havens as they are earned and taxes on these profits reduced to a level far below that applicable in the United States. The typical activities of such corporations include the handling, as middleman, of many trade transactions—transactions which often are largely paper transactions so far as the tax haven corporation is concerned. They also include the sale of management services, the collection of licensing and other royalty payments, the insurance and reinsurance of U.S. risks, and the like. In addition, dividends and interest may be paid to these tax haven companies from foreign subsidiaries in other countries, in a way that involves large savings in taxes.

The existence of these tax haven operations constitutes a most serious breach in our principle of tax neutrality, one which is growing in quantitative terms by leaps and bounds every year. We are dealing here with a tax differential on retained income, not of 5 or 10 percentage points, but of 40 to 50 percentage points.

H.R. 10650 contains reasonably strong provisions with respect to tax haven corporations, subjecting their trading earnings and income from dividends, interest, rents, and royalties to U.S. tax, except where they are reinvested in less-developed countries. Receipts from insurance against U.S. risks, and from licensing of patents, copyrights, and so forth, which have been developed in the United States, are subject to tax without any exception for reinvestment. These tax haven provisions, with technical refinement to clarify their application and to include certain tax haven service income, will achieve a substantial improvement in equity and contribute as well to the solution of our balance-of-payments problem. They will also bring in an additional $75 million per year of revenue.

I would like to suggest only one major change in this section of the bill. While it is desirable to promote investment in less-developed countries, it is not necessary to do so by providing an artificial stimulus to investment in advanced industrial countries. The exemption of tax haven profits invested in less-developed countries should be limited to earnings generated in the less-developed countries themselves. This change would add $25 million to annual revenues, increasing the receipts from this provision to $100 million.

7. General elimination of deferral in the taxation of foreign subsidiaries (section 13)

H.R. 10650, as passed by the House of Representatives, apart from tax havens, deals only peripherally with tax deferral for foreign income, another important tax preference now accorded foreign, as compared with domestic, corporate income. It responds to the President's recommendation in this area only insofar as it specifies that the undistributed foreign income of U.S. subsidiaries operating abroad will be subject to U.S. tax as it is earned unless it is reinvested in substantially the same trade or business already conducted by the firm in question, or in a less-developed country.

By not treating the tax deferral issue fully and directly, the bill still retains a substantial tax advantage for investment abroad rather than at home. The privilege of deferring U.S. taxes until income is repatriated as dividends should simply be eliminated for our subsidiaries in advanced industrial countries, as the President has requested. The deferral privilege should be retained, for income earned in less-developed countries, in line with our general foreign policy objectives.

To the extent that the U.S. tax exceeds the foreign tax liability, tax deferral provides at least an interest-free loan to American corporations which operate through a foreign subsidiary—a loan equal to the U.S. tax due on earnings retained abroad—and at most permanent forgiveness of a tax domestic corporations must pay. Tax deferral thus serves as a special tax stimulus for American capital to go abroad and to stay abroad. No useful purpose or American interest is served when this artificial diversion is to highly developed countries. The efficient allocation of our own and world resources is upset. A drain is imposed on our already adverse balance of payments and the reduced domestic investment limits employment opportunities and retards our economic growth.

Let me turn first to the effect on employment. Artificial stimulation of American investment in developed countries makes it more difficult to maintain a high level of employment at home. The evidence relating to foreign investment in manufacturing as a whole indicates that an American dollar invested in Europe today generates a continuing annual flow of about 10 cents worth of U.S. exports of capital equipment, raw materials, intermediate goods, and finished products sold to and through overseas subsidiaries. That same dollar also generates each year, however, about 6 cents of U.S. imports from foreign subsidiaries. Moreover, the "net export" factor of 4 cents per dollar invested does not allow for sales made abroad by the foreign subsidiaries which displace actual or potential sales that would otherwise be made directly from the United States. If only a little over one percent of the more than $9 billion of sales by American-owned subsidiaries of the goods which they produce in Europe serves to displace sales from U.S. markets, or if 8 percent of estimated sales by these subsidiaries made outside the country in which they are located displaces sales from U.S. sources, the net export impact on the United States of foreign investment in Europe would be effectively offset.

Comparison of the precise immediate and long-range employment effects of investment of American capital in Europe and investment in the United States depends upon how much of our capital goods exports to American subsidiaries in Europe is assumed to be new equipment and how much is assumed to be for replacement purposes. The most favorable measure of the immediate employment effect in the United States of a dollar invested in Europe, on the basis of recent data, would be that it generates 10 cents worth of capital equipment exports from the United States, that is, that a dollar invested in Europe has an immediate effect on employment equivalent to 10 cents invested here at home. But under these assumptions, this dollar invested in Europe then generates only 3 cents worth of continuing exports of raw materials and intermediate products, whereas the dollar invested at home would generate 40 cents worth of continuing production, assuming in both cases that demand is sufficient to absorb the increased output.

We find a very different picture in the relationship between U.S. investment and continuing export and import balances with respect to manufacturing subsidiaries in Latin America and other less-developed regions. A dollar invested in these regions generates about 40 cents worth of net U.S. exports annually. The nature of manufacturing investment in these regions is radically different from that in advanced industrial countries. This difference explains why data for the world as a whole differ from those for developed countries only.

The artificial stimulation of U.S. investment in developed countries is harmful to our balance-of-payments position. Returning to my analysis, we find that each dollar thus invested contributes substantially to our balance-of-payments deficit. It has been argued, however, that this is the case only in the short run. Sooner or later, it is claimed, this outflow will result in compensating inflows in the form of dividends, fees, and royalties, in addition to inflows from continuing net exports. But in every year since 1953 the new capital outflow to Canada and Western Europe exceeded the new increases in inflows associated with the capital outflow in these years. It is clear that the catching-up period will take at least 10 to 15 years, and much longer if capital outflow keeps growing. Obviously our current and foreseeable balance-of-payments needs will not permit a continuing drain on our resources for so long a period.

The various factors, data, and limitations involved in this analysis of the balance-of-payments impact of foreign investment are fully discussed in Exhibit III.[1] I wish to emphasize the importance of this Exhibit for it clearly demonstrates two things. First, that the immediate balance-of-payments drain of new investment in the industrialized countries is not made up for at least 10 to 15 years. Second, that such investment stimulates little in the way of net new exports and so is of little help in creating jobs in the United States.

Looking ahead, we can see that elimination of tax deferral in developed countries would have two types of effects on our balance of payments. First, there would be smaller net outflows, because of a somewhat smaller growth in foreign investment each year, as a consequence of the elimination of the tax inducement to send capital abroad. The second effect on the balance of payments from the elimination of deferral arises from the fact that there would no longer be a tax inducement to leave earnings abroad.

In the hearings before the House Ways and Means Committee in the spring of 1961, the question of the effect of removing deferral was illustrated over and over again by reference to the experience of individual companies. Typically the new capital outflow reported as coming from the United States, usually year by year over some period of time, was compared with dividend income and with receipts from exports sold to or through foreign subsidiaries. "Inflows" so computed generally exceeded "outflows" by a substantial amount. This left the impression that the stimulus given foreign investment by tax deferral clearly contributes both to our employment situation because of the large export sales generated, and to our balance-of-payments position because total inflows exceeded outflows. There are five things wrong with this type of evidence.

First, the behavior of one company, or even a selected group of companies, may not be typical; net inflows of one may be more than offset by net outflows of others. Second, the data on capital outflow as reported by individual companies often include only purchases of stock in foreign subsidiaries; but a very large amount of

[1] Omitted from this exhibit; for document reference see note at end of this statement.

the new capital outflow to Europe and Canada as reported in Commerce Department data consists of net increases in intercompany accounts, i.e., short-term credits for working capital which are not repaid. Third, even if all the measurable inflows and outflows are correctly included in such data (and many company studies ignore sales by subsidiaries made directly to the United States, an import payment which may be an important offset to export receipts), one important flow is inevitably excluded because it cannot be readily measured, that is, foreign subsidiary sales abroad which displace actual or potential U. S. exports. Fourth, the illustrations are almost invariably on a worldwide basis, whereas the Treasury proposal affects only income earned in developed countries. But as we have seen, there is a remarkable difference between the value of exports generated by a dollar of investment in advanced industrial countries and the value of exports generated by a dollar of investment in less-developed countries.

These four limitations to the approach which has been typically employed to support tax deferral are serious enough, but it is a fifth limitation which is crucial. The two types of flows being compared—the outflow of new capital and the dividend and export receipts for a given year or period—are not related one to another. The dividends, and most of the export receipts, of one year or period, have been generated by investment over many years prior to the current year or period; that portion of the inflows which has been generated by past investment, then, should not be considered when we are evaluating the employment and balance-of-payments effects of current outflows.

To return to our recommendations, we are concerned only with artificial tax inducements to investment abroad. We do not wish to impede such investment beyond removing these special preferences. Those who urge the continuation of these tax inducements must bear a high burden of proof that investment so induced contributes to employment at home, to an improvement in our balance-of-payments position, or to efficiency in the allocation of the world's resources. I submit that in the light of our analysis this argument simply cannot be sustained, even if one assumes a wide margin of error in our data.

It has also been argued that achieving tax neutrality between investment at home and abroad will unfairly affect the competitive position of U.S. subsidiaries vis-a-vis foreign firms, especially in third-country markets. But let me here point out that most European countries impose direct controls on foreign investment, something we do not wish to do here, and that these controls adversely affect the position of corporations competing with American foreign subsidiaries. Insofar as taxation is concerned, our foreign subsidiaries at most would feel the effect of elimination of the deferral privilege only through a reduction in retained earnings. If this portion of the retained earnings is needed in the business, the parent can pay the U.S. tax or supply the additional needed capital in other ways. This situation is still preferable to that facing, for example, a British company, which must seek permission from the British Treasury to invest more abroad. The extent of the controls exerted in the United Kingdom is illustrated by the following quotations from a statement delivered in Parliament last July by the Chancellor of the Exchequer:

> "I now come to private investment overseas. The volume of investment in the nonsterling area which is subject to control has been rising steadily. It is true that it produces earnings in the long run. But these earnings do not always benefit the balance of payments in the short-term, partly because of the tendency to invest further in the overseas enterprise concerned and partly because of local restrictions on remittances.
>
> "I therefore propose a more severe test than at present. The test for new investment in the nonsterling area will be that it will produce clear and commensurate benefits to U.K. export earnings and to the balance of payments."

It is our understanding that this test may be considered satisfied if the investment is covered by dividends and/or increased exports within two years, a test under which few investments would appear to qualify.

With respect to the remittance of overseas profits, the Chancellor stated:

> "The powers to control investment in the nonsterling area apply equally to investment made out of profits earned overseas by British companies and their subsidiaries. I am not satisfied that in all cases an adequate proportion of profits earned overseas is being repatriated to this country. I propose to request U.K. firms operating overseas to look at their policies in order to ensure that a higher proportion of earnings is remitted home. So far as nonsterling investment is concerned, I propose to reinstitute on

a selective basis the examination of company accounts by the Exchange Control authorities to ensure that this policy is followed."

I fail to see how anyone can logically claim that our tax proposals are either unfair or restrictive, when compared with this sort of treatment.

The question we must ask ourselves is whether or not it is in the national interest to provide a special subsidy, through tax preferences, for the growth of foreign subsidiaries in industrialized countries. I feel that the answer is clear: elimination of the special privilege of tax deferral is an appropriate change from the standpoints of letting the free market allocate resources efficiently, of assuring tax neutrality between operations here and in other highly industrialized countries, of stimulating growth and employment in the United States, and of supporting our essential balance-of-payments needs in the critical years ahead. Complete elimination of deferral with respect to corporate subsidiaries in the advanced countries should add a further $130 million to our tax receipts, over and above the $10 million that would result from the House bill.

8. Eliminating artificial tax incentives to capital movements arising out of foreign tax credit computation

Last summer Canada revised its tax laws to provide a 57½ percent effective rate of Canadian tax applicable to income going to U.S. corporations operating in branch or subsidiary form in Canada. This Canadian tax rate in excess of the U.S. 52 percent rate has highlighted the operation of the existing method for computing the foreign tax credit as an artificial inducement to the outflow of short-term U.S. capital. This is harmful to our monetary stability and to our balance-of-payments position.

Under existing rules, a U.S. company deriving income from business abroad through a branch or a sudsidiary may have an unused foreign tax credit where the foreign rate of tax on the income exceeds the U.S. rate. If, however, additional foreign-source investment income can be generated which is subjected to a foreign tax rate lower than the U.S. rate, the two kinds of income can be lumped together under the existing foreign tax credit rules. In this way the U.S. tax on the income from such investment funds can be completely eliminated by the excess credit from the tax on the business income of the company.

For example, the 57½ percent effective rate of Canadian tax applicable to income going to U.S. corporations operating in branch or subsidiary form in Canada leaves an excess credit of 5½ percent over the U.S. 52 percent rate. The Canadian rate of tax on interest income flowing to such corporations is only 15 percent. Consequently, some of these U.S. corporations have transferred to Canada short-term funds, such as bank deposits, which ordinarily would be held in the United States. Since the excess credit from the business income will eliminate the U.S. tax on the interest income, the effect is to leave that income taxable at only a 15 percent Canadian rate, as compared with the 52 percent U.S. rate that would apply if the funds were held in the United States. Thus the existence of this situation serves as an artificial inducement to the movement of U.S. capital abroad.

In my report to the President on the balance of payments, transmitted to the Congress on March 28, 1962 (see exhibit 35), I recommended that this situation be corrected. I suggest that the foreign tax credit for certain investment income be computed apart from the foreign tax credit for all other foreign income. In this way a foreign tax credit will be allowed against investment income only for the actual foreign taxes paid on such income. This will result in the same tax rate being paid with repect to short-term investment income of U.S. companies whether it is earned at home or abroad. We believe that this is an effective and fair way to correct this tax-induced disruptive monetary situation. A more detailed explanation of this recommendation and the proposed statutory language is submitted as Exhibit III D.[1]

9. Treaties (section 21)

The House bill provides that section 7852(d) of the Code shall not apply with respect to any amendment made by the bill. The effect is that the statutory amendments would supersede inconsistent existing treaty provisions.

The Treasury believes that no part of the bill is contrary to any existing tax treaty, with the single exception that the elimination of the exclusion of foreign real estate from the estate tax runs counter to the 1950 estate tax convention with Greece. None of our income tax treaties are affected by any section of

[1] Omitted from this exhibit; for document reference see note at end of this statement.

the bill. Prior to the time when the foreign real estate provision becomes fully operative, we intend to renegotiate the treaty with Greece.

Some persons, however, have raised arguments, which we are confident are legally unsound, that certain other provisions of the bill conflict with some income tax treaties. The Ways and Means Committee inserted section 21 to forestall useless litigation. We have no doubts about the outcome of such litigation and since section 21 may give the impression that we are overriding our treaty obligations, it would be desirable to dispel that impression. In that light, therefore, I recommend the elimination of section 21 to make it clear that we are honoring our treaty obligations.

Repeal of the dividend credit and exclusion

In 1961 and again this year the President has recommended repeal of the provisions enacted in 1954 which permit individuals to exclude from their taxable income the first $50 of dividends and to take a credit against tax of 4 percent of dividends in excess of this amount. In 1959 and again in 1960 the Senate voted to repeal the 4 percent credit, but this action was not accepted by the Conference Committees. H.R. 10650, as passed by the House of Representatives, contains no provision on this important subject.

The dividend credit and exclusion were adopted in the light of current high rates of the individual income tax law on the ground that they would provide a partial offset to the "double taxation" of dividends and encourage investment in corporate equities. Despite their large cost in revenue, however, they have failed to accomplish their objectives.

To the extent that double taxation of dividends exists, these provisions grant relief in a discriminatory fashion. They give the most relief to dividend recipients with high incomes and relatively little or no relief to dividend recipients with small incomes. The percentage reduction of the so-called double tax is about 8 percent for low income taxable stockholders, while it is about 40 percent for high income stockholders. This is illustrated in Exhibit IV. [1]

The present dividend provisions represent a dead end approach toward the equitable taxation of dividends. In 1954 they were represented as only a first step for the relief of "double taxation," eventually to be made more complete by raising the credit to 15 percent of dividends. It is not feasible, however, to increase the credit to this level without giving those in the high tax brackets reductions exceeding the extra burdens they are presumed to bear as a result of the corporate income tax.

In the 8 years since the adoption of the dividend credit and exclusion the proportion of total corporate public long-term financing accounted for by stock issues has not been significantly higher than it was in the 8 years prior to 1955. The evidence does not support the contention that these provisions of the tax law have encouraged investment in, or the issue of, corporate equities.

We recognize that an argument can be made in favor of postponing action on this item until it can be considered in connection with overall tax reform. This in effect was the position taken by the Ways and Means Committee. However we feel that the case on the merits is clear and do not see why this matter should be postponed. Therefore we recommend that the dividend credit and exclusion be repealed as of July 1, 1962. The resulting annual revenue gain would amount to $475 million.

Summation and review

H.R. 10650, as you have it before you, is a good piece of tax legislation. It will provide a much needed stimulus to the growth of the American economy, help substantially to alleviate our balance-of-payments problem, and achieve important gains in the area of tax fairness and neutrality. But as I have pointed out, we feel that there are certain improvements that can and should be made.

The following are my principal recommendations for changes in the bill. The investment credit should be restored to an 8 percent level and it should not be extended to regulated public utilities, including gas pipelines. Depreciation with respect to all real estate hereafter acquired should be limited to an amount not in excess of the depreciation allowed under the straight-line method. Gain on the sale of all real estate should be treated as ordinary income to the extent of depreciation for taxable years beginning after December 31, 1961, subject to a sliding scale cutoff for property held more than 6 years. The provisions

[1] Omitted from this exhibit; for document reference see note at end of this statement.

dealing with entertainment and travel expenses should be strengthened in the manner I have suggested. Provisions for taxation of mutual banks and savings and loan associations should be strengthened in order to achieve substantial equality in the taxation of competing financial institutions. The deferral now permitted under the bill to mutual fire and casualty companies should be eliminated, with the result that these companies would be taxed in the same manner as stock companies. Tax fairness, revenue requirements, and our balance-of-payments position all demand that the tax deferral privilege now enjoyed by controlled foreign corporations in industrialized countries be eliminated. The provision in the bill which permits the deduction of certain lobbying expenses should also be eliminated. Finally, the dividend credit and exclusion have proved ineffectual in meeting the objectives they were designed to serve and should be repealed.

Table III, attached to my statement, presents the revenue effects of the bill, for a full year when all of the changes are fully effective, but without taking into account the effects on the economy of its various provisions. The revenue effects are presented both with and without the effects of the changes proposed by the Treasury. You will note that for the full year the bill is more than balanced. As passed by the House it will yield a revenue surplus for the year of $120 million. With the Treasury's proposed changes this revenue surplus rises to $965 million.

In examining the revenue effects of the bill for the fiscal year 1963, it is necessary to follow the procedure employed in developing revenue estimates for the budget and take into account the impact of the investment credit and other features of the bill on investment, income, profits, employment, and other factors affecting tax bases and revenues. This approach is essential for fiscal 1963 because the revenue consequences of the bill must be coordinated with budget estimates. On this basis, Table IV indicates that, as passed by the House, H.R. 10650 will reduce budget receipts by $320 million for fiscal year 1963, while incorporating the Treasury's proposed changes will yield a revenue gain of $90 million. The figures presented in the table, however, take only partial account of the stimulative effects of the investment credit. They ignore the especially favorable impact on businessmen's decision to invest of the sudden major improvements in the cost of capital goods, or profitability of investment, and cash flow that will result from the enactment of the credit and are based, instead, on relationships in past years between gradual changes in these factors and investment. With proper consideration given to this fact, it is clear that the bill as it stands is approximately in balance and that with the Treasury's proposals added we can confidently expect a larger surplus than the small net revenue gain shown in the table.

The provisions of this bill should be regarded as the first major step in the tax reform program envisaged by the President when he delivered his tax message of 1961. The second step will be presented in the tax reform message which he is planning to send to the Congress later this year. By the time the second step comes before you for your consideration the revenue gain we expect the present bill to produce in a full year may provide some of the leverage that, together with the broadening of the tax base, will be needed to permit a substantial readjustment of income tax rates.

In view of the importance of the investment credit it is desirable that this bill be enacted as soon as possible. To accomplish this end I hope that you will concentrate your efforts on the subjects recommended by the President without the injection of new issues at this time. While there are many changes in the tax system that warrant consideration, they can better be treated in connection with the next step in the program.

NOTE.—The exhibits omitted from this exhibit are published in Hearings before the Committee on Finance, U.S. Senate, 87th Congress, 2d session, on H.R. 10650, the Revenue Act of 1962, April 2, 1962.

TABLE III.—*Estimated revenue effect of H.R. 10650, when changes are fully effective, without any consideration of its stimulative effects on the economy* [1]

[In millions of dollars]

	As passed by the House	With Treasury proposed changes
Investment tax credit	−1,175	−1,350
Capital gains on depreciable property	+100	[2]+180
Withholding on dividends and interest	+650	+650
Expense accounts	+125	+250
Mutual banks and savings and loan associations	+200	+365
Mutual fire and casualty companies	+40	+50
Cooperatives	+35	+35
Foreign items:		
Controlled foreign corporations	+85	+230
Gross-up of dividends	+30	+30
All other foreign items	+30	+50
Repeal of the dividend credit and exclusion		+475
Total	+120	+965

[1] At levels of income and investment estimated for the calendar year 1962, except for mutual thrift institutions, for which the revenue gain is based on income estimated for calendar year 1963.
[2] Including effect of restricting depreciation deductions for real property to straight-line method.

TABLE IV.—*Estimated net revenue effect of H.R. 10650 for fiscal year 1963, after taking partial account of its stimulative effects on the economy*

[In millions of dollars]

	Recommended effective date	As passed by the House	With Treasury proposed changes
Investment tax credit	Jan. 1, 1962	−560	−465
Capital gains on depreciable property	do		+5
Withholding on dividends and interest	Jan. 1, 1963	+195	+195
Expense accounts	July 1, 1962	+40	+80
Mutual banks and savings and loan associations	Jan. 1, 1963		
Mutual fire and casualty companies	do		
Cooperatives	do		
Foreign items:			
Controlled foreign corporations	do		
Gross-up of dividends	Jan. 1, 1962 [1]		+30
All other foreign items	Various	+5	+5
Repeal of the dividend credit and exclusion	July 1, 1962		+240
Total (see note)		−320	+90

[1] The effective date of the bill is January 1, 1963.

NOTE.—In estimating the net revenue cost of the investment credit, its favorable effects on the level of investment were computed from statistical relationships in past years between investment and gradual changes in the cost of capital goods (profitability) and cash flow. This procedure thus does not take into account the especially favorable impact on businessmen's decisions to invest of the sudden major improvements in these factors resulting from the enactment of the credit. Taking this into account should produce more favorable effects and a larger surplus than the small net revenue gain shown in the table.

Exhibit 21.—Statement by Secretary of the Treasury Dillon, May 10, 1962, before the Senate Committee on Finance on H.R. 10650, the Revenue Act of 1962

Mr. Chairman, I appreciate this additional opportunity to discuss with you the proposed Revenue Act of 1962. I would also like to suggest some changes in the bill. We have followed closely the suggestions, objections, and recommendations which have been offered in the extensive testimony which has been presented to your committee since April 2d. As the hearings have proceeded we have held numerous meetings with persons interested in the bill, including some of the witnesses who appeared before the committee as well as representatives of other interested groups. We have worked with them to make technical improvements and to evaluate possible policy changes. Today I should like to outline a number of changes which are responsive to matters raised during the hearings and which we believe would improve the bill. These changes seem to us to be clearly called for. Undoubtedly further discussion in executive session will reveal other ways in which the bill can be improved. It is our desire to work closely with you and the staff of the Joint Committee to produce the most effective, the fairest, and the most practicable bill that can be developed.

Investment credit (section 2)

The language of section 2 of the House bill appears to present no serious technical problems. However, we would recommend that the bill be amended to provide for a three-year carryback of unused investment credits. Of course, such unused credits should not be carried back to taxable years before those for which the credit is effective. Such a provision would result in greater cash flow benefits during periods of recession when earnings are low or at other times when it may be especially needed by particular businesses.

We would also recommend that livestock be excluded from the credit. The House decided in section 14 that gain on the sale of livestock which reflects prior depreciation should continue to be treated as capital gain rather than ordinary income. We feel strongly that property not subject to the recapture of excessive depreciation should not be granted the investment credit.

A number of witnesses raised questions as to whether specific items were eligible for the credit or would be disqualified as structural components of a building. Some of the items mentioned were refrigerator cases used in the grocery business and testing equipment used in the aerospace industry. The House Ways and and Means Committee Report indicates that machinery and equipment are to be considered eligible property even though considered a part of the building under local law. This means that such items as refrigerator cases and testing equipment would qualify for the credit even though affixed to a building. Appropriate language in your committee's report could provide further clarification in this area.

Gains from the disposition of depreciable property (section 14)

Some witnesses expressed concern that section 14 may require recognition of gain despite the fact that the taxpayer's method of accounting today does not require such recognition. The example given was the normal retirement of property depreciated in a multiple asset account. Section 1231 today does not require the recognition of gain or loss at the time of such retirement as long as the taxpayer's method of accounting, in accordance with Treasury regulations, clearly reflects income. If the taxpayer's method of composite accounting complies with the Treasury regulations, those regulations will similarly permit nonrecognition of gain or loss under section 14. A statement in your committee's report, illustrating this point, should allay any concern in this regard.

Expense accounts (section 4)

In order to ease the accounting problems of concerns supplying articles for use in novelty advertising, we recommend a special exclusion from the $25 business gift limit in the House bill. Such exclusion would permit the deduction of items costing a modest amount, such as up to two or three dollars, regardless of the total gifts to any one customer over the year. It would apply to each gift item on which the name of the advertiser is clearly and permanently imprinted and which is one of a number of identical items distributed generally by the advertiser. Such an exclusion would permit novelty advertising to be carried on free of accounting difficulties in keeping track of a large number of small items without disturbing the curtailment of abuses which the bill provides.

In addition, it was never our intention that advertising devices such as display racks and advertising signs, which are provided for use in business and which are not items of personal use, should be included under the gift provision. We would recommend that the committee report contain language clearly indicating that such items are not business gifts under section 4 of the bill.

Withholding on interest and dividends (section 19)

We have continued our efforts to work out a withholding system that would be as efficient as possible and at the same time would minimize any possible hardship to the recipients of dividends and interest. We would like now to recommend certain improvements in the provisions for exemption certificates.

The exemption certificate system contained in the House bill applies to savings account interest, certain interest paid by insurance companies, dividends, and patronage dividends, so that there will be no withholding on such amounts received by individuals who owe no tax. We would recommend that the exemption certificate procedure be extended to dividend income of other nontaxable recipients. For example, this would include foreign, State, and local governments, and tax-exempt organizations, such as colleges and universities, churches, and pension trusts.

Regarding withholding in the insurance industry, the exemption certificate system should continue to apply to interest on proceeds of life insurance left on deposit with the insurance company but should not apply to interest on dividend accumulations on unmatured life insurance policies. In the case of interest on these dividend accumulations there would appear to be no need for exemption certificates because the interest is customarily left with the insurance company and not used by the policyholder to meet current living expenses. In addition, the insurance companies, who recommended this change, have testified that the amounts involved are normally small and an exemption certificate procedure would be impractical to apply because of the millions of accounts.

Provision should also be made for exemption certificates to remain valid until revoked by the filer instead of requiring annual refiling. This would make the House exemption certificate system easier to administer by the paying institutions and would also reduce the number of forms which nontaxable persons would be required to file.

There has been considerable exaggeration of the amount of overwithholding that could occur under the House bill. However, there may be some situations where the quarterly refund allowance is not sufficient to correct overwithholding on a taxpayer with large itemized deductions. The House bill takes into account only the standard deduction in computing the allowable amount of a quarterly refund so that overwithholding can result if the taxpayer's itemized deductions exceed the standard deduction. In order to provide prompt refund of all significant overwithholding, we would recommend extension of the refund allowance provision to permit an individual to take into account his itemized deductions.

We also recommend two changes to eliminate technial problems which have been called to our attention. The first is to eliminate withholding on dividends in kind which consist of distributions of stock of another corporation.

Second, it has been pointed out to us that some corporations, for instance, some railroads with little or no tax liability, may not be able to file their final tax returns until many months after the close of the taxable year. Such corporations would be delayed in obtaining a refund of amounts withheld from their interest and dividends since under the House bill refund for the fourth quarter of the taxable year can only be obtained upon the filing of the final return for such year. This problem can be solved by permitting a quarterly refund for the fourth quarter in the case of a corporate taxpayer if the refund is expected to exceed its total tax liability for the year.

These changes will reduce inconveniences both to the payers and recipients of interest and dividends and at the same time will maintain the effectiveness of the systems in reducing the intolerable gap between dividends and interest received and those reported for tax purposes.

Controlled foreign corporations (section 13)

A great deal of concern has been expressed by witnesses regarding the provisions of section 13 of the bill. Substantial modifications of this section are called for. We remain convinced that our basic proposal for the general elimination of deferral for operations in developed countries would be the most equitable and appropriate policy. Adoption of this principle would eliminate a great deal of the complexity of section 13. However, should the committee decide to adopt an approach along the lines of the House bill, there are a number of changes that should be made. Our suggestions for such changes should not be taken as indicating any lessening of our support for the elimination of deferral. It merely seemed desirable to indicate the changes that would be needed to improve the working of section 13 should this type of approach be preferred by the committee.

A. Suggestions as to income covered in section 13

1. Change approach to income from U.S. patents, copyrights, etc.—The House bill deals with the problem of U.S.-developed patents, copyrights, and exclusive formulas and processes, which are exploited abroad free of U.S. tax by controlled foreign corporations, by subjecting the current income generated by such rights to current U.S. taxation. This requires a determination of the amount of income generated by the use of patents, etc., an admittedly difficult problem. It would be more appropriate to handle this problem at the time the patent (or like property or right) is transferred abroad. Thus, it could be provided that the sale of such a U.S.-developed patent to a controlled foreign corporation would result in ordinary income, rather than capital gain, as frequently occurs under present law. A somewhat longer statute of limitations could be provided to ensure that the valuation of the patent at the time of transfer is a fair one. If the patent is licensed rather than sold, the transferee of the patent is under current law obligated to pay a fair royalty annually in return for the use of such patent. This approach should effectively eliminate any abuse in this area since all U.S. patents would be transferred abroad in arm's-length transactions producing a full U.S. tax at the time of transfer or on an annual basis. It would make unnecessary the determination of the amount of income generated by the use of patents, etc., as under the House bill.

2. Refine coverage of foreign base company provisions.—The coverage of the foreign base company provisions of section 13 should be modified to ensure that all tax haven transactions are reached and also to avoid unintended coverage of nontax haven situations. Thus, the omission under H.R. 10650 of income received by tax haven companies from related parties for rendering managerial, technical, and other services outside of the country of their incorporation should be corrected since this is a significant form of tax haven income. Also, the coverage of tax haven sales income requires technical clarification to ensure its application to commissions of companies acting as sales agents.

On the other hand, the base company provisions of section13 now treat certain kinds of operating income as "passive income" and, therefore, subject to taxation to the U.S. shareholder. Thus, rentals, royalties, and interest may constitute active income to businesses such as shipping, leasing, and financing companies. These types of income when they are the income of an operating company should not be treated as "passive income", and, accordingly, an appropriate exception should be made. However, this exception should not extend to tax haven situations, as for example, when rentals are received from a related party for the use of property outside of the country of incorporation of the recipient.

We would also suggest that there be an overall exception to deal with situations where a controlled foreign corporation covered by the provisions of the bill has not been availed of to avoid taxes. Such a provision was contained in the revised draft of tax haven legislation which we submitted to the House Ways and Means Committee and would be desirable from the standpoint of adding flexibility to ensure a fair application of the base company income provisions in the cases where it is needed. For example, a subsidiary incorporated in one country but conducting a sales operation in a second country may pay full taxes to the second country so that its place of incorporation does not result in the avoidance of taxes. Finally, there are certain shipping activities which present special problems for which exclusions should be developed.

3. Limit antidiversification rule.—The House bill denies the use of deferral to new businesses in developed areas. Earnings invested in a trade or business that was not in operation on December 31, 1962, or that has not been in operation for 5 years would not qualify for deferral. Our preference that deferral be eliminated for all profits arising in developed areas, of course, would obviate the need for this provision. However, if deferral is not eliminated, the provision should be modified to make clear that it applies only with respect to the use of earnings from a business enjoying deferral and that it does not apply to the earnings of a new business started with fresh capital from the United States. Also, it may be desirable to indicate with more definiteness when a trade or business will be considered to have been conducted for a 5-year period or since December 31, 1962, by substantially the same interests.

4. Eliminate provision for reinvestment of developed area tax haven profits.—I renew my prior suggestion to modify the deduction for reinvestment in less-developed countries to prevent a "pour over" from developed countries. Permitting the profits of tax haven companies in developed areas to escape U.S. taxation might unduly encourage the use of such tax haven companies and would be inconsistent with the basic policy of eliminating deferral for such operations. Our view is that the soundest approach would be to provide that there would be no reinvestment deduction for any tax haven profits except for dividends and interest derived from related companies carrying on an active trade or business within a less-developed country. In this connection, I would suggest liberalizing the types of property which would qualify for the deduction as well as the conditions for reinvestment. For example, it may be that substantial minority stock interest should qualify even though the foreign corporation is not U.S. controlled. Consideration should also be given to allowing certain forms of debt obligations to qualify. The time within which investments must be made is much too restricted under section 13 and provision for a longer period would be desirable.

5. Liberalized rules for reinvestment of earnings of operating companies in less-developed areas.—As a concomitant of my last suggestion, I would propose to liberalize the use to which earnings of operating companies in less-developed countries may be put. I recommend that there be complete freedom as to the manner in which such earnings may be employed. To ensure that this privilege is only granted in appropriate circumstances, it will be necessary to restrict the companies qualifying to those having substantially all their income from such countries. In this connection, liberal rules as to source of income would be provided, so that such companies can market their products or purchase materials outside less-developed countries and still qualify as operating in less-developed areas. It should be pointed out that operating companies not qualifying for the less-developed country reinvestment privilege would have restricted reinvestment privileges regardless of where their earnings were reinvested.

6. Nonapplicability to possessions of United States.—All corporations not incorporated under the laws of the United States are treated as foreign corporations for purposes of the Internal Revenue Code. As a consequence, corporations incorporated under the laws of possessions of the United States technically might be classified and treated as controlled foreign corporations under the present language of the bill. I would recommend, however, that such corporations not be treated as controlled foreign corporations, since the possessions of the United States, principally Puerto Rico and the Virgin Islands, are not truly foreign areas and present special problems under U.S. tax law which can best be handled outside of the context of the treatment of controlled foreign corporations.

B. Suggestions with respect to technique

1. Modify definition of controlled foreign corporation.—We recommend modifying the definition of control so as to limit somewhat the coverage of foreign corporations classified as controlled foreign corporations. Perhaps the most effective way of doing this would be to provide that in determining whether more than 50 percent of a foreign corporation is owned by U.S. persons, only U.S. shareholders owning at least a 10 percent interest are to be counted. This would help eliminate, for example, the possibility of covering certain foreign corporations more than 50 percent of which may be owned by U.S. persons but where such ownership is so widely scattered that there is no U.S. group in effective control. Also, some modifications in the constructive ownership rules would seem desirable to achieve a more limited coverage. In particular, we would recommend that U.S. shareholders not be treated as the indirect owners of stock owned by a corporation in which they have an interest unless such interest is at least 10 percent.

2. Recognition of losses.—It would seem desirable to provide for greater recognition of losses of foreign subsidiaries than is effected by the House bill. Thus, some provision should be made for allowing losses of a foreign subsidiary in one year to offset its profits for another year which otherwise would be taxable under section 13. It would also seem desirable to make certain changes in the mechanics for taxing constructive distributions to U.S. shareholders. Some of these changes would enable the losses of intervening foreign corporations to offset the gains of subsidiaries of such controlled foreign corporations.

3. Computation of earnings and profits.—Some concern has been expressed over the problem of computing the earnings and profits of a controlled foreign corporation that would be taxed to U.S. shareholders. We shall provide clear administrative regulations to assist taxpayers in computing the earnings and profits of foreign corporations in accordance with the rules which have been developed for domestic corporations. We will permit the foreign corporations earnings and profits to be computed with the benefit of elections similar to those which are available to domestic corporations.

4. Foreign currency restrictions and blocked income.—We are aware of problems taxpayers have with foreign currency restrictions and blocked income and provisions should be made to take care of these situations. These problems arise under present law in connection with branch operations and administrative guidelines have been developed in the past to deal with them. Problems under the House bill will be somewhat different than those dealt with in the past but it is believed that these matters can be handled satisfactorily through establishment of rules which are similar in nature.

5. Reorganizing foreign corporate structures.—Taxpayers have indicated a desire to reorganize foreign corporate structures to accommodate to the legislation. I would like to state that it would be the policy of the Treasury to view sympathetically applications of taxpayers for rulings under section 367 which are required in the case of reorganizations involving foreign corporations. We contemplate that such advance rulings could be made available relatively freely, except in situations where such arrangements involve U.S. tax avoidance.

Liquidation provision (section 16)

In my prior testimony I suggested reconsideration of section 16, dealing with the liquidation of or sale of stock in controlled foreign corporations. The hearings and discussions with private groups have confirmed our view that this provision should apply only to earnings for taxable years beginning after December 31, 1962. In addition, technical amendments are needed to coordinate more closely the treatment of sales of stock with the treatment on liquidation, including the allowance in appropriate circumstances of a foreign tax credit on sales of stock.

Further, we recommend that the impact of the section on individuals be mitigated. Unlike a corporate shareholder, whose tax will be limited to 52 percent less a foreign tax credit, the individual would be taxed at rates up to 91 percent and no foreign tax credit would be available. Two meritorious suggestions have been advanced. The first would add an averaging provision to the bill. This would be similar to that involved in the foreign trust provision, which permits an individual to reduce the amount of tax on a distribution by treating it as if it had been distributed to him over the period of his holding. The second would give the individual shareholder the alternative of limiting his tax under section 16 to a capital gains tax provided that at the same time he pays a tax equal to 52 percent of the earnings of the corporation less any foreign tax credit. The mechanics of this will work out so that the shareholder pays 64 percent overall (52 percent plus 25 percent of 48 percent) and is in exactly the same position as if he had had a domestic corporation which had paid its full 52 percent tax and which he had liquidated or sold at capital gain rates.

Information requirements (section 20)

Section 20 of the House bill needs some modification. For example, changes are needed to prevent the provision from applying to foreign corporations where there is no substantial U.S. share ownership. It should be made clear that U.S. officers and directors of foreign companies where there are no substantial U.S. owners need not supply information as to such companies. Likewise, it should be provided that domestic subsidiaries of foreign parent corporations will not be required to supply information about non-U.S. subsidiaries of such parent corporations. Finally, it should be made clear that as to all aspects of section 20 information will be required only as set forth in such regulations as are in existence on the first day of a taxable year.

Foreign investment companies (section 15)

Further study of the foreign investment company provisions with representives of such companies indicates that a number of minor technical amendments should be added to clarify and improve their application. For example, an increase should be made in the time permitted for reporting undistributed capital gains to the shareholders. Also, provision should be made for a pass-through of foreign tax credit to the shareholders for taxes paid by the foreign investment company.

Finally, with respect to the overall problem of foreign income, I believe that the hearings have shown more than ever the need for and the appropriateness of legislation to establish equity in the taxation of such income and I hope that the committee will agree with this view and act accordingly.

Conclusion

In conclusion I wish to express our appreciation for the extended effort and careful consideration which your committee and those testifying before it have already given to this legislation. As your consideration of the bill progresses, we are at your disposal to work further with you and your staffs in any way which you feel may be helpful to you.

EXHIBIT 22.—Statement by Secretary of the Treasury Dillon, July 11, 1962, on the issuance of the new Depreciation Guidelines and Rules

The new guidelines and procedures for determining depreciation on machinery and equipment used by all American business constitute a fundamental reform in the tax treatment of depreciation that will provide a major stimulus to our continued economic growth.

This reform culminates a year of intensive study and work on the part of the Treasury with cooperation and assistance every step of the way by the Internal Revenue Service, substantial help from other Government agencies, and advice from countless businessmen, their lawyers, engineers, and accountants.

Successful completion of the job required us to examine the depreciation practices, present and prospective rates of economic obsolescence and the pace of technological change in American industry and in industry abroad. This enormous task has been completed with the greatest possible speed.

The reform we have achieved fully meets, while in no way exceeding, the requirement of existing law that reasonable allowances be given for depreciation.

Depreciation has been a major problem of U.S. tax policy for decades. As a deduction used in determining the taxable income of a business, it directly affects the rate of recovery of invested capital. For that reason, it plays a vital role in business investment decisions, a major factor in determining a nation's rate of economic growth. Faster economic growth is essential if we are to reduce unemployment and provide jobs for the millions of workers coming into the labor force. Equally important, the investment level is closely related to productivity, hence plays an important part in determining the competitive position of U.S. producers in world markets. We must be competitive if we are to reduce our balance-of-payments deficit and stem the drain on our gold stocks. Depreciation rates are, therefore, important not only to the welfare of business, but to the welfare of every American citizen.

Our depreciation practices have not been realistic for a great many years. Based essentially on taxpayers' past replacement practices, they have inadequately reflected the fast-moving pace of economic and technological change.

The new depreciation guidelines correct this fundamental flaw and the new rules for application of the guidelines recognize that economic obsolescence is a continuing factor in business life which our tax administration must take fully into account. The rate of depreciation permitted under the rules will not be tied to past history—it is tied to concurrent adoption of replacement practices consistent with the lives which are claimed for tax purposes.

The guidelines will not be allowed to become outdated, as was the case for so long with *Bulletin F*, which the new guidelines replace. Our revision of depreciation guidelines and rules recognizes that depreciation reform is not something that, once accomplished, is valid for all time. It reflects an administrative policy dedicated to a continuing review and up-dating of depreciation standards and procedures to keep abreast of changing conditions and circumstances. The experience under the new guideline lives, industry and asset classifications, and administrative procedures, will be watched carefully with a view to possible corrections and improvements. Periodic reexamination and revision will be essential to maintain tax depreciation treatment which is in keeping with modern industrial practices.

This depreciation revision will bring meaningful and lasting benefits to all of American business, agriculture, and mining.

The new guideline lives average thirty-two percent shorter than those established in *Bulletin F*. More significantly, they are—as our Treasury depreciation survey showed—fifteen percent shorter than the lives in actual use by 1,100 large corporations which hold two-thirds of all the depreciable assets in manufacturing.

In actual practice, we anticipate that these same companies will be able to take faster depreciation than that provided in the new guidelines. As a result, the depreciable lives they will actually use are expected to be twenty-one percent shorter than those in use now.

More rapid depreciation than presently taken will be immediately allowed under the new guidelines on seventy to eighty percent of the assets in use by American business today.

For all of our 12,000,000 corporate and noncorporate businesses, we estimate that the potential increase in annual depreciation charges under the new guidelines will amount to seventeen percent, or a total of $4.7 billion, in the first year. Because some businesses operate at a loss, and others may not choose to make immediate full use of the new guidelines, we estimate that the additional depreciation claimed on taxable returns in the first year will be $3.4 billion. In contrast, the increased annual depreciation charges resulting from enactment of accelerated depreciation in 1954 had, after seven years, reached only $2.5 billion by last year.

The $3.4 billion potential increase in depreciation charges will mean a reduction in business tax liabilities, in the first year, of $1.5 billion. But this is a gross figure. A very substantial part, if not all, of this sum will be recouped promptly by the Government as higher depreciation charges increase the flow of cash to corporations and this money finds its way directly into new investment, thus creating jobs and taxable income for business and individuals.

The potential $4.7 billion in increased depreciation charges for business is also interesting when viewed in another light, namely, the extent to which it closes the so-called "depreciation gap." This "gap" was caused by the inflation of years past which meant that business had to replace its machinery and equipment at ever-rising cost, while the cash it retained through depreciation was based on the cost of its outworn assets. The "gap" is obviously hard to measure, but such important business organizations as the Machinery and Allied Products Institute have placed it at $5 to $8 billion a year.

Our new depreciation guidelines are not based on any estimate of the effects of inflation on replacement costs, nor could they be under existing law, even if we thought such a policy desirable. But the fact is that our depreciation reform standing alone, goes much of the way toward closing the so-called "depreciation gap." Coupled with the investment credit, now pending before the Senate Finance Committee, the reform will close the gap entirely, because the depreciation equivalent of the credit is $2.9 billion.

This is not, however, the only reason why enactment of the credit is essential. Depreciation reform, important as it is, will not put American business on a comparable footing with its foreign competitors so far as tax treatment of investment is concerned.

The percentage of first-year cost recovery on investment in the United States is now only a little more than thirteen percent. Because of special tax incentives for new investment granted by our nine friendly major industrial competitor nations, the average first-year recovery in those countries is twenty-nine percent, more than twice our current figure. With this new revision, our percentage will rise to 16.7 percent, but still far short of equality. If, however, we couple the proposed seven percent investment credit with the depreciation revision, this picture will change sharply. Our average percentage first-year cost recovery would then climb to 30.7 percent, higher than the average of the nine other nations and above the actual cost recovery allowed in all but two, Japan and the United Kingdom.

That is why we recommended the credit, because we believe it imperative to give American producers every legitimate assistance in meeting foreign competition. The administration has done its part with the completion of this depreciation reform. Further action must come from the Congress, and I hope that Congress will soon take favorable action on the investment credit.

EXHIBIT 23.—Letter from Secretary of the Treasury Dillon, August 27, 1962, to the Senate Majority Leader concerning the administration's tax bill

August 27, 1962

Dear Senator Mansfield:

The tax bill now before the Senate has a direct and important bearing upon the future course of our economy. It might be helpful, therefore, if I summarize briefly the administration's views on this key measure.

Both the Congress and the Treasury have worked long and painstakingly on this legislation, which has been under consideration since April 1961. The problems it seeks to solve are as difficult as they are important, and they clearly warrant the time devoted to dealing with them.

The President, in his Tax Message of April 1961, recommended that action be taken in a number of areas. In reviewing the bill in its present form, I find that, while the administration program has not been fully accepted, there has nevertheless been a significant advance over present law in all but one of the areas contained in the President's recommendations—the dividend credit and exclusion. The bill includes one major provision not requested by the President: deduction of certain lobbying expenses.

The central element of the President's recommendations was the need for an incentive for investment in machinery and equipment that would stimulate a higher rate of economic growth and better enable our industry to compete in markets at home and abroad. The investment credit contained in this bill will operate as a powerful stimulus to investment. In combination with the Treasury's recent administrative reform of depreciation, the credit will, at long last, give to American business tax treatment on new investment in machinery and equipment approaching that of its chief competitors in Western Europe, Canada, and Japan. Its adoption will constitute a major advance toward our national goals of greater economic growth and the increased productive efficiency and competitiveness necessary to a solution of our balance-of-payments problem.

To offset the initial revenue loss involved in the investment incentive—and to achieve much needed reforms in our tax laws—the President recommended a number of important changes in those laws. As I have stated, the bill contains provisions which deal with all but one of the areas in which changes were requested by the President. For example, solutions have been found for problems that have long plagued the Congress concerning the taxation of mutual thrift institutions, cooperatives, and mutual fire and casualty insurance companies. The bill's provisions will effect a far greater degree of equity in the tax treatment of these mutual institutions in relation to their competitors.

In the area of depreciable personal property, the bill closes a broad avenue of potential abuse under which ordinary income could be converted to capital gains on the sale of depreciable property. The bill thereby permits the Treasury's recent and much needed administrative reform of depreciation to operate without any possibility of windfall tax gains on sale of assets subject to faster depreciation.

In the field of foreign income, the bill at one stroke would sweep away abuse after abuse possible under present laws that now permit very significant escapes from taxation. The core of these changes lies in the "tax haven" provisions of the bill, which provide a workable set of rules to end the abuses we all know exist in this area. These rules have been carefully constructed to avoid hampering the expansion of our export trade or restricting business activities that are not artificially tax-motivated. When one takes account of the wide variety of our foreign activities abroad, the highly technical nature of present law in this area, and the divergent opinions on the concept of tax deferral for foreign income, the provisions of the bill in this area represent a major accomplishment.

Along with ending tax haven abuses, the bill is designed to shut off such avenues of escape from our tax laws as the establishment of foreign residence by individuals seeking to free their earnings from tax, the creation of foreign trusts to enable them to accumulate income tax free, the resort to foreign investment companies to convert ordinary income into capital gain, the investment in foreign real estate to escape our estate tax laws, and as respects dividends earned in developed countries, the undertaxation that exists because of the partial double counting of foreign taxes under the foreign tax credit. The bill will also greatly strengthen the administration of our tax laws on foreign income through the establishment of more effective information and reporting requirements.

As for expense accounts—a problem that has concerned the Congress for a number of years—the bill contains provisions that will strengthen the hand of the

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Internal Revenue Service in ending flagrant and unconscionable abuses that have led us to be known as an "expense account society." In addition to requiring detailed substantiation of entertainment and other expenses, the bill and accompanying committee report propose standards of deductibility with respect to entertainment, business gifts, and travel that are substantially more restrictive than present law. While the improvement over present law is marked, it is still considerably less than that recommended by the administration or that provided in the version passed by the House. In addition, the Finance Committee's report on expense accounts is not as clear as could be desired and is likely to raise difficult problems of interpretation in the future.

I regret that the Senate Finance Committee bill does not contain the withholding approach adopted by the House to end the present evasion of taxation on dividends and interest. But the committee bill does recognize that persistent evasion in this area is an extremely serious matter and must be halted. The dual requirement to report information on dividend and interest payments, both to the Government and to the payee, is bound to improve compliance and enforcement in this field. Nevertheless, this is a matter on which we must focus constant attention, for it is imperative that our tax laws be enforced. I therefore feel, as does the President, that the affirmative advantages of withholding will inevitably be recognized.

There is one provision of the bill that was not in the President's Message—a deduction for certain lobbying expenses. This is a provision which the administration has consistently opposed for reasons set forth in my testimony before the Senate Finance Committee.

Now, for the fiscal aspects of the bill, our estimates show that it falls short of a balance by $210 million on a full-year basis. However, this is a gross estimate that does not take into account the feedback effects of the investment credit. When those effects are considered, it is my judgment that the bill is at least in balance.

We would, of course, have preferred that the bill be in balance even on a gross basis. The inclusion of the withholding requirements on dividends and interest would have achieved that balance. In fact, withholding would have produced an overall revenue gain under the bill of about $300 million.

Even without the withholding provisions, however, the bill as reported provides more than $800 million of new revenue from tax reforms. This revenue offsets practically all of the gross cost of the growth incentive embodied in the investment credit. Indeed, if the dividend and interest information reporting requirements of the Senate bill prove to be as efficacious as the committee staff estimates and half of the gain that we would realize from withholding is achieved through the application of those requirements then, under the Treasury's estimate of the revenue presently lost through evasion in this area, the revenue-raising features of this bill would be increased to just under $1 billion. This would leave the bill approximately in balance on a gross basis.

In closing, I would like to say that the bill now before the Senate represents a major advance toward our national goal of a revised and modernized tax system. In its tax reform provisions the bill makes substantial headway in eliminating many long recognized abuses. The investment credit provides a significant stimulus both to economic growth and to the maintenance of America's competitive position in the world—an important consideration as we enter a new era of freer trade. The bill, in short, is a significant first step toward the reform of our present outmoded tax laws. As such, I believe it merits the support of every member of the Senate, and I urge its favorable consideration and passage.

With best wishes,

Sincerely,

DOUGLAS DILLON,
Secretary of the Treasury.

EXHIBIT 24.—Remarks by Secretary of the Treasury Dillon, November 15, 1962, before the White House Labor-Management Conference on fiscal and monetary policy

None of us is satisfied with the performance of our economy over recent years. Fiscal and monetary policies play a critical role in that performance. Therefore the need for a fresh look at this area is clear.

The President will submit to the Congress in January a major program of tax reform and reduction. This program will involve a basic reworking of our fiscal structure. The results will have a major bearing on our success in meeting our economic goals, not only in 1963, but for many years ahead. We welcome your inquiry into the policy issues involved.

One of the major responsibilities of any modern society is to provide the sort of economic environment in which men and women, willing and able to work, can find useful employment. The duty of the Federal Government to shape its policies to that end has been embodied in law. But our goal cannot simply be one of providing enough jobs today. We also want our economy to grow more rapidly over the years ahead. That is a must if we are to provide jobs for the new workers who will be entering the labor force in increasing numbers, if we are to banish remaining poverty, and if we are to continue to carry the heavy burdens imposed by our role in the world.

For the past five years, our country's performance in meeting these goals has clearly been inadequate. True, production is now running at record levels, 16 percent above the rate of early 1961, unemployment has been cut by 30 percent over the same period, and total profits have been well maintained. But in only one month during the past five years has unemployment dropped below 5 percent of the labor force, and a 4 percent unemployment rate—roughly the average of the first postwar decade—has not been closely approached since the spring of 1957. Output per manhour has increased more slowly since the mid-50's than during the earlier postwar years, and less than the average for this century.

While we have made progress toward eliminating the deficit in our balance of payments, that deficit still persists, and its eventual elimination will require continued effort. Even the price stability of recent years, gratifying as it is, can be traced in part to the same excess capacity and unemployment that are measures of our deficient performance in other directions. Tax reform and reduction can play a vital role in improving our performance.

For a long time, we have been familiar with the use of fiscal and monetary policies to achieve full employment, an adequate growth rate, and price stability. But in recent years the balance-of-payments problem has added a wholly new dimension to our economic objectives and to the problems of achieving a coordinated set of financial policies. It has reinforced the urgency of one of our basic domestic goals, maintenance of relative price stability. But, it has many other implications for economic policy as well. Thus monetary policy must now be shaped with a view toward its impact on international capital flows, which are influenced particularly by the level of short-term interest rates. Very simply, we no longer have the freedom to follow the sort of monetary policies that would drive short-term rates to very low levels. Unless our short-term rates maintain a proper relationship to similar rates in foreign markets our funds will simply flow abroad in volume, which we cannot afford.

But, that does not mean that we cannot maintain an ample supply of long-term credit for productive investment, for better housing, and for needed community facilities. That is what we have been trying to do, and rates for corporate and municipal bonds and for mortgages—which are most significant for investment and business activity—are actually lower today than during the recession months of 1961.

At the same time, we have moved to improve the incentives for new investment in this country, as well as the internal flow of funds available to business.

Many of our economic difficulties can be traced to an inadequate rate of productive investment and a lessening of the intense demands for goods and services accumulated over years of depression and war.

As a result of lagging investment, we have been permitting the average age of our productive equipment to increase, and its efficiency has failed to keep pace with the potential needs of a full employment economy.

The contrast with our leading foreign competitors, who have provided much more favorable tax treatment for investment, is striking. Typically the industrialized countries of Continental Western Europe and Japan have been investing between 1½ and 2 times as much of their total output in new equipment as has the United States. Their growth rates have—and this is no coincidence—also averaged 1½ to 2 times our own, or even higher. Furthermore, there is evidence in a number of industries that our wide advantage in technology and worker productivity has been reduced, at the expense of our international trading position.

As a consequence, action in this area deserved first attention. It is important for domestic growth. It is also essential if we are to maintain our competitive position in markets at home and abroad.

A major part of our effort over the past year to stimulate investment has been long overdue reform in our treatment of depreciation for tax purposes. We have put into effect new guidelines and simplified, flexible administrative arrangements that will permit business the freedom it needs to depreciate equipment on the basis of its actual experience, and with full allowance for the impact of new technology on the useful life of equipment.

This administrative depreciation reform has been complemented and supplemented by the new 7 percent investment credit—the principal provision of the Revenue Act of 1962. This measure directly increases the profitability of new investment and the aftertax income of any firm purchasing new equipment. Together, these measures are reducing the current tax load on business by $2 billion per year.

George Terborgh of the Machinery and Allied Products Institute, one of the nation's leading analysts of investment behavior, has calculated that these measures increase the potential profitability of a typical new piece of equipment by 20 percent. That would be equivalent to a 10-point reduction in the corporate tax rate, applied to the same new investment. I am confident that, as businessmen fully appraise the potential value of these measures, we will find a steadily increasing response in terms of expanded investment.

We had hoped, a year ago, that with this added stimulus, the economic recovery would carry us to full employment by the end of the current fiscal year. Unfortunately, the economy has failed to expand as rapidly as we had hoped and expected. This failure underscores something that many had already suspected, that the natural expansionary forces in the economy are no longer strong enough to overcome the restrictive impact of an onerous tax structure which was built in the inflationary circumstances of war and the immediate postwar period. I think that both labor and management will agree that taxes today are simply too high.

The basic structure of individual income taxes, with rates running from 20 percent on the first bracket to 91 percent at the top, was set in the Revenue Act of 1950. Incomes have risen substantially since that time, partly reflecting real growth, but also reflecting the inflation that took place during much of the 1950's. Meanwhile, the tax structure has siphoned off an increasing proportion of buying power into Federal taxes.

What is needed, in addition to the steps we have already taken to improve the climate for investment, is a reduction in the overall tax load that will increase demand, and so lead to better utilization of our industrial capacity, more employment, and higher profits. But we are not merely interested in expanding purchasing power. We also must aim at increasing incentives to work and to take risks, to cut costs and to produce efficiently.

I see no reason at this juncture for the Cuban crisis and the new international tensions to alter this analysis in any basic way. What that crisis does emphasize is something we already knew, that we cannot delay tax reform indefinitely in the vain hope that tax reduction can be matched by cutbacks in spending. No one is more conscious than I am of the need to reinforce our controls over all expenditure programs, seeking out savings wherever they can be made, and increasing Government efficiency. That is our objective and we shall pursue it vigorously. However, there is simply no possibility within the foreseeable future that expenditures can be reduced below current levels. In fact, the expanding demands imposed by the cold war and by our growing population will make some increase inevitable. For example, defense and space expenditures will rise substantially in fiscal 1964, merely to pay for programs already underway in accordance with past appropriations.

It is now clear that our commitments to the defense and development of the free world, coupled with the current state of our economy, will mean a further budget deficit in fiscal 1964. We need not fear that deficit as inflationary, in view of the excess capacity and widespread unemployment that exist today, and that are certain to remain with us for some time to come. It is also important to realize that tax reduction does not mean that we will face an endless succession of budget deficits. On the contrary, the tax structure we propose will generate budget surpluses as the economy provides full employment in the years ahead. The essential point is, that by increasing incentives and reducing the tax burden, the prospects for attaining sustained prosperity, and thus budget surpluses, will be greater than with the current tax structure.

We should also be clear about the implications of the prospective deficit for the balance of payments. There is not necessarily any direct connection between budget deficits and balance-of-payments deficits. If any proof is required, one need only look at the record of 1930's, when gold literally poured into this country at a time when we ran much larger budget deficits, relative to the size of the economy, than at any time in recent years. However, we must also recognize that a deficit at the wrong time can and has been inflationary, and for that reason a deficit can have a psychological influence on international flows of funds. Fortunately, there is no reason to anticipate any adverse psychological impact on our balance of payments from our current budget deficit. Responsible financial opinion abroad recognizes that a tax cut can contribute to the strength and efficiency of the American economy, and that a budget deficit will not be inflationary in current circumstances. In fact, a tax cut has been urged upon us by many abroad as a means of encouraging domestic growth.

One thing is clear. That is that the goal of our tax program will not be merely to give the economy a quick shot in the arm. Our tax program is not intended to be an antidote for a temporary cyclical anemia. It is intended to be a long-range lightening of the drag of the entire tax system on the economy, which involves both individuals and business firms.

In short, it will be tailored to deal with the economic outlook existing at the time it is enacted, but it will not be designed solely with this in mind. Our concern is not just for next month or just for next year, but for the next decade and beyond.

With that in mind, the reforms included in the program should be measured primarily against the yardstick of what they will contribute to accelerating economic growth. I can assure you they will be so measured. There will be sizable rate cuts, across the board. There will be reforms, and not merely token reforms. And the net reduction after the reforms and rate cuts have been taken into account will be a significant one.

The President will present to the Congress next year a tax program as he has described it—a balanced program to ensure more rapid economic expansion, in an atmosphere of greater tax equity and simplicity.

With significant tax reduction, and significant reform, and with the reforms already enacted in this year's tax legislation, we will have come a long way. The investment credit, depreciation reform, and the other gains of our tax changes, will pay benefits, in increasing number, for years to come.

Our major economic goal is not merely to cope with problems as they arise, but to make a lasting contribution to the growth potential of the American economy. The benefits, in increased employment, greater prosperity, and a stronger nation both at home and abroad, are not ones we can afford to ignore.

We have no intention of doing so, and the President's tax program will clearly demonstrate that fact.

EXHIBIT 25.—Remarks by Under Secretary of the Treasury Fowler, October 12, 1961, before the American Retail Federation on tax policy for growth and productivity

Someone has said that taxes are everybody's business. That should be so in view of the vital role a strong and sound Federal tax system will play in America's future.

But it is not necessarily the case. It is altogether possible for special interests to supersede the national interest in tax policy formulation. To achieve a tax policy in the national interest, there must be a national interest in tax policy. Otherwise, tax policy tends to become the special preserve of those enjoying or seeking privileged sanctuaries, no matter how conscientiously the executive branch and the responsible committees of Congress seek to improve the system.

So I want to talk to you about tax policy—not as retailers representing a great organization of retailers, not about some particular interest you have in tax policy as retailers—but as American citizens sharing a national interest in the increasing growth and productive efficiency of the U.S. economy and the role tax policy can play to that end.

It will be incumbent for all Americans to consider tax policy and the national interest in the years just ahead. For President Kennedy and his administration will put forward, not only the specific "first step" proposals submitted in the last session of Congress because they are so urgently needed, but also a long-range and thoroughgoing program of tax revision and reform.

In accordance with the President's directive in his Tax Message of April 20, 1961, the Treasury Department has undertaken a review of the tax system in preparation for a comprehensive tax reform program. This review will make use of recent tax studies of the Congress, particularly those of the Committee on Ways and Means and the Joint Economic Committee. Also research projects are being conducted on various features of the tax laws, including in the income tax area the exclusions, deductions, and credits, some of which now provide forms of special tax treatment. These investigations will provide information on the operation and effects of various present provisions and provide a basis for legislative recommendations for improvement.

The objectives of reform are to provide a more equitable distribution of tax burdens, a simpler tax law and a balanced structure which contributes more effectively to our economic goals of stability at high levels of employment and to a more rapid rate of growth. There is widespread recognition, as indicated in the earlier congressional studies, that these objectives would be served by providing a broader and more uniform income tax base and an adjustment of the rates of tax.

The general objectives can be attained only by specific steps. The Treasury's studies are for the purpose of determining whether and to what extent it may be appropriate to revise particular provisions of the existing law at the same time that suitable and complementary adjustments are made in the rate structure. It is expected that these studies will result in recommendations for broad and constructive reform while assuring the adequacy of revenues for national defense and other essential needs.

It is contemplated that the recommendations will be presented to the Congress sometime in the 1962 session after there has been a suitable period for further congressional consideration of the specific tax proposals which were the subject of extensive hearings before the House Ways and Means Committee from early in last May until late in August of this year.

Hence, the schedule calls for an intensive national examination of tax policy in 1962 and 1963. Let us hope that this will result in decisions recognizing the changing requirements of our economic and international position and the need for constructive reforms to keep our tax system up-to-date and maintain its equity.

Today I will discuss one particular aspect of tax policy—one so important that President Kennedy singled it out for urgent treatment on a priority basis in his first Tax Message. I refer to the development of a tax policy which will promote economic growth and productivity by encouraging the modernization and expansion of machinery and equipment.

While the comprehensive national review and revision of tax policy proceeds, this "first and urgent step" should be taken promptly in line with the President's schedule of priorities.

Increasing the investment levels in productive machinery and equipment contributes significantly to three of our vital national economic objectives. First, it encourages the long-term growth of our economy. Second, it improves our international balance-of-payments position by increasing competitive efficiency. And, third, it contributes to making our present economic recovery a vigorous and long lasting one. One of the best ways to increase investment levels in productive machinery and equipment is through tax treatment of this investment. That is why this administration has undertaken throughgoing depreciation reform.

In the Report of the President's Commission on National Goals in November 1960 a group of distinguished Americans of varied political faiths appointed by President Eisenhower described as one of our major goals that: "The economy should grow at the maximum rate consistent with primary dependence upon free enterprise and the avoidance of marked inflation."

The Commission recognized that:

> "Such growth is essential to move toward our goal of full employment, to provide jobs for the approximate 13½ million net new additions to the work force during the next ten years; to improve the standard of living; and to assure the U.S. competitive strength."

In its prescription for efficient economic growth, the Commission singled out tax policy, saying:

> "Public policies, particularly an overhaul of the tax system, including depreciation allowances, should seek to improve the climate for new investment and the balancing of investment with consumption. We should give attention to policies favoring completely new ventures which involve a high degree of risk and growth potential."

What are some of the underlying factors which bear upon the importance of increasing investment levels in productive machinery and equipment?

The growth of the American economy has been one of the marvels of economic history.

In the economic sphere this growth has been marked by a continued advance in technology, new inventions, new processes, new materials, and new machinery. And a notable element in the historical pattern has been the ever increasing use of machines to increase output per man-hour.

The great role of this factor in the panorama of growth is suggested by the fact that manufacturing establishments now have available about 10 horsepower per wage earner, as compared with 1.25 horsepower in 1879. Net investment in structures, equipment, and inventories is now equal to about nine thousand dollars for each employee in manufacturing.

Even though these past accomplishments represent a record of which we can all be proud, we are today facing immense new challenges both at home and abroad. We have large unmet needs on the domestic scene. In addition, I need not remind you of our continuing needs in the area of national security—intensified in recent weeks by the uncertain situation in Berlin and at other vital points—needs that require a tremendous quantity of our resources. We are also heavily committed to assisting the peoples in the less-developed countries in their efforts for economic progress. A rapid rate of economic growth will permit our meeting all of these needs more easily while minimizing the strain imposed on the civilian private sector of our economy.

Yet, instead of an increasing rate of economic growth to meet these increasing challenges, the nation has been confronted by a lagging rate of growth. From a historic growth rate of three percent per annum in gross national product (1909–1956 in constant prices) we have fallen to two percent in the latter part of the 1950's. In the last five years Western Europe has grown at double or triple our recent rate, and Japan has grown even faster. C.I.A. estimates that the annual rate growth of the Soviet economy was seven percent during the 1950's.

In his first Message to the Congress, which was devoted to a program to restore momentum to the American economy, President Kennedy set out this national objective:

> ". . . realistic aims for 1961 are to reverse the downtrend in our economy, to narrow the gap of unused potential, to abate the waste and misery of unemployment, and at the same time to maintain reasonable stability of the price level. For 1962 and 1963 our programs must aim at expanding American productive capacity at a rate that shows the world the vigor and vitality of a free economy."

Certain fundamental facts disclose the reasons for this emphasis on renewed vigor and vitality for the U.S. economy. Fifty percent of our present productive capacity was installed before or during World War II. More than sixty-five percent was installed before the Korean War. Thus, of all business plant and equipment less than one-third is modern in the sense of being new since 1950.

Estimates show that there has been a startling rise in recent years in the proportion of our national machinery and equipment which is over ten years old. It now averages more than nine years, and from 1954 to 1959 the stock of equipment over ten years old rose by fifty percent. In a dynamic economy that average should be falling as new equipment is put into place.

Meanwhile, other countries have been lowering the average age of their fixed capital. The German example is the most spectacular—their proportion of capital equipment and plant under five years of age grew from one-sixth of the total in 1948 to two-fifths in 1957.

Another indication of a slowdown in U.S. capital formation is the leveling-off in business expenditures on plant and equipment. Recent estimates indicated businessmen planned to spend $34.6 billion in new plant and equipment in 1961, a decline of three percent from 1960 and of six and one-half percent from 1957.

This pattern is even more disturbing when measured against the performance of investment levels in productive machinery and equipment in other industrialized societies, friendly and less friendly.

Our gross fixed capital expenditures (other than housing) have declined from 12.5 percent of GNP in 1948 to 9.5 percent in 1960. By comparison, the investment ratio in Western European countries rose from an average of 13.3 percent of GNP in 1951–55 to 15.1 percent of GNP in 1956–60.

Even greater percentages of GNP are said to be devoted to new machinery and equipment in Japan. This means our manufacturers must compete against their friendly rivals in the free world to get a larger share of export markets and to keep imports from getting a larger share of our domestic markets, with our machinery and equipment being replaced at a much slower rate than theirs.

And what about competitors who are not so friendly? In his 10-hour speech to the 21st Congress of the Communist Party in February 1959, Khrushchev summarized his assessment of the situation in these words:

> "The economic might of the Soviet Union is based on the priority growth of heavy industry; this should insure Soviet victory in peaceful economic competition with the capitalistic countries; development of the Soviet economic might will give communism a decisive edge in the international balance of power."

Against this factual background let us consider how tax policy for increasing investment levels in productive machinery and equipment affects the three vital national economic objectives mentioned earlier.

First, increasing investment levels in machinery and equipment in the years ahead will help make our present economic recovery a vigorous and long lasting one. Additional expenditures on machinery and equipment and the plants and facilities necessary to house it will create more jobs in the capital goods industries. There is a startling association between vigorous and lengthy upswings in the economic cycle and a healthy increase in the levels of capital goods expenditures. Our last three recoveries have lasted forty-five months, thirty-five months, and twenty-five months, respectively, in that order. Since World War II approximately fourteen quarterly periods, or twenty-three percent of the total, have been periods of recession. Already some economic forecasters are warning that the rising economy may level off in mid-1962 or early 1963, and that there is a real danger of another slump. The projection of a healthy increase in investment levels for machinery and equipment, whether for modernization or expansion, would be added insurance that the current recovery would reverse the trend to ever shorter upswings and give promise for a healthy and more enduring recovery.

Second, increasing investment levels in machinery and equipment would do double duty in increasing our rate of economic growth. The figures previously cited suggesting a relationship between equipment investment and economic growth merely reflect the proposition that expanding the productive base, or improving its efficiency, or both, should lead to higher output. As investment in plant modernization and expansion contributes to a larger export trade for our nation, as it puts people to work in the capital goods industries, as it preserves and expands our domestic market through competitive efficiency, it contributes to the economy's long-term growth.

Third, increasing investment in the modernization of machinery and equipment is vital to a long-term solution of our newest economic problem bound up in the phrase "balance of payments." If the nation is to finance the maintenance of our military forces overseas, as well as finance our investment abroad, and that minor portion of our foreign aid which is in dollars, it must sell more merchandise abroad than it buys, at least $6 billion more. This places a high premuim upon the competitive position of U.S. based production in relation to foreign manufacturing. The simple truth is that the United States, to a large extent, is depending on the aggressive, competitive drive of American business to meet the underlying problem behind our balance-of-payments deficits without diminishing our national security and world position.

Deficits in our international balance of payments totaled about $11 billion in the three years 1958–60.

Lately, however, as a result of many actions taken by the Government, there has been some improvement in our balance-of-payments situation, But the heart of the problem is our merchandise trade account—that is where we make or break. Earlier this year our merchandise trade surplus was running at an annual rate of $6 billion. That surplus, however, reflects recession conditions at home early this year during a time of boom abroad—a temporary situation which holds imports down and increases exports. As our recovery progresses our imports will rise and cut into that surplus, so we cannot expect continued improvement without all-out effort.

The administration has stepped up services to exporters and we are putting together a comprehensive export insurance program. But a real effort is needed on the part of business to continue to improve its share of foreign markets with the competitive spirit comparable to the drive that created our vast domestic markets.

If this drive is to be successful American production must be competitive, not only in quality, but in price as well. We don't have to be the cheapest, but we can't afford to be priced out of the market at home or abroad.

That is why every effort must be made to avoid out of line increases in prices or wages; but that in itself won't be enough. It won't be enough because our competitors in Western Europe and Japan have been modernizing their equipment faster than American manufacturers and are cutting unit costs and improving quality in the process to add to the advantage they have in relatively lower wage scales.

So, wholly apart from the question of expansion of capacity to meet growth needs, there is a great stake in the modernization of our manufacturing equipment.

Viewed against the background of a declining or lagging rate of investment in this vital sector as compared to other industrialized societies, friendly and less friendly alike, we ask ourselves: What do they have that we haven't?

Now, perhaps there are many facets to a full answer to this question. But tax experts, businessmen, economists, responsible public officials in the executive establishment in this administration and the last one, as well as experienced observers in the responsible committees in Congress, all generally agree that one of the important contributory factors to America's lag in this vital field in recent years is the difference in tax policy for machinery and equipment in our country and that followed by other industrialized countries.

The depreciation allowances authorized for Federal income tax deductions in this country are probably among the most limited in the world. As one highly qualified student (Professor Dan Throop Smith) puts it in a recent analysis:

> "Other countries, in order to minimize tax barriers to economic growth, have established depreciation rates for machinery and equipment which are based on life estimates probably appreciably shorter than the average lives in actual use, though they are not unrealistic at a time of great technological change. In addition to shorter life estimates, many countries allow one or more of the following: revaluations and special allowances to offset higher replacement costs, total depreciation in excess of one hundred percent of cost regardless of price changes, initial allowances in the year of acquisition which make possible a very rapid recovery of an investment in machinery though they do not give total allowances in excess of cost, and special additional allowances above cost."

These other countries typically give shorter life estimates for depreciation than those contained in the *Bulletin F* of the Internal Revenue Service, last revised in 1942, and many of the countries also give additional tax allowances or incentives in the year of acquisition. The competitive disadvantage of U.S. manufacturers in both categories is important to note. This administration intends to move to diminish this disadvantage in both facets to effect an overall depreciation reform. In so doing it seeks a tax policy for growth and productivity.

The President's program of tax revision delivered to the Congress last April 20 contemplated this two-pronged attack. A major aspect of that program provides for a new incentive to investment by allowing a tax credit to those who invest in more modern machinery and equipment. This proposal represents a major innovation in American tax law.

At the same time, the President noted that the proper determination of the length of an asset's life and proper methods of depreciation have a normal and important function in determining taxable income, wholly apart from any considerations of incentive. He stated that: "A review of these rules and methods is under way in the Treasury Department as a part of its overall tax reform study to determine whether changes are appropriate and, if so, what form they should take. Adoption of the proposed incentive credit would in no way foreclose later action on these aspects of depreciation."

Here is a brief status report on both aspects of the proposed program.

Extensive hearings have been held in the Ways and Means Committee of the House of Representatives which has released a tentative draft of legislation for "discussion" purposes that includes the tax credit investment incentive feature. Chairman Mills has promised that a tax revision measure including this feature will be the committee's first order of business in January.

The committee's discussion draft does not contain the incentive credit in exactly the form the President recommended in April, but the Treasury Department believes the need for an investment stimulus is so urgent that the modified proposal should receive our full support. The discussion draft provides for a credit against income tax equal to eight percent of the cost of new investment. The credit would be allowed for qualified investments where the property purchased has a useful life of at least six years. The credit is, in general, limited to tangible personal property used in manufacturing, extraction, transportation, or communications.

It is estimated that the revenue loss from the investment credit proposal in its present form would be approximately $1.1 billion annually. It is proposed by the Treasury—and the President insists—that the enactment of the investment tax credit be accompanied by the correction of some of the serious defects in the income tax structure which will provide revenue gains sufficient to offset the cost of the credit and keep the revenue-producing potential of our tax structure intact. The measures under active consideration include a withholding on interest and dividends, repeal of the dividend credit and exclusion, a legislative tightening of the provision on expense accounts, the withdrawal of capital gains treatment on the disposition of depreciable property to the extent the depreciation has been deducted from such property by the seller in previous years, the equitable taxation of cooperatives, mutual casualty companies, mutual savings institutions, and the removal of some special privileges allowed on foreign income, particularly in the abuse of so-called "tax havens."

Use of a tax credit is not the only method available to encourage a higher rate of investment. This method was selected, however, as the method which gives the greatest inducement to investment per dollar of revenue loss. In this respect the credit is superior to a corresponding reduction in the rate of the corporate income tax or to a corresponding allowance for accelerated depreciation. In view of the nation's heavy domestic and international commitments, tax relief to stimulate investment must provide the maximum effect per dollar of revenue lost.

The investment credit has other advantages. It is a tax offset, not a deduction from gross receipts made in the computation of net income. The credit will not be recorded on company books as a cost of operation. The credit will therefore be less likely to distort the costs of business firms and thus influence business decisions and stock market appraisals. In particular, the credit is not likely to become the basis for increased prices. This advantage of the credit over accelerated depreciation is of great significance in our effort to maintain the international strength of the dollar.

The widespread benefits of the investment credit will be both immediate and long-range; it will make definite contributions to increasing employment, capital formation, and the national output. Estimates of the actual effect of the credit in inducing additional investments are based on calculation of investment response to (1) higher aftertax profitability and, (2) increased cash flow available for investment. Response will also vary with economic conditions, being substantially greater in recovery phases of the economy. In addition to adding to gross national product through investment, the investment credit should have a multiplier effect due to spreading of the incomes generated in the purchase and construction of new facilities. This, in turn, should expand aggregate demand and help reduce existing overcapacity, thereby making industry more receptive to favorable decisions on expansion and modernization projects.

It should have beneficial short-term and longer-term employment effects, providing jobs for the workers in the process of providing new machinery and equipment and the additional investment to back up many productive jobs. Obviously, it will increase the rate of capital formation.

Much of the early opposition to the investment credit proposal came from those who felt that in its original form it was too complicated and discriminatory, because of the high premium given to those who expended a sum in excess of current depreciation allowances. With the administration's willingness to accept the preference of many members of the Ways and Means Committee for a credit against income tax equal to eight percent of the cost of new investment regardless of its relationship to current depreciation allowances, it is believed that much of the original opposition has evaporated.

One other source of concern and opposition was the fear of some that the adoption of the investment credit would foreclose progress on the redeterminations of the proper length of life of plant and equipment. This fear should now be dissipated in the light of new and clear evidence to the contrary. Those who opposed the credit because they viewed it as an alternative to depreciation reform should be reassured by the White House statement yesterday (October 11) in connection with the modification by the Treasury Department of administrative guidelines governing depreciation allowances for tax purposes in the textile industry.

Pursuant to a review of the increasing rate of obsolescence in this area, the old administrative standards for estimated depreciable lives of textile machinery are being adjusted. Specifically, the estimated useful lives suggested by the Internal Revenue Service for most textile machinery and equipment have been reduced from twenty-five years or longer to fifteen years, and in some cases twelve years. The resulting speeding up of depreciation deductions to reflect current technological conditions, will be of significant help to the industry in enabling it to modernize, meet foreign competition, and provide jobs.

But the significance of this announcement goes far beyond the textile industry, important as that may be.

As the announcement indicates, the Treasury's study of depreciation allowances is proceeding with respect to all industries, the study of depreciation schedules for the textile industry having been accelerated because of the Presidential priority given to it on May 2 of this year.

Whether or not adjustments downward in the estimated lives of assets in other industries is suggested will depend upon the results of the studies by the Treasury Department of other industries. It is expected that adjustments will be suggested wherever recent and prospective technological developments can be shown to be opening the gap between existing practices and the requirements imposed by such developments. The main objectives of the studies under way are to make an appraisal of the realism of asset lives and salvage values currently in use for computing depreciation. The accuracy of present allowances in measuring net income under present conditions bears directly upon the fundamental question of what the taxpayer properly owes.

Accordingly, adjustments in depreciation rates because of changes in permissible lives of assets should not be confused with the investment tax credit or other measures designed primarily to provide incentives for modernization and expansion of capital equipment. However, where they become applicable, liberalized depreciation allowances will incidentally facilitate and encourage modernization and expansion of investment in machinery and equipment and other capital facilities.

The nature of the depreciation studies being carried forward as a part of the long-range tax reform program of the Treasury Department may be of general interest in view of the recent action on textile machinery and the prospects in other areas.

In July 1960, the Treasury Department requested approximately 2,700 large corporations to furnish information on the amount of their depreciable assets, reserves for depreciation, depreciation deductions, and fully depreciated property, the service lives of different types of depreciable property, and the extent to which the new methods of depreciation provided by the Internal Revenue Code of 1954 had been adopted. In addition, a questionnaire was sent to these corporations requesting information on depreciation practices, experience under the present law, and opinions on various alternative proposals for revision of the depreciation system. In cooperation with the Small Business Administration, the questionnaire portion of the survey material was also mailed to about 7,600 small businesses. Completed material was furnished by about 2,000 of the large corporations and 1,300 of the smaller firms.

Another study also begun in 1960 involves a tabulation of the detailed depreciation information submitted on 1959 corporation tax returns. This study, based on a representative statistical sample, will provide more detailed information by asset type, year of acquisition, and depreciation method than that obtained from the Treasury Depreciation Survey. An analysis of the data obtained from these studies is being made by the Treasury staff and by consultants.

Data provided by these studies will enable a general comparison to be made between the depreciable lives used by some taxpayers and the lives listed in *Bulletin F*. Information will be available concerning the variation in depreciation rates used on similar assets among firms within the same industry and among various industries. For the first time, detailed data on the use of the new depreciation methods will be provided. The questionnaire portion of the Treasury Depreciation Survey will reveal the general opinions of taxpayers as to whether present depreciation allowances are reasonably satisfactory, the major reasons for any inadequacy in depreciation, as well as opinions concerning various proposals for changing the tax treatment of depreciation.

The National Income Division of the Department of Commerce is preparing a detailed breakdown of corporation purchases of plant and equipment year by year from 1914 to 1959. Comparison of this material with the data obtained from corporate tax returns is expected to permit calculation of the average actual lives of assets, which can be compared with tax depreciable lives. The Business and Defense Services Administration in the Commerce Department is also assisting the Treasury in a statistical study of the rate at which machinery and equipment loses its economic usefulness as a basis for determining realistic patterns for spreading the cost of an asset over its estimated service life.

In connection with the study of the administration of the depreciation provisions, information has been obtained concerning changes made in salvage value and life of depreciable assets upon examination of corporate returns by the Internal Revenue Service. This study will permit an analysis of the classes and length of life of assets for which the estimated useful lives and salvage values have been materially altered, as well as the reasons for such adjustments.

The Treasury Department has also obtained material on the depreciation systems of various foreign countries in order that comparisons can be made with the United States with respect to methods of depreciation permitted, typical depreciation rates, accelerated depreciation provisions, investment incentives, and the treatment of gains or losses on the disposition of depreciable assets.

Questions as to the rate of change of capital productivity and labor productivity, the rate of technological obsolescence, and the effect of changes in the price level are being considered.

The results of these studies and analyses will be made available to the appropriate committees of Congress during the next session either in connection with administative action of a corrective nature or as a basis for legislative proposals in this area which would be a part of the President's comprehensive program for tax revision and reform.

To the degree that this course of action results in a reduction in the average tax lives of capital goods, and hence, the increase in rates of depreciation now in use, there will be considerable economic significance. Depreciation provides increased funds to replace capital equipment, particularly where rapid obsolescence is a major factor. The faster the depreciation deductions the greater the flow of internal funds from business operations and the greater the prospects of securing modern plants. Thus, in a practical sense faster depreciation is likely to set the the stage for faster replacement. The fact that full depreciation can be taken and the investment recovered over a shorter period of time is an understandable inducement to commit funds to the investment. The shorter the term, the greater the confidence in payout. Faster depreciation also facilitates financing of new capital outlays since funds arising through depreciation may be used to repay debt incurred to purchase a capital asset. It also increases the opportunity for capital investment by shifting taxes to later years.

CONCLUSION

With this two-pronged approach toward a tax policy for increasing investment in productive machinery and equipment, the investment tax credit and an adjustment of the lives of capital assets for depreciation purposes to conform to existing conditions and technological obsolescence—there will be a real beginning towards attuning tax policy to two of our major national objectives—healthy economic growth and increasing competitive efficiency. But as was indicated in the beginning, this is but one step in a long program of comprehensive tax revision. True, it is one which deserves a high priority of treatment, which it is receiving. However, there are many other areas for constructive reform to keep our tax system up-to-date and maintain its equity. If the nation is to make progress in these areas in the years ahead, it will require the increasing concern of the average American that tax policy conform to the national interest rather than special interest.

EXHIBIT 26.—Remarks by Assistant Secretary of the Treasury Surrey, October 25, 1962, before the Tax Institute Symposium on the U.S. tax system and international tax relationships

We have an opportunity at these meetings to examine the recently enacted Revenue Act of 1962, as well as the problems and progress of tax reform in Latin America. In that context, I would like to begin by discussing some of the broad international aspects of U.S. tax policy. In recent years we have had to reexamine the international rules of our tax system to assure their continuing consistency with our foreign economic policy.

To begin with, the balance-of-payments implications of our tax rules have acquired increasing importance. We have already seen various innovating adjustments of monetary, debt management, and foreign exchange policies to the new conditions created by our international payments situation. A parallel adjustment of policies is being followed in the tax area.

We do not, for example, have any desire to impede the flow of investment capital between nations, and our tax policy is designed with that in mind. We feel the same about the importance of free competitive trade between nations, and this is also taken account of in shaping tax policy. In that connection, I believe we should press for the removal of artificial tax barriers to trade which now exist in other nations, such as discriminatory transaction or turnover taxes on our exports.

The appearance of an essentially new type of enterprise, that of the international corporation with its many and varied foreign subsidiaries and activities, has raised fresh problems in the application of our tax rules. Tax rules should not place needless barriers in the way of these international enterprises or require their artificial structuring. At the same time, the tax rules should not, because of developing changes in nontax operational arrangements, offer escapes from taxation or lead to distortions in resource allocation. We are in an era of evolving changes in the legal and accounting techniques affecting our international activities, and the tax law must keep pace with these changes

Our international tax rules should also take account of the existing and proposed Common Market arrangements in Europe and Latin America, and the effect of these arrangements on the tax systems of the member countries. Inevitably these arrangements will move in the direction of a harmonization of tax systems and in the development of international tax adjustments appropriate to these markets. We must be alert to any implications these developments will have, both for our domestic tax structure and our international rules.

Finally, it is necessary to consider how the fiscal policies of the industrially developed nations of the world can be harmonized so that international problems are solved in an international manner. The main forum today for the discussion of these issues is the Organization for Economic Cooperation and Development, whose membership includes the United States and Canada, along with the Western European countries.

Against this background of guidelines for our international tax policy, we may consider what has been accomplished so far. The Revenue Act of 1962 represents a major advance toward a better adaptation of our tax system to these new policy requirements in the international area. A large number of its provisions directly relate to international tax rules. Even the investment credit, which is a central feature of the act, has important international aspects. It will better enable U.S. industry to meet foreign competition by accelerating modernization of productive equipment. In combination with the Treasury's administrative reform of depreciation, announced in July, the credit provides our business—for the first time—tax treatment of new investment comparable with that of its chief international competitors.

The provisions of the new revenue law relating to foreign income involve the most comprehensive revision of our international tax rules that has ever occurred in a single tax measure.

The act removes the principal artificial tax inducement to investment in developed countries, an inducement hardly appropriate under present conditions, by effectively neutralizing the so-called "tax haven" form of operation. Now that the law is changed, and the usefulness of this tax avoidance device ended, the damage to our balance-of-payments position as a result of the mushrooming of tax haven subsidiaries will be stopped.

The new law ends tax deferral on the various classes of tax haven income of U.S.-controlled foreign corporations. On those types of income, arising from insurance or reinsurance abroad of U.S. risks, from passive investments, from licensing, and from sales, purchases, or service operations, the U.S. tax will be applied currently to the parent corporation without waiting for an actual distribution to stockholders.

Tax deferral will not be denied, however, where the dividend or interest income is derived from less-developed countries and is reinvested in those countries, so that the holding company remains an attractive form of organization for less-developed country operations.

There are two other major exceptions, the first of which continues deferral of taxes on tax haven export-trade income utilized in ways that will directly promote further exports. The new rules will thus operate in harmony with our need for export expansion.

The second exception continues deferral where the enterprise is taxed at a combined foreign and U.S. rate not substantially below the U.S. rate. A schedule of overall effective foreign tax rates and corresponding percentages of income distributions to the United States—the lower the foreign rate the higher the percentage of distribution required—is provided which, if complied with, justifies foregoing the U.S. tax on the undistributed income of the foreign corporation. In such a case the foreign form of organization has not operated as a tax inducement to investment abroad since no tax saving has been effected, either because of the level of rates paid abroad or the amount of foreign earnings that were actually repatriated. In the latter connection, the act sets a precedent for looking at the foreign activities of a U.S. corporation on a consolidated basis, as if together they comprised a single entity. In this respect the tax law is beginning to recognize the "international corporation" and to grapple with the technical tax problems which it involves.

Finally, in the area of tax deferral, the act places limits on the tax maneuvering under prior law that permitted the tax deferred profits to be brought back at capital gain rates.

Undoubtedly these rules have their share of complexities. But the lawyers, who are guiding our international corporations through the intricacies of foreign corporate and business laws, and the accountants, who are developing principles that will properly reflect the progress of foreign operations, are well aware that complexities in this area are unavoidable. I am sure they recognize no one can expect the tax rules to be a little valley of simplicity surrounded by these other peaks of complexity.

The new law removes other gross abuses that have grown up over the years and have made our tax rules nonneutral in the international area. By requiring a gross-up of dividends received from subsidiaries in developed countries, the law ends what is in effect a partial double counting for taxes paid to these countries and a consequent lower combined effective tax rate on those dividends. The transfer abroad of patents involving values representing what is really U.S. source income may no longer be effected at capital gain rates. In addition, it will no longer be possible for individuals to escape U.S. taxation on unlimited amounts of earned income abroad by establishing foreign residence, or to accumulate tax-free income by creating foreign trusts, or to resort to foreign investment companies to convert ordinary income into capital gains. Also, investment in foreign real estate will no longer escape our estate tax laws.

Another provision of the new law removes an artifical inducement to the outflow of short-term U.S. capital, an inducement which was harmful to our balance-of-payments position in 1961. The law now requires separate computation of the foreign tax credit for certain interest income in order to avoid the use of any excess foreign tax credit on business income to reduce or eliminate the tax on the interest income. This change illustrates the new requirement that we scrutinize our technical tax rules in the light of our international balance-of-payments position.

Finally, the new law provides expanded information and reporting requirements, covering both parent corporations and U.S. citizens or residents who are officers, directors, or 5-percent shareholders of a foreign corporation. These requirements will permit more complete enforcement of our tax laws on foreign income, and they will enable us to keep abreast of developments in these fields.

The new act thus embodies many significant steps toward accommodating our tax system to the changes that have occurred in our international position. With this accomplished, we must consider what further moves appear desirable. Clearly one important matter is the development of appropriate regulations to implement the new act, regulations that will provide as much guidance as possible and ensure the workability of the new legislation. The Treasury Department plans to publish the proposed regulations as promptly as possible and we know that we can count on the assistance of the tax fraternity in identifying and resolving the problems that may arise.

The increasing volume of tax problems in the international field also requires careful exploration of the possibilities of greater flexibility in the administrative use of existing statutory tools. Section 482, relating to adjustments between related organizations, is one example. While the Congress in the new act decided not to adopt statutory formulas for allocating income and deductions under section 482, the Conference Report, referring to the broad authority already given to the Secretary of the Treasury under that section, suggested instead that the Treasury explore the possibility of issuing regulations providing additional allocation guidelines and formulas. Greater uniformity as well as more appropriate solutions might thus be achieved in the resolution of cases involving intercompany pricing or similar arrangements. For example, a technical information release dealing with allocation problems of firms operating in Puerto Rico will be issued shortly.

In our overall endeavor to improve the use of present administrative tools, we seek the informed and imaginative assistance of the tax bar.

Our policies with respect to tax treaties also require continued reexamination. With the expected approval of the pending double taxation agreement with Luxembourg, all the European Common Market countries will be covered by tax treaties, although negotiations are already in process on treaty revisions as well as on new treaties. With expanding international trade and activity, the transactions affected by tax treaties increase, as does the importance of the techniques embodied in the treaties and their technical operation. We hope that continued scrutiny of the treaties will enable us both to improve their usefulness and prevent their leading to artificial arrangements and distortions. The recent reexamination of the Netherlands Antilles treaty is an example.

The growth of international corporations may also have its effect on treaty techniques. Thus, the possible development of a worldwide distribution of stock ownership in such corporations suggests that our tax systems, as modified by our treaty rules, must be kept under careful scrutiny to ensure that they do not place unjustifiable obstacles to foreign investment in U.S. corporations or to U.S. investment in foreign corporations. In addition the basic treaty rules and any suggested revisions must be examined against the economic requirements of our current position. Thus, in framing a definition of permanent establishment for tax treaty purposes we must keep in mind our balance-of-payments position and our need to increase exports. Balance-of-payments effects must likewise be weighed in negotiating revisions in the treaty rates on dividend and interest payments.

We hope that even broader international tax accommodations may be made through the OECD. The OECD members have agreed to work together to promote closer coordination of national economic policies and accelerated economic expansion in the member countries and in the less-developed countries as well. Two high-level "working parties" of the OECD have been meeting regularly since the spring of 1961, to study problems of economic growth and to examine fiscal and monetary policies as they relate to international payments imbalances. In addition, the United States now is officially represented on the OECD Fiscal Committee, as it was not on the predecessor committee of the OEEC. This Committee, whose main objective is removal of tax obstacles to international trade and payments, plans to propose specific principles to be applied by member countries in their double taxation agreements. The Committee has already made a number of recommendations for standardizing tax conventions. Moreover, it is exploring, largely at the urging of the United States, the problems growing out of differences in jurisdictional concepts of taxation and the issues involved in the tax relationships between developed countries and less-developed countries. We hope that this truly international exploration of international tax problems will prove to be an important avenue to progress.

I have attempted to sketch the broad international aspects of U.S. tax policy. Against this background we may now consider those aspects affecting the less-developed countries. Here the paramount factor is the firm commitment of the United States to encourage increased private investment in those areas. Although we are not alone among the advanced countries in this effort, we are far ahead of them in accomplishment, and we are conducting a continued search for ways to do more. I might mention our new investment guaranty program, the various financing arrangements that are offered to investors, and Department of Commerce and AID activities to interest and encourage U.S. firms to invest in less-developed countries. Care was also taken in the 1962 Revenue Act provisions, affecting tax haven activities and the liquidation or sale of foreign corporations having tax-deferred profits, to avoid adverse effects on investment in less-developed countries. The safeguards so established, thus, in effect, become tax inducements to such investment.

In considering possible tax incentives to increased private investment in less-developed countries it is necessary to realize that tax incentives do not possess a magic that will permit investment to occur under any conditions or climate. If tax incentives are not to be sheer waste and windfall, they have to be joined with other forces to create more promising investment opportunities. Further, since a tax incentive generally operates on a broader scale and with less continuing scrutiny as to its effects and utility than is the case with other inducement programs, it is important that the incentive be carefully planned. On the whole, it is probably a wise use of resources that tax incentives generally be viewed as the last item to be added to complete the picture that other measures produce rather than be the focus around which these other measures develop. And the question must always be asked whether the picture would really be improved by the addition of this last item, considering the costs involved.

But passing these observations applicable generally to tax incentives, we may inquire what are the particular purposes which a possible tax incentive should serve in the area of private investment in less-developed countries.

Three purposes come immediately to mind. First, it should induce a larger gross outflow of new capital for investment in productive facilities in those countries; second, it should encourage more reinvestment in those countries of earnings from existing and new investment; and third, it should avoid any encouragement to capital repatriation or undue repatriation of current earnings. In brief, it should encourage funds to move to these countries and then stay at work there as long as possible.

Tax sparing has been urged at times as a possible incentive, but it has serious weaknesses when tested against the above standards. Its primary focus is on a quick repatriation of profits. Also, since its tax reduction effect on repatriated profits depends on the relationship between the foreign tax rate and the U.S. rate, it both operates erratically and forces the United States to yield control over the effect and direction of its tax system. Moreover, the adoption of tax sparing, with its dependence on the nature and extent of tax inducements in the foreign country and its encouragement to competition among countries in offering inducements, may not always be regarded as in the longrun fiscal and economic interests of the less-developed countries. The history of special tax inducements to attract investment, especially when they draw attention away from needed revisions in the basic tax systems of these countries, is not at all convincing in terms of lasting advantages. Finally, in the past too intensive a focus on tax sparing may have kept us from looking for fresh insights to our problems.

A similar limiting of consideration of the possible ways to increase investment may have resulted from suggestions for direct tax reductions on foreign income when it becomes taxable by the United States. Again, like tax sparing, this places the stress on repatriation of profits, and indeed could have the effect in a few years of causing the return flow to offset the outflow of new funds.

These and like suggestions have unfortunately drawn attention away from our main purpose, that of inducing new money to flow to these countries and keeping it at work there. Incentives tied to the act of new investment would seem to offer more fruitful possibilities. Thus, it would appear more rewarding to consider approaches similar to the investment credit recently enacted to stimulate U.S. domestic investment. Such approaches might prove equally suitable in raising the level of U.S. private investment in less-developed countries.

This discussion on tax incentives of course deals with only a few of the many and difficult issues involved. For example, aside from the form of the investment incentive, it might be appropriate to consider whether we want to encourage all kinds of private investment in less-developed countries, or perhaps be more selective in identifying the investments, or even the countries, which would qualify. Also, should there be special encouragement to joint ventures, in which residents or governments of the less-developed countries would have an equity and management interest? These and other questions are obviously present in any consideration of tax incentives in this area.

Finally, it is possible that our tax treaty activities will assume more importance for the less-developed countries in the years ahead. As investment and trade increase, it will be important to smooth out the rough spots in the resulting international tax relationships. This smoothing-out process is presently the primary function of tax treaties generally. Perhaps further thinking may suggest new treaty functions helpful to the less-developed countries. Thus, could the treaties, through an appropriate exchange of information or the adoption of new collection procedures, benefit countries seeking to protect their foreign exchange holdings against capital flight by their own residents?

In the shaping of all our international policies, the success of the Alliance for Progress in Latin America is of paramount concern. But no steps which the United States might take in the tax field or elsewhere can reach the core of the problem of expanding the flow of private investment to Latin America. The primary consideration is that private investment will flourish only in a setting of relative political and economic stability.

Reform of Latin American tax systems is of central importance in fostering a healthy investment climate. Such reform would help provide the needed revenue for public investment in education, transportation, land development, and other "social overhead" activities. Tax reform, in addition, could also contribute to political and financial stability and to building an attractive environment for private investment to further economic growth.

While basic tax reform must come from within each particular country and cannot be imposed from without, there are ways in which the United States might facilitate the process. Progress in improving tax administration, for example, could be accelerated by combining the serious concern over improvement that exists in many Latin American countries with a high and sustained level of technical assistance from the United States. Both qualities, a high level of ability in the personnel involved and a sustained continuing cooperation in the assistance, are essential, since anything less is likely to be frittered away in only minor improvements. The United States, through the Internal Revenue Service of the Treasury Department, is prepared to give the needed aid on an expanded scale. The Organization of American States and the Agency for International Development can help in assisting the Latin American requests for aid and overseeing the progress of technical assistance missions. After all, when taxes evaded approach or even exceed taxes paid, there is ample scope for improvement. The recent

661496—63——24

accomplishments of Argentina in tax administration show that successes can be achieved.

As to substantive tax reform, more intensive and persistent efforts are needed in each country to search for the tax structure that will best facilitate economic growth and foster tax equity. Appropriate revenue targets, the weight to be placed on income taxes relative to other levies, and the design of effective incentive tax provisions are problems on which these analytical efforts should be focused. The Shoup report on Venezuela is an example of the type of critical examination and hard thinking about tax policies that is requisite to basic tax reform.

At the same time, research on comparative fiscal systems, together with multinational conferences, may develop generalizations regarding Latin American tax structures that can usefully guide the policymaking officials and technical assistance missions in particular countries. International conferences could also develop thinking on ways to harmonize the tax systems of Latin American countries in the interest of greater freedom of investment and trade. With progress in these directions, the Latin American countries will be able to make better use of technical aid from the United States and other countries in planning their tax reforms, formulating the needed structural changes, drafting the needed legislation and regulations, and establishing an up-to-date tax collection organization. Here also any such technical assistance should be of a high caliber and on a continuing basis.

The Latin American countries are desperately short of qualified economists, statisticians, administrators, legal experts, and other technicians for work in the tax area. Indeed, hardly any of the finance ministries maintain professional tax staffs on a continuing basis for compiling data, exploring policy issues, and evaluating the performance of the tax system. With only a few exceptions, the universities in Latin America do not systematically contribute to tax research. Foreign technicians may partly fill this institutional gap, although probably not satisfactorily or for very long. The task of continually evaluating and revising their tax systems must be undertaken as soon as possible by the countries themselves. Any effort that the United States can expand in helping the countries prepare themselves for these particular tasks would certainly be a worthwhile investment. This calls for a major emphasis on training and on filling the institutional research vacuum in the Latin American tax scene. Our Government and our universities and foundations can be of significant help in this area.

From experience in this country we know that the taxing process and tax policy decisions are greatly enriched by informed discussion and participation by private citizens. My impression is that there is very little responsible, active, and continuing discussion of tax issues by the business, legal, and accounting communities in Latin America. Conferences and symposia such as this one are rare. Professional tax journals are found in very few countries and little attention is being given to the improvement of professional standards of tax accounting and tax law practice. In short, a crucial dimension of the taxing process is missing.

There thus exist opportunities for valuable contributions by many of you in this audience. At this end of the Alliance, in your practices, through your clients, and through your organizational and academic affiliations, you can and should lend your energies to assisting and stimulating the lawyers, accountants, businessmen, and professors in Latin America to participate constructively and effectively in the taxing process in their own countries. Conferences, bilingual publications, and the international extension of national tax organizations are some of the organized means at your disposal. The opportunities for meaningful and lasting contributions are real. Government and private citizens alike can thus join in the challenging and vital task of helping Latin America to make the Alliance for Progress a success.

EXHIBIT 27.—Individual income tax liabilities and effective rates under the revenue acts of 1913–54

TABLE I.—*Individual income tax liabilities—Single person with no dependents*

Revenue act	Income year	Selected amount of net income										
		$525	$600	$800	$900	$1,000	$2,000	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15	------	------	------	------	------	------	------	$20	$30	$50	$70
1916	1916	------	------	------	------	------	------	------	40	60	100	140
1917	1917	------	------	------	------	------	$20	$40	120	170	275	395
1918	1918	------	------	------	------	------	60	120	240	370	650	950
	1919–20	------	------	------	------	------	40	80	160	250	450	670
1921	1921	------	------	------	------	------	40	80	160	250	450	670
	1922	------	------	------	------	------	40	80	160	240	420	600
	1923	------	------	------	------	------	30	60	120	180	315	450
1924	1924	------	------	------	------	------	15	30	60	90	150	225
1926	1925–27	------	------	------	------	------	6	17	40	56	101	154
1928	1928, 1930–31	------	------	------	------	------	6	17	40	56	101	154
	1929	------	------	------	------	------	2	6	13	22	52	90
1932	1932–33	------	------	------	------	------	40	80	160	240	420	600
1934	1934–35	------	------	------	------	------	32	68	140	216	378	560
1936, 1938	1936–39	------	------	------	------	------	32	68	140	216	378	560
1940	1940 [1]	------	------	------	(*)	$4	44	84	172	255	449	686
1941	1941	------	------	$3	$11	21	117	221	483	649	1,031	1,493
1942	1942 [2]	------	$15	52	71	89	273	472	920	1,174	1,742	2,390
	1943 [2] [3]	------	17	62	85	107	333	574	1,105	1,401	2,052	2,783
1944 [4]	1944–45	$6	23	69	92	115	345	585	1,105	1,395	2,035	2,755
1945	1946–47	5	19	57	76	95	285	485	922	1,169	1,720	2,347
1948	1948–49	------	------	33	50	66	232	409	811	1,040	1,546	2,124
1950	1950	------	------	35	52	70	244	428	843	1,080	1,604	2,201
1951	1951	------	------	41	61	82	286	498	964	1,234	1,816	2,486
	1952–53	------	------	44	67	89	311	542	1,052	1,342	1,992	2,728
1954	1954–	------	------	40	60	80	280	488	944	1,204	1,780	2,436

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	$120	$170	$270	$770	$1,520	$2,520	$25,020	$60,020	$340,020
1916	1916	240	340	490	1,340	2,490	3,940	42,940	102,940	687,940
1917	1917	770	1,220	1,820	5,220	9,970	16,220	192,720	475,220	3,140,220
1918	1918	1,790	2,750	3,840	11,150	21,590	35,150	323,150	703,150	3,783,150
	1919–20	1,310	2,070	2,960	9,270	18,710	31,270	303,270	663,270	3,583,270
1921	1921	1,310	2,070	2,960	9,270	18,710	31,270	303,270	663,270	3,583,270
	1922	1,140	1,800	2,640	8,720	17,910	30,220	260,720	550,720	2,870,720
	1923	855	1,350	1,980	6,540	13,433	22,665	195,540	413,040	2,153,040
1924	1924	585	1,045	1,635	6,165	13,215	22,645	199,645	429,645	2,269,645
1926	1925–27	386	694	1,234	4,954	10,184	16,134	116,134	241,134	1,241,134
1928	1928, 1930–31	386	694	1,099	4,664	9,894	15,844	115,844	240,844	1,240,844
	1929	285	555	922	4,250	9,230	14,930	110,930	239,930	1,190,930
1932	1932–33	1,140	1,800	2,640	8,720	17,910	30,220	263,720	571,220	3,091,220
1934	1934–35	1,104	1,834	2,804	9,334	18,884	31,404	264,844	572,324	3,092,314
1936, 1938	1936–39	1,104	1,834	2,804	9,334	19,484	33,354	305,224	680,184	3,790,164
1940	1940 [1]	1,476	2,666	4,253	14,709	28,481	44,268	330,933	718,404	3,917,390
1941	1941	2,994	4,929	7,224	20,882	36,487	53,214	345,654	733,139	3,923,124
1942	1942 [2]	4,366	6,816	9,626	25,811	44,366	64,641	414,616	854,616	4,374,616
	1943 [2] [3]	4,968	7,626	10,644	28,058	48,001	69,665	441,863	[5] 899,500	[5] 4,499,500
1944 [4]	1944–45	4,930	7,580	10,590	27,945	48,000	69,870	444,350	[5] 900,000	[5] 4,500,000
1945	1946–47	4,270	6,645	9,362	25,137	43,477	63,541	407,897	840,147	[5] 4,275,000
1948	1948–49	3,894	6,089	8,600	23,201	40,182	58,762	[5] 385,000	[5] 770,000	[5] 3,850,000
1950	1950	4,032	6,301	8,898	23,997	41,556	60,770	396,221	[5] 800,000	[5] 4,000,000
1951	1951	4,528	7,072	9,976	26,758	46,104	67,274	429,750	[5] 872,000	[5] 4,360,000
	1952–53	4,968	7,762	10,940	28,466	48,268	69,688	436,164	[5] 880,000	[5] 4,400,000
1954	1954–	4,448	6,942	9,796	26,388	45,684	66,798	429,274	[5] 869,478	[5] 4,349,478

Footnotes at end of table VI.

TABLE II.—*Individual income tax liabilities—Married person with no dependents*

Revenue act	Income year	Selected amount of net income									
		$600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15	-----	-----	-----	--------	--------	--------	$10	$20	$40	$60
1916	1916	-----	-----	-----	--------	--------	--------	20	40	80	120
1917	1917	-----	-----	-----	--------	$10	$20	80	130	235	355
1918	1918	-----	-----	-----	--------	30	60	180	250	530	830
	1919–20	-----	-----	-----	--------	20	40	120	170	370	590
1921	1921	-----	-----	-----	--------	--------	20	100	170	370	590
	1922	-----	-----	-----	--------	--------	20	100	160	340	520
	1923	-----	-----	-----	--------	--------	15	75	120	255	390
1924	1924	-----	-----	-----	--------	--------	8	38	53	105	165
1926	1925–27	-----	-----	-----	--------	--------	--------	17	28	56	101
1928	1928, 1930–31	-----	-----	-----	--------	--------	--------	17	28	56	101
	1929	-----	-----	-----	--------	--------	--------	6	10	22	52
1932	1932–33	-----	-----	-----	--------	--------	20	100	140	300	480
1934	1934–35	-----	-----	-----	--------	--------	8	80	116	248	415
1936, 1938	1936–39	-----	-----	-----	--------	--------	8	80	116	248	415
1940	1940 [1]	-----	-----	-----	--------	11	31	110	150	317	528
1941	1941	-----	-----	-----	$42	90	138	375	521	873	1,305
1942	1942 [2]	-----	-----	-----	140	232	324	746	992	1,532	2,152
	1943 [2 3]	$1	$8	$15	188	297	405	894	1,173	1,780	2,467
1944 [4]	1944–45	3	9	15	245	360	475	975	1,265	1,885	2,585
1945	1946–47	-----	-----	-----	190	285	380	798	1,045	1,577	2,185
1948	1948–49	-----	-----	-----	133	216	299	631	819	1,206	1,621
1950	1950	-----	-----	-----	139	226	313	661	856	1,257	1,686
1951	1951	-----	-----	-----	163	265	367	775	995	1,443	1,928
	1952–53	-----	-----	-----	178	289	400	844	1,085	1,577	2,104
1954	1954–	-----	-----	-----	160	260	360	760	976	1,416	1,888

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	$110	$160	$260	$760	$1,510	$2,510	$25,010	$60,010	$340,010
1916	1916	220	320	470	1,320	2,470	3,920	42,920	102,920	687,920
1917	1917	730	1,180	1,780	5,180	9,930	16,180	192,680	475,180	3,140,180
1918	1918	1,670	2,630	3,720	11,030	21,470	35,030	323,030	703,030	3,783,030
	1919–20	1,230	1,990	2,880	9,190	18,630	31,190	303,190	663,190	3,583,190
1921	1921	1,230	1,990	2,880	9,190	18,630	31,190	303,190	663,190	3,583,190
	1922	1,060	1,720	2,560	8,640	17,830	30,140	260,640	550,640	2,870,640
	1923	795	1,290	1,920	6,480	13,373	22,605	195,480	412,980	2,152,980
1924	1924	515	975	1,565	6,095	13,145	22,575	199,575	429,575	2,269,575
1926	1925–27	311	619	1,159	4,879	10,109	16,059	116,059	241,059	1,241,059
1928	1928, 1930–31	311	619	1,024	4,589	9,819	15,769	115,769	240,769	1,240,769
	1929	225	495	862	4,190	9,170	14,870	110,870	230,870	1,190,870
1932	1932–33	1,020	1,680	2,520	8,600	17,790	30,100	263,600	571,100	3,091,100
1934	1934–35	924	1,589	2,489	8,869	18,239	30,594	263,944	571,394	3,091,369
1936, 1938	1936–39	924	1,589	2,489	8,869	18,779	32,469	304,144	679,044	3,788,994
1940	1940 [1]	1,258	2,336	3,843	14,128	27,768	43,476	330,156	717,584	3,916,548
1941	1941	2,739	4,614	6,864	20,439	35,999	52,704	345,084	732,554	3,922,524
1942	1942 [2]	4,052	6,452	9,220	25,328	43,820	64,060	414,000	854,000	4,374,000
	1943 [2 3]	4,533	7,100	10,035	27,075	46,955	68,584	440,747	[5] 899,000	[5] 4,499,000
1944 [4]	1944–45	4,695	7,315	10,295	27,585	47,595	69,435	443,895	[5] 900,000	[5] 4,500,000
1945	1946–47	4,047	6,394	9,082	24,795	43,092	63,128	407,465	839,715	[5] 4,275,000
1948	1948–49	2,829	4,247	5,877	17,201	31,015	46,403	359,662	[5] 770,000	[5] 3,850,000
1950	1950	2,935	4,402	6,087	17,797	32,082	47,994	370,657	792,442	[5] 4,000,000
1951	1951	3,332	4,972	6,874	19,952	35,900	53,516	404,500	859,500	[5] 4,360,000
	1952–53	3,644	5,456	7,508	21,880	38,696	56,932	412,328	872,328	[5] 4,400,000
1954	1954–	3,260	4,872	6,724	19,592	35,290	52,776	403,548	858,548	[5] 4,348,956

Footnotes at end of table VI.

Table III.—*Individual income tax liabilities—Married person with two dependents*

Revenue act	Income year	Selected amount of net income									
		$600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15	------	------	------	------	------	------	$10	$20	$40	$60
1916	1916	------	------	------	------	------	------	20	40	80	120
1917	1917	------	------	------	------	$2	$12	64	114	219	339
1918	1918	------	------	------	------	6	36	156	226	482	782
	1919–20	------	------	------	------	4	24	104	154	338	558
1921	1921	------	------	------	------	------	------	68	138	306	526
	1922	------	------	------	------	------	------	68	128	276	456
	1923	------	------	------	------	------	------	51	96	207	342
1924	1924	------	------	------	------	------	------	26	41	81	141
1926	1925–27	------	------	------	------	------	------	8	19	42	83
1928	1928, 1930–31	------	------	------	------	------	------	8	19	42	83
	1929	------	------	------	------	------	------	3	6	14	40
1932	1932–33	------	------	------	------	------	------	68	108	236	416
1934	1934–35	------	------	------	------	------	------	48	84	184	343
1936, 1938	1936–39	------	------	------	------	------	------	48	84	184	343
1940	1940 [1]	------	------	------	------	------	------	75	114	246	440
1941	1941	------	------	------	------	12	58	271	397	717	1,117
1942	1942 [2]	------	------	------	$13	99	191	592	810	1,322	1,914
	1943 [2,3]	$1	$7	$14	58	159	267	730	979	1,553	2,208
1944 [4]	1944–45	3	9	15	45	160	275	755	1,005	1,585	2,245
1945	1946–47	------	------	------	------	95	190	589	798	1,292	1,862
1948	1948–49	------	------	------	------	17	100	432	598	974	1,361
1950	1950	------	------	------	------	17	104	452	626	1,016	1,417
1951	1951	------	------	------	------	20	122	530	734	1,174	1,622
	1952–53	------	------	------	------	22	133	577	799	1,282	1,774
1954	1954–	------	------	------	------	20	120	520	720	1,152	1,592

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	$110	$160	$260	$760	$1,510	$2,510	$25,010	$60,010	$340,010
1916	1916	220	320	470	1,320	2,470	3,920	42,920	102,920	687,920
1917	1917	714	1,164	1,764	5,164	9,914	16,164	192,664	475,164	3,140,164
1918	1918	1,622	2,582	3,672	10,982	21,422	34,982	322,982	702,982	3,782,982
	1919–20	1,198	1,958	2,848	9,158	18,598	31,158	303,158	663,158	3,583,158
1921	1921	1,166	1,886	2,816	9,126	18,566	31,126	303,126	663,126	3,583,126
	1922	996	1,656	2,496	8,576	17,766	30,076	260,576	550,576	2,870,576
	1923	747	1,242	1,872	6,432	13,325	22,557	195,432	412,932	2,152,932
1924	1924	475	935	1,525	6,055	13,105	22,535	199,535	429,535	2,269,535
1926	1925–27	281	589	1,129	4,849	10,079	16,029	116,029	241,029	1,241,029
1928	1928, 1930–31	281	589	994	4,559	9,789	15,739	115,739	240,739	1,240,739
	1929	201	471	838	4,166	9,146	14,846	110,846	230,846	1,190,846
1932	1932–33	956	1,616	2,456	8,536	17,726	30,036	263,536	571,036	3,091,036
1934	1934–35	831	1,469	2,327	8,621	17,895	30,162	263,464	570,898	3,090,865
1936, 1938	1936–39	831	1,469	2,327	8,621	18,403	31,997	303,568	678,436	3,788,370
1940	1940 [1]	1,118	2,143	3,571	13,741	27,293	42,948	329,637	717,036	3,915,986
1941	1941	2,475	4,287	6,480	19,967	35,479	52,160	344,476	731,930	3,921,884
1942	1942 [2]	3,758	6,088	8,814	24,845	43,274	63,479	413,384	853,384	4,373,384
	1943 [2,3]	4,207	6,693	9,574	26,392	46,209	67,803	439,931	[5] 898,800	[5] 4,498,800
1944 [4]	1944–45	4,265	6,785	9,705	26,865	46,785	68,565	442,985	[5] 900,000	[5] 4,500,000
1945	1946–47	3,639	5,890	8,522	24,111	42,323	62,301	406,600	838,850	[5] 4,275,000
1948	1948–49	2,512	3,888	5,476	16,578	30,329	45,643	358,677	769,314	[5] 3,850,000
1950	1950	2,607	4,030	5,672	17,152	31,372	47,208	369,645	791,430	[5] 4,000,000
1951	1951	2,972	4,552	6,406	19,232	35,108	52,640	403,408	858,408	[5] 4,360,000
	1952–53	3,236	5,000	7,004	21,088	37,880	56,032	411,224	871,224	[5] 4,400,000
1954	1954–	2,900	4,464	6,268	18,884	34,510	51,912	402,456	857,456	[5] 4,347,912

Footnotes at end of table VI.

TABLE IV.—*Effective rates of individual income tax—Single person with no dependents*

[In percent]

Revenue act	Income year	Selected amount of net income: $525	$600	$800	$900	$1,000	$2,000	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15	------	------	------	------	------	------	------	0.4	0.5	0.6	0.7
1916	1916	------	------	------	------	------	------	------	.8	1.0	1.3	1.4
1917	1917	------	------	------	------	------	1.0	1.3	2.4	2.8	3.4	4.0
1918	1918	------	------	------	------	------	3.0	4.0	4.8	6.2	8.1	9.5
	1919–20	------	------	------	------	------	2.0	2.7	3.2	4.2	5.6	6.7
1921	1921	------	------	------	------	------	2.0	2.7	3.2	4.2	5.6	6.7
	1922	------	------	------	------	------	2.0	2.7	3.2	4.0	5.3	6.0
	1923	------	------	------	------	------	1.5	2.0	2.4	3.0	3.9	4.5
1924	1924	------	------	------	------	------	.8	1.0	1.2	1.5	1.9	2.3
1926	1925–27	------	------	------	------	------	.3	.6	.8	.9	1.3	1.5
1928	1928, 1930–31	------	------	------	------	------	.3	.6	.8	.9	1.3	1.5
	1929	------	------	------	------	------	.1	.2	.3	.4	.7	.9
1932	1932–33	------	------	------	------	------	2.0	2.7	3.2	4.0	5.3	6.0
1934	1934–35	------	------	------	------	------	1.6	2.3	2.8	3.6	4.7	5.6
1936,1938	1936–39	------	------	------	------	------	1.6	2.3	2.8	3.6	4.7	5.6
1940	1940 [1]	------	------	------	0.04	0.4	2.2	2.8	3.4	4.3	5.6	6.9
1941	1941	------	------	0.4	1.2	2.1	5.9	7.4	9.7	10.8	12.9	14.9
1942	1942 [2]	------	2.5	6.5	7.9	8.9	13.7	15.7	18.4	19.6	21.8	23.9
	1943 [2,3]	------	2.8	7.8	9.4	10.7	16.7	19.1	22.1	23.4	25.7	27.8
1944 [4]	1944–45	1.1	3.8	8.6	10.2	11.5	17.3	19.5	22.1	23.3	25.4	27.6
1945	1946–47	.9	3.2	7.1	8.4	9.5	14.3	16.2	18.4	19.5	21.5	23.5
1948	1948–49	------	------	4.2	5.5	6.6	11.6	13.6	16.2	17.3	19.3	21.2
1950	1950	------	------	4.4	5.8	7.0	12.2	14.3	16.9	18.0	20.0	22.0
1951	1951	------	------	5.1	6.8	8.2	14.3	16.6	19.3	20.6	22.7	24.9
	1952–53	------	------	5.5	7.4	8.9	15.6	18.1	21.0	22.4	24.9	27.3
1954	1954–	------	------	5.0	6.7	8.0	14.0	16.3	18.9	20.1	22.3	24.4

Revenue act	Income year	Selected amount of net income: $15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	0.8	0.9	1.1	1.5	2.0	2.5	5.0	6.0	6.8
1916	1916	1.6	1.7	2.0	2.7	3.3	3.9	8.6	10.0	13.8
1917	1917	5.1	6.1	7.3	10.4	13.3	16.2	38.5	47.5	62.8
1918	1918	11.9	13.8	15.4	22.3	28.8	35.2	64.6	70.3	75.7
	1919–20	8.7	10.4	11.8	18.5	24.9	31.3	60.7	66.3	71.7
1921	1921	8.7	10.4	11.8	18.5	24.9	31.3	60.7	66.3	71.7
	1922	7.6	9.0	10.6	17.4	23.9	30.2	52.1	55.1	57.4
	1923	5.7	6.8	7.9	13.1	17.9	22.7	39.1	41.3	43.1
1924	1924	3.9	5.2	6.5	12.3	17.6	22.7	39.9	43.0	45.4
1926	1925–27	2.6	3.5	4.9	9.9	13.6	16.1	23.2	24.1	24.8
1928	1928, 1930–31	2.6	3.5	4.4	9.3	13.2	15.8	23.2	24.1	24.8
	1929	1.9	2.8	3.7	8.5	12.3	14.9	22.2	23.1	23.8
1932	1932–33	7.6	9.0	10.6	17.4	23.9	30.2	52.7	57.1	61.8
1934	1934–35	7.4	9.2	11.2	18.7	25.2	31.4	53.0	57.2	61.9
1936, 1938	1936–39	7.4	9.2	11.2	18.7	26.0	33.4	61.0	68.0	75.8
1940	1940 [1]	9.8	13.3	17.0	29.4	38.0	44.3	66.2	71.8	78.3
1941	1941	20.0	24.6	28.9	41.8	48.6	53.2	69.1	73.3	78.5
1942	1942 [2]	29.1	34.1	38.5	51.6	59.2	64.6	82.9	85.5	87.5
	1943 [2,3]	33.1	38.1	42.6	56.1	64.0	69.7	88.4	[5] 90.0	[5] 90.0
1944 [4]	1944–45	32.9	37.9	42.4	55.9	64.0	69.9	88.9	[5] 90.0	[5] 90.0
1945	1946–47	28.5	33.2	37.5	50.3	58.0	63.5	81.6	84.0	[5] 85.5
1948	1948–49	26.0	30.4	34.4	46.4	53.6	58.8	[5] 77.0	[5] 77.0	[5] 77.0
1950	1950	26.9	31.5	35.6	48.0	55.4	60.8	79.2	[5] 80.0	[5] 80.0
1951	1951	30.2	35.4	39.9	53.5	61.5	67.3	86.0	[5] 87.2	[5] 87.2
	1952–53	33.1	38.8	43.8	56.9	64.4	69.7	87.2	[5] 88.0	[5] 88.0
1954	1954–	29.7	34.7	39.2	52.8	60.9	66.8	85.9	[5] 86.9	[5] 87.0

Footnotes at end of table VI.

TABLE V.—*Effective rates of individual income tax—Married person with no dependents*

[In percent]

Revenue act	Income year	Selected amount of net income									
		$600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13-12/31/15							0.2	0.3	0.5	0.6
1916	1916							.4	.7	1.0	1.2
1917	1917					0.4	0.7	1.6	2.2	2.9	3.6
1918	1918					1.2	2.0	3.6	4.2	6.6	8.3
	1919-20					.8	1.3	2.4	2.8	4.6	5.9
1921	1921						.7	2.0	2.8	4.6	5.9
	1922						.7	2.0	2.7	4.3	5.2
	1923						.5	1.5	2.0	3.2	3.9
1924	1924						.3	.8	.9	1.3	1.7
1926	1925-27							.3	.5	.7	1.0
1928	1928, 1930-31							.3	.5	.7	1.0
	1929							.1	.2	.3	.5
1932	1932-33						.7	2.0	2.3	3.8	4.8
1934	1934-35						.3	1.6	1.9	3.1	4.2
1936, 1938	1936-39						.3	1.6	1.9	3.1	4.2
1940	1940 [1]					.4	1.0	2.2	2.5	4.0	5.3
1941	1941				2.1	3.6	4.6	7.5	8.7	10.9	13.1
1942	1942 [2]				7.0	9.3	10.8	14.9	16.5	19.2	21.5
	1943 [2,3]	0.2	1.0	1.5	9.4	11.9	13.5	17.9	19.6	22.3	24.7
1944 [4]	1944-45	.5	1.1	1.5	12.3	14.4	15.8	19.5	21.1	23.6	25.9
1945	1946-47				9.5	11.4	12.7	16.0	17.4	19.7	21.9
1948	1948-49				6.6	8.6	10.0	12.6	13.6	15.1	16.2
1950	1950				7.0	9.0	10.4	13.2	14.3	15.7	16.9
1951	1951				8.2	10.6	12.2	15.5	16.6	18.0	19.3
	1952-52				8.9	11.6	13.3	16.9	18.1	19.7	21.0
1954	1954-				8.0	10.4	12.0	15.2	16.2	17.7	18.9

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13-12/31/15	0.7	0.8	1.0	1.5	2.0	2.5	5.0	6.0	6.8
1916	1916	1.5	1.6	1.9	2.6	3.3	3.9	8.6	10.3	13.8
1917	1917	4.9	5.9	7.1	10.4	13.2	16.2	38.5	47.5	62.8
1918	1918	11.1	13.2	14.9	22.1	28.6	35.0	64.6	70.3	75.7
	1919-20	8.2	10.0	11.5	18.4	24.8	31.2	60.6	66.3	71.7
1921	1921	8.2	10.0	11.5	18.4	24.8	31.2	60.6	66.3	71.7
	1922	7.1	8.6	10.2	17.3	23.8	30.1	52.1	55.1	57.4
	1923	5.3	6.5	7.7	13.0	17.8	22.6	39.1	41.3	43.1
1924	1924	3.4	4.9	6.3	12.2	17.5	22.6	39.9	43.0	45.4
1926	1925-27	2.1	3.1	4.6	9.8	13.5	16.1	23.2	24.1	24.8
1928	1928, 1930-31	2.1	3.1	4.1	9.2	13.1	15.8	23.2	24.1	24.8
	1929	1.5	2.5	3.5	8.4	12.2	14.9	22.2	23.1	23.8
1932	1932-33	6.8	8.4	10.1	17.2	23.7	30.1	52.7	57.1	61.8
1934	1934-35	6.2	7.9	10.0	17.7	24.3	30.6	52.8	57.1	61.8
1936, 1938	1936-39	6.2	7.9	10.0	17.7	25.0	32.5	60.8	67.9	75.8
1940	1940 [1]	8.4	11.7	15.4	28.3	37.0	43.5	66.0	71.8	78.3
1941	1941	18.3	23.1	27.5	40.9	48.0	52.7	69.0	73.3	78.5
1942	1942 [2]	27.0	32.3	36.9	50.7	58.4	64.1	82.8	85.4	87.5
	1943 [2,3]	30.2	35.5	40.1	54.2	62.6	68.6	88.1	[5] 89.9	[5] 90.0
1944 [4]	1944-45	31.3	36.6	41.2	55.2	63.5	69.4	88.8	[5] 90.0	[5] 90.0
1945	1946-47	27.0	32.0	36.3	49.6	57.5	63.1	81.5	84.0	[5] 85.5
1948	1948-49	18.9	21.2	23.5	34.4	41.4	46.4	71.9	[5] 77.0	[5] 77.0
1950	1950	19.6	22.0	24.3	35.6	42.8	48.0	74.1	79.2	[5] 80.0
1951	1951	22.2	24.9	27.5	39.9	47.9	53.5	80.9	86.0	[5] 87.2
	1952-53	24.3	27.3	30.0	43.8	51.6	56.9	82.5	87.2	[5] 88.0
1954	1954-	21.7	24.4	26.9	39.2	47.1	52.8	80.7	85.9	[5] 87.0

Footnotes at end of table VI.

TABLE VI.—*Effective rates of individual income tax—Married person with two dependents*

[In percent]

Revenue act	Income year	Selected amount of net income									
		$600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13-12/31/15	----	----	----	----	----	----	0.2	0.3	0.5	0.6
1916	1916	----	----	----	----	----	----	.4	.7	1.0	1.2
1917	1917	----	----	----	----	0.1	0.4	1.3	1.9	2.7	3.4
1918	1918	----	----	----	----	.2	1.2	3.1	3.8	6.0	7.8
	1919-1920	----	----	----	----	.2	.8	2.1	2.6	4.2	5.6
1921	1921	----	----	----	----	----	----	1.4	2.3	3.8	5.3
	1922	----	----	----	----	----	----	1.4	2.1	3.5	4.6
	1923	----	----	----	----	----	----	1.0	1.6	2.6	3.4
1924	1924	----	----	----	----	----	----	.5	.7	1.0	1.4
1926	1925-27	----	----	----	----	----	----	.2	.3	.5	.8
1928	1928, 1930-31	----	----	----	----	----	----	.2	.3	.5	.8
	1929	----	----	----	----	----	----	.1	.1	.2	.4
1932	1932-33	----	----	----	----	----	----	1.4	1.8	3.0	4.2
1934	1934-35	----	----	----	----	----	----	1.0	1.4	2.3	3.4
1936, 1938	1936-39	----	----	----	----	----	----	1.0	1.4	2.3	3.4
1940	1940 [1]	----	----	----	----	----	----	1.5	1.9	3.1	4.4
1941	1941	----	----	----	----	.5	1.9	5.4	6.6	9.0	11.2
1942	1942 [2]	----	----	----	0.7	4.0	6.4	11.8	13.5	16.5	19.1
	1943 [2 3]	0.2	0.9	1.4	2.9	6.4	8.9	14.6	16.3	19.4	22.1
1944 [4]	1944-45	.5	1.1	1.5	2.3	6.4	9.2	15.1	16.8	19.8	22.5
1945	1946-47	----	----	----	----	3.8	6.3	11.8	13.3	16.2	18.6
1948	1948-49	----	----	----	----	.7	3.3	8.6	10.0	12.2	13.6
1950	1950	----	----	----	----	.7	3.5	9.0	10.4	12.7	14.2
1951	1951	----	----	----	----	.8	4.1	10.6	12.2	14.7	16.2
	1952-53	----	----	----	----	.9	4.4	11.5	13.3	16.0	17.7
1954	1954-	----	----	----	----	.8	4.0	10.4	12.0	14.4	15.9

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13-12/31/15	0.7	0.8	1.0	1.5	2.0	2.5	5.0	6.0	6.8
1916	1916	1.5	1.6	1.9	2.6	3.3	3.9	8.6	10.3	13.8
1917	1917	4.8	5.8	7.1	10.3	13.2	16.2	38.5	47.5	62.8
1918	1918	10.8	12.9	14.7	22.0	28.6	35.0	64.6	70.3	75.7
	1919-20	8.0	9.8	11.4	18.3	24.8	31.2	60.6	66.3	71.7
1921	1921	7.8	9.6	11.3	18.3	24.8	31.1	60.6	66.3	71.7
	1922	6.6	8.3	10.0	17.2	23.7	30.1	52.1	55.1	57.4
	1923	5.0	6.2	7.5	12.9	17.8	22.6	39.1	41.3	43.1
1924	1924	3.2	4.7	6.1	12.1	17.5	22.5	39.9	43.0	45.4
1926	1925-27	1.9	2.9	4.5	9.7	13.4	16.0	23.1	24.1	24.8
1928	1928, 1930-31	1.9	2.9	4.0	9.1	13.1	15.7	23.1	24.1	24.8
	1929	1.3	2.4	3.4	8.3	12.2	14.8	22.2	23.1	23.8
1932	1932-33	6.4	8.1	9.8	17.1	23.6	30.0	52.7	57.1	61.8
1934	1934-35	5.5	7.3	9.3	17.2	23.9	30.2	52.7	57.1	61.8
1936, 1938	1936-39	5.5	7.3	9.3	17.2	24.5	32.0	60.7	67.8	75.8
1940	1940 [1]	7.5	10.7	14.3	27.5	36.4	42.9	65.9	71.7	78.3
1941	1941	16.5	21.4	25.9	39.9	47.3	52.2	68.9	73.2	78.4
1942	1942 [2]	25.1	30.4	35.3	49.7	57.7	63.5	82.7	85.3	87.5
	1943 [2 3]	28.0	33.5	38.3	52.8	61.6	67.8	88.0	[5] 89.9	[5] 90.0
1944 [4]	1944-45	28.4	33.9	38.8	53.7	62.4	68.6	88.6	[5] 90.0	[5] 90.0
1945	1946-47	24.3	29.5	34.1	48.2	56.4	62.3	81.3	83.9	[5] 85.5
1948	1948-49	16.7	19.4	21.9	33.2	40.4	45.6	71.7	76.9	[5] 77.0
1950	1950	17.4	20.2	22.7	34.3	41.8	47.2	73.9	79.1	[5] 80.0
1951	1951	19.8	22.8	25.6	38.5	46.8	52.6	80.7	85.8	[5] 87.2
	1952-53	21.6	25.0	28.0	42.2	50.5	56.0	82.2	87.1	[5] 88.0
1954	1954-	19.3	22.3	25.1	37.8	46.0	51.9	80.5	85.7	[5] 87.0

NOTE.—Maximum earned net income assumed. In the case of married persons it is also assumed that only one spouse has income.

*Less than 50 cents.

[1] Includes defense tax.

[2] Tax liabilities for the years 1942 and 1943 are unadjusted for transition to current payment basis.

[3] Includes net Victory tax. Computed by assuming that deductions are 10 percent of Victory tax net income; i.e., that Victory tax net income is ten-ninths of selected net income.

[4] Individual Income Tax Act of 1944.

[5] Taking into account the following maximum effective rate limitations: For 1943-45, 90 percent; 1946-47, 85.5 percent; 1948-49, 77 percent; 1950, 80 percent; 1951, 87.2 percent; 1952-53, 88 percent of net income; 1954-, 87 percent of taxable income.

TABLE VII.—*Personal exemption and credit for dependents allowed under the revenue acts of 1913–54*

Revenue Act	Income year	Personal exemption and credit for dependents						
		Single person	Married person or head of family [1]	Credit for each dependent	Exemption for taxpayer who is blind	Exemption for blind spouse	Exemption for taxpayer 65 or over	Exemption for spouse 65 or over
1913	3/1/13—12/31/15	$3,000	$4,000					
1916	1916	3,000	4,000					
1917	1917	1,000	2,000	$200				
1918	1918—20	1,000	2,000	200				
1921	1921—23	1,000	[2] 2,500	400				
1924	1924	1,000	2,500	400				
1926	1925—27	1,500	3,500	400				
1928	1928—31	1,500	3,500	400				
1932	1932—33	1,000	2,500	400				
1934	1934—35	1,000	2,500	400				
1936	1936—37	1,000	2,500	400				
1938	1938—39	1,000	2,500	400				
1940	1940	800	2,000	400				
1941	1941	750	1,500	400				
1942	1942—43	500	1,200	350				
1944 [3]	1944—45	[4] 500	[4] 1,000	[4] 500				
1945	1946—47	500	1,000	500				
1948	1948—49	600	1,200	600	$600	$600	$600	$600
1950	1950	600	1,200	600	600	600	600	600
1951	1951	600	1,200	600	600	600	600	600
	1952—53	600	1,200	600	600	600	600	600
1954	1954–	600	1,200	600	600	600	600	600

[1] Subsequent to the Revenue Act of 1913, and before the individual Income Tax Act of 1944, the personal exemption allowed to married persons was also allowed to heads of families.

[2] For net incomes in excess of $5,000, personal exemption was $2,000.

[3] Individual Income Tax Act of 1944.

[4] Surtax exemptions. For surtax, each taxpayer was allowed an exemption of $500, plus $500 for his spouse, and $500 for each dependent. The normal tax exemption was $500. However, if husband and wife combined their income in a joint return, the normal tax exemption was $500 plus the amount of the smaller of the two incomes, but not more than $1,000 for both.

TABLE VIII.—*Normal tax rates under the revenue acts of 1913–54*

Revenue Act	Income year	Net income subject to tax	Rate
			Percent
1913	3/1/13—12/31/15	All	1
1916	1916	All	2
1917	1917	First $2,000	2
		Balance over $2,000	4
1918	1918	First $4,000	6
		Balance over $4,000	12
	1919, 1920	First $4,000	4
		Balance over $4,000	8
1921	1921—23	First $4,000	[1] 4
		Balance over $4,000	[1] 8
1924	1924	First $4,000	2
		Second $4,000	4
		Balance over $8,000	6
1926, 1928	1925–31	First $4,000	[2] 1½
		Second $4,000	[2] 3
		Balance over $8,000	[2] 5
1932	1932, 1933	First $4,000	4
		Balance over $4,000	8
1934—1941	1934—41	All	[3] 4
1942	1942, 1943	All	[4] 6
1944	1944, 1945	All	3
1945	1946, 1947	All	[5] 3
1948	1948, 1949	All	[6] 3
1950	1950	All	[7] 3
1951	1951—53	All	3
1954	1954–	None	

[1] Tax for 1923, computed at these rates, was reduced 25 percent by credit or refund under Section 1200 (a), Revenue Act of 1924.

[2] Rates for 1929 reduced to ½ percent, 2 percent, and 4 percent, respectively, by Joint Resolution of Congress, No. 133, approved by the President Dec. 16, 1929.

[3] For 1940 the sum of the normal tax and surtax was increased by the defense tax of 10 percent of the amount of the tax, limited, however, to 10 percent of the excess of the net income over the sum of the normal tax and surtax.

[4] For 1943 individuals were also subject to the Victory tax. For Victory tax, every individual taxpayer was allowed an exemption of $624, regardless of marital status. However, in the case of a husband and wife filing a joint return, if the Victory tax net income of one spouse was less than $624, the total exemption was limited to $624 plus the Victory tax net income of such spouse. The tax was 5 percent of Victory tax net income, less a credit of 25 percent of the tax if single, or 40 percent if married, plus in either case 2 percent for each dependent. The amount of the credit was limited, however, to $500 if single, or $1,000 if married, plus in either case $100 for each dependent. As a means of effecting an annual limitation of 90 percent on the combined individual income tax and Victory tax, the gross Victory tax (before deduction of credits against the tax) was limited to the amount by which 90 percent of net income exceeded the regular income tax liability.

[5] Tentative tax rate; the tentative tax is reduced by 50 percent to determine the final tax.

[6] Tentative tax rate; the tentative tax is reduced by the following to determine the final tax:

If the tentative tax is:	The reduction in tax is:
Not over $400	17 percent
Over $400, not over $100,000	68 percent plus 12 percent of excess over $400
Over $100,000	$12,020 plus 9.75 percent of excess over $100,000

[7] Tentative tax rate; the tentative tax is reduced by the following to determine the final tax:

If the tentative tax is:	The reduction in tax is:
Not over $400	13 percent
Over $400, not over $100,000	52 percent plus 9 percent of excess over $400
Over $100,000	$9,016 plus 7.3 percent of excess over $100,000

TABLE IX.—*Individual surtax rates and total surtax under the revenue acts of 1913–54*

Net income subject to surtax [1]		Act of Oct. 3, 1913 (Income tax) Income years Mar. 1, 1913, through Dec. 31, 1915		Revenue Act of— 1916		1917		1918		1921	
				Income year 1916		Income year 1917		Income years 1918–20—Act of 1921—Income year 1921		Income years 1922, 1923 [2]	
Exceeding	Equaling	Rate	Total surtax	Rate	Total surtax	Rate [3]	Total surtax	Rate	Total surtax	Rate	Total surtax
Thousands of dollars		*Percent*		*Percent*		*Percent*		*Percent*		*Percent*	
0	2	------	------	------	------	------	------	------	------	------	------
2	4	------	------	------	------	------	------	------	------	------	------
4	5	------	------	------	------	------	------	------	------	------	------
5	6	------	------	------	------	1	$10	1	$10	------	------
6	7.5	------	------	------	------	1	25	2	40	1	$15
7.5	8	------	------	------	------	2	35	2	50	1	20
8	10	------	------	------	------	2	75	3	110	1	40
10	12	------	------	------	------	3	135	4	190	2	80
12	12.5	------	------	------	------	3	150	5	215	3	95
12.5	13	------	------	------	------	4	170	5	240	3	110
13	14	------	------	------	------	4	210	5	290	3	140
14	15	------	------	------	------	4	250	6	350	4	180
15	16	------	------	------	------	5	300	6	410	4	220
16	18	------	------	------	------	5	400	7	550	5	320
18	20	------	------	------	------	5	500	8	710	6	440
20	22	1	$20	1	$20	8	660	9	890	8	600
22	24	1	40	1	40	8	820	10	1,090	9	780
24	26	1	60	1	60	8	980	11	1,310	10	980
26	28	1	80	1	80	8	1,140	12	1,550	11	1,200
28	30	1	100	1	100	8	1,300	13	1,810	12	1,440
30	32	1	120	1	120	8	1,460	14	2,090	13	1,700
32	34	1	140	1	140	8	1,620	15	2,390	15	2,000
34	36	1	160	1	160	8	1,780	16	2,710	15	2,300
36	38	1	180	1	180	8	1,940	17	3,050	16	2,620
38	40	1	200	1	200	8	2,100	18	3,410	17	2,960
40	42	1	220	2	240	12	2,340	19	3,790	18	3,320
42	44	1	240	2	280	12	2,580	20	4,190	19	3,700
44	46	1	260	2	320	12	2,820	21	4,610	20	4,100
46	48	1	280	2	360	12	3,060	22	5,050	21	4,520
48	50	1	300	2	400	12	3,300	23	5,510	22	4,960
50	52	2	340	2	440	12	3,540	24	5,990	23	5,420
52	54	2	380	2	480	12	3,780	25	6,490	24	5,900
54	56	2	420	2	520	12	4,020	26	7,010	25	6,400
56	58	2	460	2	560	12	4,260	27	7,550	26	6,920
58	60	2	500	2	600	12	4,500	28	8,110	27	7,460
60	62	2	540	3	660	17	4,840	29	8,690	28	8,020
62	64	2	580	3	720	17	5,180	30	9,290	29	8,600
64	66	2	620	3	780	17	5,520	31	9,910	30	9,200
66	68	2	660	3	840	17	5,860	32	10,550	31	9,820
68	70	2	700	3	900	17	6,200	33	11,210	32	10,460
70	72	2	740	3	960	17	6,540	34	11,890	33	11,120
72	74	2	780	3	1,020	17	6,880	35	12,590	34	11,800
74	75	2	800	3	1,050	17	7,050	36	12,950	35	12,150
75	76	3	830	3	1,080	17	7,220	36	13,310	35	12,500
76	78	3	890	3	1,140	17	7,560	37	14,050	36	13,220
78	80	3	950	3	1,200	17	7,900	38	14,810	37	13,960
80	82	3	1,010	4	1,280	22	8,340	39	15,590	38	14,720
82	84	3	1,070	4	1,360	22	8,780	40	16,390	39	15,500
84	86	3	1,130	4	1,440	22	9,220	41	17,210	40	16,300
86	88	3	1,190	4	1,520	22	9,660	42	18,050	41	17,120
88	90	3	1,250	4	1,600	22	10,100	43	18,910	42	17,960
90	92	3	1,310	4	1,680	22	10,540	44	19,790	43	18,820
92	94	3	1,370	4	1,760	22	10,980	45	20,690	44	19,700
94	96	3	1,430	4	1,840	22	11,420	46	21,610	45	20,600
96	98	3	1,490	4	1,920	22	11,860	47	22,550	46	21,520
98	100	3	1,550	4	2,000	22	12,300	48	23,510	47	22,460
100	150	4	3,550	5	4,500	27	25,800	52	49,510	48	46,460
150	200	4	5,550	6	7,500	31	41,300	56	77,510	49	70,960
200	250	4	7,550	7	11,000	37	59,800	60	107,510	50	95,960
250	300	5	10,050	8	15,000	42	80,800	60	137,510	50	120,960
300	400	5	15,050	9	24,000	46	126,800	63	200,510	50	170,960
400	500	5	20,050	9	33,000	46	172,800	63	263,510	50	220,960
500	750	6	35,050	10	58,000	50	297,800	64	423,510	50	345,960
750	1,000	6	50,050	10	83,000	55	435,300	64	583,510	50	470,960
1,000	1,500	6	80,050	11	138,000	61	740,300	65	908,510	50	720,960
1,500	2,000	6	110,050	12	198,000	62	1,050,300	65	1,233,510	50	970,960
2,000	5,000	6	290,050	13	588,000	63	2,940,300	65	3,183,510	50	2,470,960
5,000	------	6	------	13	------	63	------	65	------	50	------

Footnotes at end of table.

TABLE IX.—*Individual surtax rates and total surtax under the revenue acts of 1913–54*—Continued

Net income subject to surtax [1]		Revenue Act of—									
		1924		1926		1932		1934		1936 and 1938	
Exceeding	Equaling	Income year 1924		Income years 1925–27—Act of 1928—Income years 1928-31		Income years 1932, 1933		Income years 1934, 1935		Income years 1936–38 and Int. Rev. Code Income year 1939	
Thousands of dollars		Rate	Total surtax	Rate	Total surtax	Rate	Total surtax	Rate	Total surtax	Rate	Total surtax
		Percent		*Percent*		*Percent*		*Percent*		*Percent*	
0	2	------	------	------	------	------	------	------	------	------	------
2	4	------	------	------	------	------	------	------	------	------	------
4	5	------	------	------	------	------	------	4	$40	4	$40
5	6	------	------	------	------	------	------	4	80	4	80
6	7.5	------	------	------	------	1	$15	5	155	5	155
7.5	8	------	------	------	------	1	20	5	180	5	180
8	10	------	------	------	------	1	40	6	300	6	300
10	12	1	$20	1	$20	2	80	7	440	7	440
12	12.5	1	25	1	25	3	95	8	480	8	480
12.5	13	1	30	1	30	3	110	8	520	8	520
13	14	1	40	1	40	3	140	8	600	8	600
14	15	2	60	2	60	4	180	9	690	9	690
15	16	2	80	2	80	4	220	9	780	9	780
16	18	3	140	3	140	5	320	11	1,000	11	1,000
18	20	4	220	4	220	6	440	13	1,260	13	1,260
20	22	5	320	5	320	8	600	15	1,560	15	1,560
22	24	6	440	6	440	9	780	17	1,900	17	1,900
24	26	7	580	7	580	10	980	17	2,240	17	2,240
26	28	8	740	7	720	11	1,200	19	2,620	19	2,620
28	30	9	920	8	880	12	1,440	19	3,000	19	3,000
30	32	10	1,120	8	1,040	13	1,700	19	3,380	19	3,380
32	34	10	1,320	9	1,220	15	2,000	21	3,800	21	3,800
34	36	11	1,540	9	1,400	15	2,300	21	4,220	21	4,220
36	38	12	1,780	10	1,600	16	2,620	21	4,640	21	4,640
38	40	13	2,040	10	1,800	17	2,960	24	5,120	24	5,120
40	42	13	2,300	11	2,020	18	3,320	24	5,600	24	5,600
42	44	14	2,580	11	2,240	19	3,700	24	6,080	24	6,080
44	46	15	2,880	12	2,480	20	4,100	27	6,620	27	6,620
46	48	16	3,200	12	2,720	21	4,520	27	7,160	27	7,160
48	50	17	3,540	13	2,980	22	4,960	27	7,700	27	7,700
50	52	18	3,900	13	3,240	23	5,420	30	8,300	31	8,320
52	54	19	4,280	14	3,520	24	5,900	30	8,900	31	8,940
54	56	19	4,660	14	3,800	25	6,400	30	9,500	31	9,560
56	58	20	5,060	15	4,100	26	6,920	33	10,160	35	10,260
58	60	21	5,480	15	4,400	27	7,460	33	10,820	35	10,960
60	62	21	5,900	16	4,720	28	8,020	33	11,480	35	11,660
62	64	22	6,340	16	5,040	29	8,600	36	12,200	39	12,440
64	66	23	6,800	17	5,380	30	9,200	36	12,920	39	13,220
66	68	24	7,280	17	5,720	31	9,820	36	13,640	39	14,000
68	70	25	7,780	17	6,060	32	10,460	39	14,420	43	14,860
70	72	26	8,300	18	6,420	33	11,120	39	15,200	43	15,720
72	74	26	8,820	18	6,780	34	11,800	39	15,980	43	16,580
74	75	27	9,090	18	6,960	35	12,150	42	16,400	47	17,050
75	76	27	9,360	18	7,140	35	12,500	42	16,820	47	17,520
76	78	28	9,920	18	7,500	36	13,220	42	17,660	47	18,460
78	80	28	10,480	18	7,860	37	13,960	42	18,500	47	19,400
80	82	29	11,060	19	8,240	38	14,720	45	19,400	51	20,420
82	84	30	11,660	19	8,620	39	15,500	45	20,300	51	21,440
84	86	31	12,280	19	9,000	40	16,300	45	21,200	51	22,460
86	88	31	12,900	19	9,380	41	17,120	45	22,100	51	23,480
88	90	32	13,540	19	9,760	42	17,960	45	23,000	51	24,500
90	92	33	14,200	19	10,140	43	18,820	50	24,000	55	25,600
92	94	34	14,880	19	10,520	44	19,700	50	25,000	55	26,700
94	96	35	15,580	19	10,900	45	20,600	50	26,000	55	27,800
96	98	36	16,300	19	11,280	46	21,520	50	27,000	55	28,900
98	100	36	17,020	19	11,660	47	22,460	50	28,000	55	30,000
100	150	37	35,520	20	21,660	48	46,460	52	54,000	58	59,000
150	200	37	54,020	20	31,660	49	70,960	53	80,500	60	89,000
200	250	38	73,020	20	41,660	50	95,960	54	107,500	62	120,000
250	300	38	92,020	20	51,660	50	120,960	54	134,500	64	152,000
300	400	39	131,020	20	71,660	51	171,960	55	189,500	66	218,000
400	500	39	170,020	20	91,660	52	223,960	56	245,500	68	286,000
500	750	40	270,020	20	141,660	53	356,460	57	388,000	70	461,000
750	1,000	40	370,020	20	191,660	54	491,460	58	533,000	72	641,000
1,000	1,500	40	570,020	20	291,660	55	766,460	59	828,000	73	1,006,000
1,500	2,000	40	770,020	20	391,660	55	1,041,460	59	1,123,000	73	1,371,000
2,000	5,000	40	1,970,020	20	991,660	55	2,691,460	59	2,893,000	74	3,591,000
5,000	------	40	------	20	------	55	------	59	------	75	------

Footnotes at end of table.

TABLE IX.—*Individual surtax rates and total surtax under the revenue acts of 1913–54*—Continued

Net income subject to surtax[1]		Revenue Act of—									
		1940[4]		1941		1942		1944[5]		1945	
Exceeding	Equaling	Income year 1940		Income year 1941		Income years 1942, 1943		Income years 1944, 1945		Income years 1946, 1947	
Thousands of dollars		Rate	Total surtax	Rate	Total surtax	Rate	Total surtax	Rate[6]	Total surtax	Rate[6]	Total tentative surtax[7]
		Percent		*Percent*		*Percent*		*Percent*		*Percent*	
0	2	------	----------	6	$120	13	$260	20	$400	17	$340
2	4	------	----------	9	300	16	580	22	840	19	720
4	5	4	$40	13	430	20	780	26	1,100	23	950
5	6	4	80	13	560	20	980	26	1,360	23	1,180
6	7.5	6	170	17	815	24	1,340	30	1,810	27	1,585
7.5	8	6	200	17	900	24	1,460	30	1,960	27	1,720
8	10	8	360	21	1,320	28	2,020	34	2,640	31	2,340
10	12	10	560	25	1,820	32	2,660	38	3,400	35	3,040
12	12.5	12	620	29	1,965	36	2,840	43	3,615	40	3,240
12.5	13	12	680	29	2,110	36	3,020	43	3,830	40	3,440
13	14	12	800	29	2,400	36	3,380	43	4,260	40	3,840
14	15	15	950	32	2,720	40	3,780	47	4,730	44	4,280
15	16	15	1,100	32	3,040	40	4,180	47	5,200	44	4,720
16	18	18	1,460	35	3,740	43	5,040	50	6,200	47	5,660
18	20	21	1,880	38	4,500	46	5,960	53	7,260	50	6,660
20	22	24	2,360	41	5,320	49	6,940	56	8,380	53	7,720
22	24	27	2,900	44	6,200	52	7,980	59	9,560	56	8,840
24	26	27	3,440	44	7,080	52	9,020	59	10,740	56	9,960
26	28	30	4,040	47	8,020	55	10,120	62	11,980	59	11,140
28	30	30	4,640	47	8,960	55	11,220	62	13,220	59	12,320
30	32	30	5,240	47	9,900	55	12,320	62	14,460	59	13,500
32	34	33	5,900	50	10,900	58	13,480	65	15,760	62	14,740
34	36	33	6,560	50	11,900	58	14,640	65	17,060	62	15,980
36	38	33	7,220	50	12,900	58	15,800	65	18,360	62	17,220
38	40	36	7,940	53	13,960	61	17,020	69	19,740	66	18,540
40	42	36	8,660	53	15,020	61	18,240	69	21,120	66	19,860
42	44	36	9,380	53	16,080	61	19,460	69	22,500	66	21,180
44	46	40	10,180	55	17,180	63	20,720	72	23,940	69	22,560
46	48	40	10,980	55	18,280	63	21,980	72	25,380	69	23,940
48	50	40	11,780	55	19,380	63	23,240	72	26,820	69	25,320
50	52	44	12,660	57	20,520	66	24,560	75	28,320	72	26,760
52	54	44	13,540	57	21,660	66	25,880	75	29,820	72	28,200
54	56	44	14,420	57	22,800	66	27,200	75	31,320	72	29,640
56	58	44	15,300	57	23,940	66	28,520	75	32,820	72	31,080
58	60	44	16,180	57	25,080	66	29,840	75	34,320	72	32,520
60	62	47	17,120	59	26,260	69	31,220	78	35,880	75	34,020
62	64	47	18,060	59	27,440	69	32,600	78	37,440	75	35,520
64	66	47	19,000	59	28,620	69	33,980	78	39,000	75	37,020
66	68	47	19,940	59	29,800	69	35,360	78	40,560	75	38,520
68	70	47	20,880	59	30,980	69	36,740	78	42,120	75	40,020
70	72	50	21,880	61	32,200	72	38,180	81	43,740	78	41,580
72	74	50	22,880	61	33,420	72	39,620	81	45,360	78	43,140
74	75	50	23,380	61	34,030	72	40,340	81	46,170	78	43,920
75	76	50	23,880	61	34,640	72	41,060	81	46,980	78	44,700
76	78	50	24,880	61	35,860	72	42,500	81	48,600	78	46,260
78	80	50	25,880	61	37,080	72	43,940	81	50,220	78	47,820
80	82	53	26,940	63	38,340	75	45,440	84	51,900	81	49,440
82	84	53	28,000	63	39,600	75	46,940	84	53,580	81	51,060
84	86	53	29,060	63	40,860	75	48,440	84	55,260	81	52,680
86	88	53	30,120	63	42,120	75	49,940	84	56,940	81	54,300
88	90	53	31,180	63	43,380	75	51,440	84	58,620	81	55,920
90	92	56	32,300	64	44,660	77	52,980	87	60,360	84	57,600
92	94	56	33,420	64	45,940	77	54,520	87	62,100	84	59,280
94	96	56	34,540	64	47,220	77	56,060	87	63,840	84	60,960
96	98	56	35,660	64	48,500	77	57,600	87	65,580	84	62,640
98	100	56	36,780	64	49,780	77	59,140	87	67,320	84	64,320
100	150	58	65,780	65	82,280	79	98,640	89	111,820	86	107,320
150	200	60	95,780	66	115,280	81	139,140	90	156,820	87	150,820
200	250	62	126,780	67	148,780	82	180,140	91	202,320	88	194,820
250	300	64	158,780	69	183,280	82	221,140	91	247,820	88	238,820
300	400	66	224,780	71	254,280	82	303,140	91	338,820	88	326,820
400	500	68	292,780	72	326,280	82	385,140	91	429,820	88	414,820
500	750	70	467,780	73	508,780	82	590,140	91	657,320	88	634,820
750	1,000	72	647,780	74	693,780	82	795,140	91	884,820	88	854,820
1,000	1,500	73	1,012,780	75	1,068,780	82	1,205,140	91	1,339,820	88	1,294,820
1,500	2,000	73	1,377,780	75	1,443,780	82	1,615,140	91	1,794,820	88	1,734,820
2,000	5,000	74	3,597,780	76	3,723,780	82	4,075,140	91	4,524,820	88	4,374,820
5,000	--------	75	----------	77	----------	82	----------	91	----------	88	----------

Footnotes at end of table.

TABLE IX.—*Individual surtax rates and total surtax under the revenue acts of 1913–54*—Continued

Net income subject to surtax [1]		Revenue Act of—							
		1948		1950		1951			
Exceeding	Equaling	Income years 1948, 1949		Income year 1950		Income year 1951			
Thousands of dollars						Separate returns		Joint returns	
		Rate [6]	Total tentative tax [8]	Rate [6]	Total tentative tax [9]	Rate [6]	Total tax	Rate [6]	Total tax
		Percent		*Percent*		*Percent*		*Percent*	
0	2	20	$400	20	$400	20.4	$408	20.4	$408
2	4	22	840	22	840	22.4	856	20.4	816
4	5	26	1,100	26	1,100	27	1,126	22.4	1,040
5	6	26	1,360	26	1,360	27	1,396	22.4	1,264
6	7.5	30	1,810	30	1,810	30	1,846	22.4	1,600
7.5	8	30	1,960	30	1,960	30	1,996	22.4	1,712
8	10	34	2,640	34	2,640	35	2,696	27	2,252
10	12	38	3,400	38	3,400	39	3,476	27	2,792
12	12.5	43	3,615	43	3,615	43	3,691	30	2,942
12.5	13	43	3,830	43	3,830	43	3,906	30	3,092
13	14	43	4,260	43	4,260	43	4,336	30	3,392
14	15	47	4,730	47	4,730	48	4,816	30	3,692
15	16	47	5,200	47	5,200	48	5,296	30	3,992
16	18	50	6,200	50	6,200	51	6,316	35	4,692
18	20	53	7,260	53	7,260	54	7,396	35	5,392
20	22	56	8,380	56	8,380	57	8,536	39	6,172
22	24	59	9,560	59	9,560	60	9,736	39	6,952
24	26	59	10,740	59	10,740	60	10,936	43	7,812
26	28	62	11,980	62	11,980	63	12,196	43	8,672
28	30	62	13,220	62	13,220	63	13,456	48	9,632
30	32	62	14,460	62	14,460	63	14,716	48	10,592
32	34	65	15,760	65	15,760	66	16,036	51	11,612
34	36	65	17,060	65	17,060	66	17,356	51	12,632
36	38	65	18,360	65	18,360	66	18,276	54	13,712
38	40	69	19,740	69	19,740	69	20,056	54	14,792
40	42	69	21,120	69	21,120	69	21,436	57	15,932
42	44	69	22,500	69	22,500	69	22,816	57	17,072
44	46	72	23,940	72	23,940	73	24,276	60	18,272
46	48	72	25,380	72	25,380	73	25,736	60	19,472
48	50	72	26,820	72	26,820	73	27,196	60	20,672
50	52	75	28,320	75	28,320	75	28,696	60	21,872
52	54	75	29,820	75	29,820	75	30,196	63	23,132
54	56	75	31,320	75	31,320	75	31,696	63	24,392
56	58	75	32,820	75	32,820	75	33,196	63	25,652
58	60	75	34,320	75	34,320	75	34,696	63	26,912
60	62	78	35,880	78	35,880	78	36,256	63	28,172
62	64	78	37,440	78	37,440	78	37,816	63	29,432
64	66	78	39,000	78	39,000	78	39,376	66	30,752
66	68	78	40,560	78	40,560	78	40,936	66	32,072
68	70	78	42,120	78	42,120	78	42,496	66	33,392
70	72	81	43,740	81	43,740	82	44,136	66	34,712
72	74	81	45,360	81	45,360	82	45,776	66	36,032
74	75	81	46,170	81	46,170	82	46,596	66	36,692
75	76	81	46,980	81	46,980	82	47,416	66	37,352
76	78	81	48,600	81	48,600	82	49,056	69	38,732
78	80	81	50,220	81	50,220	82	50,696	69	40,112
80	82	84	51,900	84	51,900	84	52,376	69	41,492
82	84	84	53,580	84	53,580	84	54,056	69	42,872
84	86	84	55,260	84	55,260	84	55,736	69	44,252
86	88	84	56,940	84	56,940	84	57,416	69	45,632
88	90	84	58,620	84	58,620	84	59,096	73	47,092
90	92	87	60,360	87	60,360	87	60,836	73	48,552
92	94	87	62,100	87	62,100	87	62,576	73	50,012
94	96	87	63,840	87	63,840	87	64,316	73	51,472
96	98	87	65,580	87	65,580	87	66,056	73	52,932
98	100	87	67,320	87	67,320	87	67,796	73	54,392
100	150	89	111,820	89	111,820	89	112,296	81.2	135,592
150	200	90	156,820	90	156,820	90	157,296		
200	250	91	202,320	91	202,320	91	202,796	89	224,592
250	300	91	247,820	91	247,820	91	248,296		
300	400	91	338,820	91	338,820	91	339,296	90	314,592
400	500	91	429,820	91	429,820	91	430,296	91	405,592
500	750	91	657,320	91	657,320	91	657,796	91	633,092
750	1,000	91	884,820	91	884,820	91	885,296	91	860,592
1,000	1,500	91	1,339,820	91	1,339,820	91	1,340,296	91	1,315,592
1,500	2,000	91	1,794,820	91	1,794,820	91	1,795,296	91	1,770,592
2,000	5,000	91	4,524,820	91	4,524,820	91	4,525,296	91	4,500,592
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Footnotes at end of table.

TABLE IX.—*Individual surtax rates and total surtax under the revenue acts of 1913–54*—Continued

Net income subject to surtax [1]		Revenue Act of—					
		1951					
		Income years 1952, 1953					
Exceeding	Equaling	Separate returns		Joint returns		Head of household	
Thousands of dollars		Rate [6]	Total tax	Rate [6]	Total tax	Rate [6]	Total tax
		Percent		*Percent*		*Percent*	
0	2	22.2	$444	22.2	$444	22.2	$444
2	4	24.6	936	22.2	888	23.4	912
4	5	29	1,226	24.6	1,134	27	1,182
5	6	29	1,516	24.6	1,380	27	1,452
6	7.5	34	2,026	24.6	1,749	29	1,887
7.5	8	34	2,196	24.6	1,872	29	2,032
8	10	38	2,956	29	2,452	34	2,712
10	12	42	3,796	29	3,032	35	3,412
12	12.5	48	4,036	34	3,202	41	3,617
12.5	13	48	4,276	34	3,372	41	3,822
13	14	48	4,756	34	3,712	41	4,232
14	15	53	5,286	34	4,052	44	4,672
15	16	53	5,816	34	4,392	44	5,112
16	18	56	6,936	38	5,152	47	6,052
18	20	59	8,116	38	5,912	48	7,012
20	22	62	9,356	42	6,752	52	8,052
22	24	66	10,676	42	7,592	54	9,132
24	26	66	11,996	48	8,552	57	10,272
26	28	67	13,336	48	9,512	57	11,412
28	30	67	14,676	53	10,572	60	12,612
30	32	67	16,016	53	11,632	60	13,812
32	34	68	17,376	56	12,752	63	15,072
34	36	68	18,736	56	13,872	63	16,332
36	38	68	20,096	59	15,052	63	17,592
38	40	72	21,536	59	16,232	66	18,912
40	42	72	22,976	62	17,472	66	20,232
42	44	72	24,416	62	18,712	66	21,552
44	46	75	25,916	66	20,032	71	22,972
46	48	75	27,416	66	21,352	71	24,392
48	50	75	28,916	66	22,672	71	25,812
50	52	77	30,456	66	23,992	72	27,252
52	54	77	31,996	67	25,332	72	28,692
54	56	77	33,536	67	26,672	72	30,132
56	58	77	35,076	67	28,012	72	31,572
58	60	77	36,616	67	29,352	72	33,012
60	62	80	38,216	67	30,692	73	34,472
62	64	80	39,816	67	32,032	73	35,932
64	66	80	41,416	68	33,392	73	37,392
66	68	80	43,016	68	34,752	73	38,852
68	70	80	44,616	68	36,112	73	40,312
70	72	83	46,276	68	37,472	77	41,852
72	74	83	47,936	68	38,832	77	43,392
74	75	83	48,766	68	39,512	77	44,162
75	76	83	49,596	68	40,192	77	44,932
76	78	83	51,256	72	41,632	77	46,472
78	80	83	52,916	72	43,072	77	48,012
80	82	85	54,616	72	44,512	79	49,592
82	84	85	56,316	72	45,952	79	51,172
84	86	85	58,016	72	47,392	79	52,752
86	88	85	59,716	72	48,832	79	54,332
88	90	85	61,416	75	50,332	79	55,912
90	92	88	63,176	75	51,832	81	57,532
92	94	88	64,936	75	53,332	81	59,152
94	96	88	66,696	75	54,832	81	60,772
96	98	88	68,456	75	56,332	81	62,392
98	100	88	70,216	75	57,832	81	64,012
100	150	90	115,216	82.6	140,432	85	106,512
150	200	91	160,716			88	150,512
200	250	92	206,716	90	230,432	91	196,012
250	300	92	252,716			91	241,512
300	400	92	344,716	91	321,432	92	333,512
400	500	92	436,716	92	413,432	92	425,512
500	750	92	666,716	92	643,432	92	655,512
750	1,000	92	896,716	92	873,432	92	885,512
1,000	1,500	92	1,356,716	92	1,333,432	92	1,345,512
1,500	2,000	92	1,816,716	92	1,793,432	92	1,805,512
2,000	5,000	92	4,576,716	92	4,553,432	92	4,565,512
5,000	------------	92	--------------	92	--------------	92	--------------

Footnotes at end of table.

TABLE IX.—*Individual surtax rates and total surtax under the revenue acts of 1913–54*—Continued

Net income subject to surtax [1]		Revenue Act of—					
		1954					
		Income years 1954—62					
Exceeding	Equaling	Separate returns		Joint returns		Head of household	
Thousands of dollars		Rate [6]	Total tax	Rate [6]	Total tax	Rate [6]	Total tax
		Percent		*Percent*		*Percent*	
0	2	20	$400	20	$400	20	$400
2	4	22	840	20	800	21	820
4	5	26	1,100	22	1,020	24	1,060
5	6	26	1,360	22	1,240	24	1,300
6	7.5	30	1,810	22	1,570	26	1,690
7.5	8	30	1,960	22	1,680	26	1,820
8	10	34	2,640	26	2,200	30	2,420
10	12	38	3,400	26	2,720	32	3,060
12	12.5	43	3,615	30	2,870	36	3,240
12.5	13	43	3,830	30	3,020	36	3,420
13	14	43	4,260	30	3,320	36	3,780
14	15	47	4,730	30	3,620	39	4,170
15	16	47	5,200	30	3,920	39	4,560
16	18	50	6,200	34	4,600	42	5,400
18	20	53	7,260	34	5,280	43	6,260
20	22	56	8,380	38	6,040	47	7,200
22	24	59	9,560	38	6,800	49	8,180
24	26	59	10,740	43	7,660	52	9,220
26	28	62	11,980	43	8,520	52	10,260
28	30	62	13,220	47	9,460	54	11,340
30	32	62	14,460	47	10,400	54	12,420
32	34	65	15,760	50	11,400	58	13,580
34	36	65	17,060	50	12,400	58	14,740
36	38	65	18,360	53	13,460	58	15,900
38	40	69	19,740	53	14,520	62	17,140
40	42	69	21,120	56	15,640	62	18,380
42	44	69	22,500	56	16,760	62	19,620
44	46	72	23,940	59	17,940	66	20,940
46	48	72	25,380	59	19,120	66	22,260
48	50	72	26,820	59	20,300	66	23,580
50	52	75	28,320	59	21,480	68	24,940
52	54	75	29,820	62	22,720	68	26,300
54	56	75	31,320	62	23,960	68	27,660
56	58	75	32,820	62	25,200	68	29,020
58	60	75	34,320	62	26,440	68	30,380
60	62	78	35,880	62	27,680	71	31,800
62	64	78	37,440	62	28,920	71	33,220
64	66	78	39,000	65	30,220	71	34,640
66	68	78	40,560	65	31,520	71	36,060
68	70	78	42,120	65	32,820	71	37,480
70	72	81	43,740	65	34,120	74	38,960
72	74	81	45,360	65	35,420	74	40,440
74	75	81	46,170	65	36,070	74	41,180
75	76	81	46,980	65	36,720	74	41,920
76	78	81	48,600	69	38,100	74	43,400
78	80	81	50,220	69	39,480	74	44,880
80	82	84	51,900	69	40,860	76	46,400
82	84	84	53,580	69	42,240	76	47,920
84	86	84	55,260	69	43,620	76	49,440
86	88	84	56,940	69	45,000	76	50,960
88	90	84	58,620	72	46,440	76	52,480
90	92	87	60,360	72	47,880	80	54,080
92	94	87	62,100	72	49,320	80	55,680
94	96	87	63,840	72	50,760	80	57,280
96	98	87	65,580	72	52,200	80	58,880
98	100	87	67,320	72	53,640	80	60,480
100	150	89	111,820	81	134,640	83	101,980
150	200	90	156,820			87	145,480
200	250	91	202,320	89	223,640	90	190,480
250	300	91	247,820			90	235,480
300	400	91	338,820	90	313,640	91	326,480
400	500	91	429,820	91	404,640	91	417,480
500	750	91	657,320	91	632,140	91	644,980
750	1,000	91	884,820	91	859,640	91	872,480
1,000	1,500	91	1,339,820	91	1,314,640	91	1,327,480
1,500	2,000	91	1,794,820	91	1,769,640	91	1,782,480
2,000	5,000	91	4,524,820	91	4,499,640	91	4,512,480
5,000	----------	91	----------	91	----------	91	----------

Footnote on next page.

Footnotes for table IX.

[1] For 1913 through 1917, the surtax was called "additional tax." Before 1934, the entire net income was subject to surtax; for 1934 and thereafter, there is allowed as a credit in arriving at net income subject to surtax, the sum of the personal exemption and credit for dependents.
[2] Tax for 1923, computed at these rates, was reduced 25 percent by credit or refund under section 1200(a), Revenue Act of 1924.
[3] These rates are a combination of the additional tax rates provided by the Revenue Acts of 1916 and 1917.
[4] For 1940 there is superimposed upon the total tax, the defense tax, which is 10 percent of the total tax. The defense tax is computed on the total tax before applying any credits, and is limited to an amount not more than 10 percent of the net income in excess of the total tax computed without regard to the defense tax.
[5] Individual Income Tax Act of 1944.
[6] The combined normal tax and surtax (before deduction of credits for foreign taxes, taxes withheld at source, and taxes withheld on wages) was limited to 90 percent of net income for the taxable years 1944 and 1945; 85.5 percent for the taxable years 1946 and 1947; 77 percent for the taxable years 1948 and 1949; 80 percent for the taxable year 1950; 87.2 percent for the taxable year 1951; 88 percent for the taxable years 1952 and 1953; and 87 percent of taxable income for the taxable years 1954 through 1962.
[7] The total tentative surtax is reduced by 5 percent to determine the surtax.
[8] The tentative tax is reduced by the following to determine the final tax:

If the tentative tax is:	The reduction in tax is:
Not over $400	17 percent.
Over $400, not over $100,000	68 percent plus 12 percent of excess over $400.
Over $100,000	$12,020 plus 9.75 percent of excess over $100,000.

[9] The tentative tax is reduced by the following to determine the final tax:

If the tentative tax is:	The reduction in tax is:
Not over $400	13 percent.
Over $400, not over $100,000	52 percent plus 9 percent of excess over $400.
Over $100,000	$9,016 plus 7.3 percent of excess over $100,000.

TABLE X.—*Earned income credit under the revenue acts of 1913–54*

Revenue Act	Income year	Kind of credit	Earned net income [1]	Limit of credit
1913–21	1913–23	None		
1924	1924	Against tax	All net income up to $5,000, whether earned or not, and up to $10,000, if earned.	25% of normal tax on earned net income. (Cannot exceed 25% of normal tax on entire net income.)
1926	1925–27	Against tax	All net income up to $5,000, whether earned or not, and up to $20,000, if earned.	25% of total tax on earned net income. (Cannot exceed the sum of 25% of normal tax on entire net income and 25% of surtax on earned net income.)
1928	1928–31	Against tax	All net income up to $5,000, whether earned or not, and up to $30,000, if earned.	25% of total tax on earned net income. (Cannot exceed the sum of 25% of normal tax on entire net income and 25% of surtax on earned net income.)
1932	1932–33	None		
1934–42	1934–43	Against net income.	All net income up to $3,000, whether earned or not, and up to $14,000, if earned.	10% of the earned net income, but not in excess of 10% of the entire net income.
1943–54	1944–	None		

[1] "Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered; and in the case of a taxpayer engaged in trade or business, a reasonable allowance as compensation, not in excess of 20 percent of his share of the net profits.

EXHIBIT 28.—Federal taxes of the United States, 1950–62

RATES, EXEMPTIONS, AND CREDITS

Type of tax	Taxes in effect Dec. 31, 1950	Internal Revenue Code of 1939, as amended by Revenue Act of 1951—		Internal Revenue Code of 1954 [1]	Internal Revenue Code of 1954, as amended by—		Taxes in effect Dec. 31, 1962
		For 1951	For 1952 and later years		Technical Amendments Act of 1958	Revenue Act of 1962	
INCOME TAX							
On individuals: [2]							
Rates:							
Minimum	[3] 17.4%	[4] 20.4%	[5] 22.2%	20%	No change	No change	20%
Maximum	[6] 84.4%	[7] 91.0%	[8] 92.0%	91%	No change	No change	91%
Maximum rate limitation	80.0%	87.2%	88.0%	87%	No change	No change	87%
Minimum rate applies to portion of net income:							
Single	0–$2,000	No change	No change	No change	No change	No change	0–$2,000
Head of household		[9] 0–$2,000	No change	No change	No change	No change	[9] 0–$2,000
Married, joint return	[10] 0–$4,000	No change	No change	No change [11]	No change	No change	[10] [11] 0–$4,000
Maximum rate applies to portion of net income:							
Single	Over $200,000	No change	No change	No change	No change	No change	Over $200,000
Head of household		[9] Over $300,000	No change	No change	No change	No change	[9] Over $300,000
Married, joint return	[10] Over $400,000	No change	No change	No change [11]	No change	No change	[10] [11] Over $400,000
Personal exemptions:							
Single person and married person filing separate return.	$600	No change [12]	No change	No change	No change	No change	[12] $600
Married persons, joint return	$1,200	No change	No change	No change [11]	No change	No change	[11] $1,200
Each dependent	$600	No change	No change	No change	No change	No change	$600
Additional exemption for taxpayer or spouse who is aged 65 or more.	$600	No change	No change	No change	No change	No change	$600
Additional exemption for taxpayer or spouse who is blind.	$600	No change	No change	No change	No change	No change	$600
Credits:							
Dividends received				Smallest of: [13] (1) 4% of total qualifying dividends less $50 exclusion; (2) Amount of tax reduced by foreign tax credit; or (3) 4% of taxable income.	No change	No change	Smallest of: (1) 4% of total qualifying dividends less $50 exclusion; (2) Amount of tax reduced by foreign tax credit; or (3) 4% of taxable income.

Partially tax-exempt interest				Smallest of: (1) 3% of interest included in income from partially tax-exempt Government securities; (2) Amount of tax less foreign tax credit and dividends received credit; or (3) 3% of taxable income.	No change	No change	Smallest of: (1) 3% of interest included in income from partially tax-exempt Government securities; (2) Amount of tax less foreign tax credit and dividends received credit; or (3) 3% of taxable income.
Retirement income				20% of the first $1,200 of qualified retirement income (reduced by (1) pension and annuity amounts excluded from gross income and (2) certain amounts of earned income). Maximum limit: $240 per person.[14]	No change	20% of the first $1,524 of qualified retirement income (reduced by (1) pension and annuity amounts excluded from gross income and (2) certain amounts of earned income). Maximum limit: $304.80 per person.[15]	20% of the first $1,524 of qualified retirement income (reduced by (1) pension and annuity amounts excluded from gross income and (2) certain amounts of earned income). Maximum limit: $304.80 per person.[15]
nvestment incentive						7% (3% in the case of public utilities) of qualified investment in certain depreciable property. Limited to the first $25,000 of tax liability after foreign tax credit ($12,500 if married, filing separately); plus 25% of tax liability in excess of $25,000 ($12,500). Unused credit shall be carried back for 3 years and carried over for 5 years; any unabsorbed credit, after last year, allowed as deduction.[16]	7% (3% in the case of public utilities) of qualified investment in certain depreciable property. Limited to the first $25,000 of tax liability after foreign tax credit ($12,500 if married, filing separately); plus 25% of tax liability in excess of $25,000 ($12,500). Unused credit shall be carried back for 3 years and carried over for 5 years; any unabsorbed credit, after last year, allowed as deduction.

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

RATES, EXEMPTIONS, AND CREDITS—Continued

Type of tax	Taxes in effect Dec. 31, 1950	Internal Revenue Code of 1939, as amended by Revenue Act of 1951—		Internal Revenue Code of 1954 [1]	Internal Revenue Code of 1954, as amended by—		Taxes in effect Dec. 31, 1962
		For 1951	For 1952 and later years		Technical Amendments Act of 1958	Revenue Act of 1962	
INCOME TAX—Continued							
On corporations: [2] [17]							
Rates: [18]							
Normal tax	23% for calendar year 1950: 25% for taxable years beginning after June 30, 1950.	28¾% for calendar year 1951; 30% for taxable years beginning after Mar. 31, 1951.	No change	[19] 30%	No change	No change	30%
Base for normal tax	"Normal tax net income" is "net income" less specified credits (special deductions below).	No change	No change	No change [1]	No change	No change	"Taxable income" is gross income less allowable deductions (including special deductions below).
Surtax	19% for calendar year 1950; 20% for taxable years beginning after June 30, 1950.	22%	No change	[19] 22%	No change	No change	22%
Base for surtax	Surtax net income in excess of $25,000. Surtax net income is "normal tax net income" without the credit for interest on certain Government obligations.	No change [20]	No change	No change [1]	No change	No change	[20] "Taxable income" in excess of $25,000. In this case, taxable income is computed without the credit for interest on certain Government obligations.
Special deductions (credits against net income in 1939 Code):							

Interest received on certain obligations of the United States (partially tax-exempt).	Deductible from net income only when computing normal tax net income.	No change	No change	No change [1]	No change	No change	Deductible only in computing taxable income for the normal tax.
Dividends received: [21]							
From domestic corporations (other than certain preferred stock, next noted).	85% deductible	No change	No change	No change	No change	No change	85% deductible.
On certain preferred stock of a public utility.	57% deductible for calendar year 1950; 59% deductible for tax years beginning after June 30, 1950.	61% deductible for calendar year 1951; 62% deductible for tax years beginning after Mar. 31, 1951.	62% deductible.	[22] 62.115% deductible.	No change	No change	[22] 62.115% deductible.
From certain foreign corporations earning at least 50% of their net income in the United States.	----------	85% deductible	No change	No change	No change	No change	85% deductible.
Dividends paid on certain preferred stock of public utilities.	For calendar year 1950, 33% of the lesser of: (1) amount of such dividends paid during the taxable year, or (2) adjusted net income for the taxable year minus the credit for dividends received. For taxable years beginning after June 30, 1950, 31% applied against the above noted alternatives.[23]	For calendar year 1951, 28% of the lesser of: (1) No change (2) No change For taxable years beginning after Mar. 31, 1951, 27% applied against the above noted alternatives.	27% of the lesser of: (1) No change. (2) No change. ----------	[24] 26.923% of the lesser of: (1) amount of such dividends paid during the taxable year, or (2) taxable income computed without the deduction allowed for dividends paid. ----------	No change (1) No change (2) No change ----------	No change (1) No change (2) No change ----------	[24] 26.923% of the lesser of: (1) amount of such dividends paid during the taxable year, or (2) taxable income computed without the deduction allowed for dividends paid. ----------
Credits against tax:							
Taxes of foreign countries and possessions of the United States: [25]							
Basis of credit [26]	Income and profits taxes paid or deemed paid to foreign countries and possessions of the United States.	No change	No change	No change	No change	No change	Income and profits taxes paid or deemed paid to foreign countries and possessions of the United States.

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950-62**—Continued

RATES, EXEMPTIONS, AND CREDITS—Continued

Type of tax	Taxes in effect Dec. 31, 1950	Internal Revenue Code of 1939, as amended by Revenue Act of 1951—		Internal Revenue Code of 1954 [1]	Internal Revenue Code of 1954, as amended by—		Taxes in effect Dec. 31, 1962
		For 1951	For 1952 and later years		Technical Amendments Act of 1958	Revenue Act of 1962	
INCOME TAX—Continued							
On corporations—Continued Credits against tax—Continued Taxes of foreign countries, etc.—Continued Limitations: (1) Overall	(1) Proportion of total U.S. tax which the normal tax net income from sources without the United States bears to the entire normal tax net income; and	(1) No change	(1) No change	(1) Repealed [27]		(1) May elect to apply total credit (except to certain interest income) not to exceed proportion of total U.S. tax which the taxable income from sources without the United States (but not in excess of entire taxable income) bears to the entire taxable income.[27] [28]	(1) May elect to apply total credit (except to certain interest income) not to exceed proportion of total U.S. tax which the taxable income from sources without the United States (but not in excess of entire taxable income) bears to the entire taxable income.[27] [28]
(2) Per country	(2) Proportion of U.S. tax which the normal tax net income from sources within any one country bears to entire normal tax net income.	(2) No change	(2) No change	(2) Proportion of U.S. tax which the taxable income from sources within any one country (but not in excess of entire taxable income) bears to entire taxable income.	(2) No change	(2) Proportion of U.S. tax which the taxable income from sources within any one country (but not in excess of entire taxable income) bears to entire taxable income; such per-country limitation	(2) Proportion of U.S. tax which the taxable income from sources within any one country (but not in excess of entire taxable income) bears to entire taxable income; such per-country limitation

							must be applied separately to certain interest income.[28]	must be applied separately to certain interest income.[28]
(3) Carryover and carryback.						(3) May be carried back to 2 preceding taxable years, and, if not absorbed, carried forward for 5 taxable years.	(3) No change.	(3) May be carried back to 2 preceding taxable years, and, if not absorbed, carried forward for 5 taxable years.
Investment credit							7% (3% in the case of public utilities) of qualified investment in certain depreciable property. Limited to the first $25,000 of tax liability after the foreign tax credit; plus 25% of tax liability in excess of $25,000. Unused credit shall be carried back for 3 years and carried over for 5 years; any unused credit after the last year allowed as a deduction.[16]	7% (3% in the case of public utilities) of qualified investment in certain depreciable property. Limited to the first $25,000 of tax liability after the foreign tax credit; plus 25% of tax liability in excess of $25,000. Unused credit shall be carried back for 3 years and carried over for 5 years; any unused credit after the last year allowed as a deduction.[16]

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

RATES, EXEMPTIONS, AND CREDITS—Continued

Type of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951	Public Law 83–125,[illegible] approved July 16, 1953	Taxes in effect Dec. 31, 1962
EXCESS PROFITS TAX ON CORPORATIONS [29]				
Rates:				
All corporations:				
(1) Taxable years ending after June 30, 1950, and beginning before July 1, 1953.	(1) The lesser of: (a) 30% of adjusted excess profits net income; or (b) 62% of excess profits net income less an amount computed by applying the normal tax and surtax to excess profits net income.	The lesser of: (1) 30% of adjusted excess profits net income; or one of the following:		
(2) Taxable years ending before Apr. 1, 1951.	------------	(2) 62% of excess profits net income less an amount computed by applying the normal tax and surtax to excess profits net income;		
(3) Taxable years beginning Jan. 1, 1951, and ending Dec. 31, 1951.	------------	(3) 17¼% of excess profits net income; or		
(4) Taxable years beginning after Mar. 31, 1951.	------------	(4) 18% of excess profits net income.		
New corporations (commencing business after July 1, 1945, with fifth taxable year ending after June 30, 1950):	------------	Alternative additional maximums to the above:		
(1) Taxable years ending after June 30, 1950.	------------	(1) The following percentages of first $300,000 of excess profits net income for any of the first 5 years: 5%—first or second year; 8%—third year; 11%—fourth year; 14%—fifth year; plus the following percentages of excess profits net income in excess of $300,000:		
(2) Taxable years ending before Apr. 1, 1951.	------------	(2) 15% ------------		
(3) Calendar year 1951 ------------	------------	(3) 17¼% ------------		
(4) Taxable years ending after Mar. 31, 1951.	------------	(4) 18% ------------	Terminated Dec. 31, 1953	
Base for excess profits tax ------------	"Adjusted excess profits net income" is excess profits net income (normal tax net income after certain adjustments) less amounts of excess profits credit and unused excess profits credit adjustment.	No change ------------		

Excess profits credit: (1) Average base period net income (generally, average excess profits net income for 3 highest years in the base period 1946–49).[30]	The greater of: (1) 85% of average base period net income; plus 12% of base period capital additions and 12% of net capital additions (or minus 12% of net capital reduction) for the taxable year; or	The greater of: (1) 84% of average base period net income for calendar year 1951 returns; for other taxable years ending after June 30, 1951, 85% of average base period net income for the portion of the year occurring before July 1, 1951, and 83% for the period after June 30, 1951; plus 12% of base period capital additions and 12% of net capital additions (or minus 12% of net capital reduction) for the taxable year; or		
(2) Invested capital base [31]	(2) 12% of first $5,000,000; 10% next $5,000,000; 8% over $10,000,000; plus new capital credit, if any; or	(2) No change, or		
(3) Alternative credit for certain regulated public utilities.	(3) Sum of normal tax and surtax plus 6% or 7% (depending on the type of utility) of adjusted invested capital and average borrowed capital.	(3) No change		
Carryback and carryover of unused excess profits credit.	May be carried back one year and any unabsorbed amount (except unused portion of $25,000 minimum credit) may be carried forward for 5 years.	No change		
Minimum credit	$25,000	No change [32]		
Credit for taxes paid to foreign countries and possessions of the United States.	After application to income tax, any unused credit may be applied to excess profits tax.	No change		

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

Type of tax	Taxes in effect Dec. 31, 1950	Internal Revenue Code of 1954	Taxes in effect Dec. 31, 1962
RECOVERY OF EXCESSIVE PROFITS			
Recovery of excessive profits on certain Government contracts.[33]	All profits exceeding 10% of contract price for vessels and 12% for aircraft for Navy, Army, and Air Force (suspended for contracts subject to Renegotiation Acts of 1948 and 1951).[34]	No change	All profits exceeding 10% of contract price for vessels and 12% for aircraft for Navy, Army, and Air Force (suspended for contracts subject to Renegotiation Acts of 1948 and 1951).[34]
CONSOLIDATED RETURNS			
Rate	2% of consolidated surtax net income (in addition to applicable normal tax, surtax, and excess profits tax) excluding surtax net income of Western Hemisphere trade corporations included in consolidated group.	2% of consolidated net income before deduction of partially tax-exempt interest (in addition to normal tax, surtax, excess profits tax, and, in certain conditions, holding company tax) but excluding surtax net income of Western Hemisphere trade corporations and regulated public utilities included in consolidated group.	2% of consolidated net income before deduction of partially tax-exempt interest (in addition to normal tax, surtax, excess profits tax, and, in certain conditions, holding company tax) but excluding surtax net income of Western Hemisphere trade corporations and regulated public utilities included in consolidated group.
Corporations permitted to file consolidated return.	Substantially all corporations	No change	Substantially all corporations.
Stock ownership affiliation requirement	95%	80%	80%.
CORPORATIONS IMPROPERLY ACCUMULATING SURPLUS			
First $100,000 of undistributed section 102 (1939 Code); net income or accumulated taxable income (1954 Code).	27½%	No change	27½%.
Over $100,000 of undistributed section 102 (1939 Code); net income or accumulated taxable income (1954 Code).	38½%	No change	38½%.
Accumulated earnings credit		Tax applicable only to the portion of earnings retained in excess of the reasonable needs of the business, subject to a minimum accumulated earnings credit of $60,000.	No change, except minimum accumulated earnings credit of $100,000.
PERSONAL HOLDING COMPANIES			
First $2,000 of undistributed subchapter A (1939 Code); net income, or undistributed personal holding company income (1954 Code).	75%	No change	75%.
Over $2,000 of undistributed subchapter A (1939 Code); net income, or undistributed personal holding company income (1954 Code).	85%	No change	85%.

Estate Tax			
Specific exemption	[35] $60,000	No change [36].	$60,000.
Rate of tax:			
Minimum rate	[35] 3%	No change [36]	3%.
Maximum rate	[35] 77%	No change [36]	77%.
Minimum rate applies to portion of taxable estate [37] not exceeding.	[35] $5,000	No change [36]	$5,000.
Maximum rate applies to portion of taxable estate.[37]	[35] Over $10,000,000	No change [36]	Over $10,000,000.
Credit for State death taxes paid—credit not to exceed:			
Minimum rate	80% of Federal tax under Revenue Act of 1926.	.8%	.8%.
Maximum rate		16.0%	16.0%.
Minimum rate applies to portion of taxable estate.		Between $40,000 and $90,000	Between $40,000 and $90,000.
Maximum rate applies to portion of taxable estate exceeding.		$10,040,000	$10,040,000.
Gift Tax			
Specific exemption [38]	$30,000	No change	$30,000.
Annual exclusion [39]	$3,000	No change [40] [41]	$3,000.
Rate of tax:			
Minimum rate	2¼%	No change	2¼%.
Maximum rate	57¾%	No change	57¾%.
Minimum rate applies to portion of taxable (net) gifts [42] not exceeding.	$5,000	No change [42]	$5,000.
Maximum rate applies to portion of taxable (net) gifts exceeding.	$10,000,000	No change.[42]	$10,000,000.

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

Type of tax	Unit of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951	Internal Revenue Code of 1954	Excise Tax Technical Changes Act of 1958	Taxes in effect Dec. 31, 1962
LIQUOR TAXES [43, 44]						
Distilled spirits	Per proof gal. or wine gal. if below proof.	$9	$10.50	No change	No change	$10.50
Nonbeverage distilled spirits, not denatured (after payment of drawback).	Per proof gal	$3	$1	No change	No change	$1
Beer (fermented malt liquors)[45] containing ½ of 1% or more of alcohol by volume.	Per barrel (31 gallons)	$8	$9	No change	No change	$9
Still wine containing following percentages of absolute alcohol by volume:						
Not more than 14%	Per wine gal	15¢	17¢	No change	No change	17¢
More than 14% but not more than 21%	Per wine gal	60¢	67¢	No change	No change	67¢
More than 21% but not more than 24%	Per wine gal	$2	$2.25	No change	No change	$2.25
More than 24%	Per proof gal. or wine gal. if below proof.	$9	$10.50	No change	No change	$10.50
Artificially carbonated wine	Per half pint or wine gal	10¢ per half pint	12¢	$2.40 per wine gal	No change	$2.40
Liqueurs, cordials, or similar compounds	Per half pint or wine gal	10¢ per half pint	12¢	$1.92 per wine gal	No change	$1.92
Champagne or sparkling wine	Per half pint or wine gal	15¢ per half pint	17¢	$3.40 per wine gal	No change	$3.40
Rectification tax, distilled spirits, and wines	Per proof gal. in addition to tax on distilled spirits and wines.	30¢	No change	No change	No change	30¢
Bay rum or any article containing alcohol imported from Puerto Rico for consumption.	Per proof gal. or wine gal. if below proof.	$9	$10.50	No change	No change	$10.50
Perfume, imported, containing distilled spirits.	Per wine gal	$9	$10.50	No change	No change	$10.50
Special (occupational) taxes:						
Distilled spirits or wines:						
Wholesale dealers	Per year	$110	$200	No change	$255	$255
Retail dealers [46]	Per year	$27.50	$50	No change	$54	$54
Beer (fermented malt liquors): [46]						
Brewers according to production per brewery.	Per year	$55–$110	No change	No change	No change	$55–$110
Wholesale dealers	Per year	$55	$100	No change	$123	$123
Retail dealers [46]	Per year	$22	No change	No change	$24	$24
Rectifiers according to production	Per year	$110–$220	No change	No change	No change	$110–$220
Manufacturers of stills	Per year	$55	No change	No change	No change	$55
Stills or condensers manufactured for distilling spirits.	Per still or condenser	$22	No change	No change	No change	$22
Nonbeverage domestic drawback claimants:						
Total annual withdrawals: [47]						
Not more than 25 proof gallons	Per year	$25	No change	No change	No change [47]	$25
Not more than 50 proof gallons	Per year	$50	No change	No change	No change [47]	$50
More than 50 proof gallons	Per year	$100	No change	No change	No change [47]	$100

Stamp taxes on distilled spirits:						
Container stamps, distilled spirits in containers upon which all internal revenue taxes have been paid.	Per container of less than half pint	¼¢	No change	Repealed		
	Per container of half pint or more	1¢	No change	Repealed		
Export stamps, distilled spirits intended for export.	Per package	10¢	No change	Repealed		
Floor stocks taxes:						
Distilled spirits	Per proof gal		$1.50			
Fermented malt liquors	Per barrel (31 gallons)		$1			
Still wines:						
Not more than 14% alcohol by volume	Per wine gal		2¢			
More than 14% but not more than 21% alcohol by volume.	Per wine gal		7¢			
More than 21% but not more than 24% alcohol by volume.	Per wine gal		25¢			
More than 24% alcohol by volume	Per proof gal. or wine gal. if below proof.		$1.50			
Artificially carbonated wine	Per half pint		2¢			
Liqueurs, cordials, or similar compounds	Per half pint		2¢			
Champagne or sparkling wine	Per half pint		2¢			
TOBACCO TAXES [43] [48]						
Cigarettes:						
Weighing not more than 3 lbs. per M	Per M	$3.50	$4.00	No change	No change	$4.00
Weighing more than 3 lbs. per M and:						
Not more than 6½ inches in length [49]	Per M	$8.40	No change	No change	No change	$8.40
More than 6½ inches in length [49]	Per M	$3.50	$4.00	No change	No change	$4.00
Cigarette papers:						
Cigarette papers (book or set containing more than 25 papers).	Per each 50 papers or fractional part thereof.	½¢	No change	No change	No change	½¢
Cigarette tubes	Per 50 or fractional part thereof	1¢	No change	No change	No change	1¢
Cigars:						
Weighing not more than 3 lbs. per M	Per M	75¢	No change	No change	No change	75¢
Weighing more than 3 lbs. per M, retailing at:						
Not more than 2½¢ each	Per M	$2.50	No change	No change	No change	$2.50
More than 2½¢ and not more than 4¢	Per M	$3.00	No change	No change	No change	$3.00
More than 4¢ and not more than 6¢	Per M	$4.00	No change	No change	No change	$4.00
More than 6¢ and not more than 8¢	Per M	$7.00	No change	No change	No change	$7.00
More than 8¢ and not more than 15¢	Per M	$10.00	No change	No change	No change	$10.00
More than 15¢ and not more than 20¢	Per M	$15.00	No change	No change	No change	$15.00
More than 20¢	Per M	$20.00	No change	No change	No change	$20.00
Tobacco materials shipped or delivered in violation of the law and regulations.	Per lb	18¢	10¢	No change	No change	10¢
Manufactured tobacco (including snuff)	Per lb	18¢	10¢	No change	No change	10¢
Floor stocks on small cigarettes	Per M		50¢			

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

Type of tax	Unit of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951 [54]	Excise Tax Reduction Act of 1954 [55]	Various public laws of 1955	Highway Revenue Act of 1956	Excise Tax Technical Changes Act of 1958 [50]	Various public laws of 1959	Various public laws of 1960	Federal-Aid Highway Act of 1961 [56]	Taxes in effect Dec. 31, 1962
STAMP TAXES											
Documentary:											
Conveyances (deed, instrument, or writing conveying realty).	Each $500 or fraction of the consideration if in excess of $100.	55¢	No change	No change	No change	No change	No change	No change	No change	No change	55¢
Foreign insurance policies:											
Casualty insurance policies and indemnity bonds.	Per dollar or fraction of premium.	4¢	No change	No change	No change	No change	No change	No change	No change	No change	4¢
Life, sickness, and accident policies, annuity contracts.	Per dollar or fraction of premium.	1¢	No change	No change	No change	No change	No change	No change	No change	No change	1¢
Reinsurance policies	Per dollar or fraction of premium.	1¢	No change	No change	No change	No change	No change	No change	No change	No change	1¢
Issues of corporate certificates of indebtedness, etc.	Each $100 or fraction of face value.	11¢	No change	No change	No change	No change	No change	No change	No change	No change	11¢
Issues of capital stock:											
Par value stock	Each $100 or fraction of par or face value.	11¢	No change	No change	No change	No change					
No par or face value:											
Actual value less than $100.	Each $20 or fraction of actual value.	3¢	No change	No change	No change	No change					
Actual value $100 or more.	Each $100 or fraction of actual value.	11¢	No change	No change	No change	No change					
All	Each $100 or major fraction of actual value.						[51] 10¢	No change	No change[52]	No change	[53] 10¢
Sales or transfers of corporate certificates of indebtedness.	Each $100 or fraction of face value.	5¢	No change	No change	No change	No change	No change	No change	No change	No change	5¢
Sales or transfers of capital stock:											
Par value stock:											
Selling price less than $20.	Each $100 or fraction of par or face value.	5¢	No change	No change	No change	No change					

Selling price $20 or more.	Each $100 or fraction of par or face value.	6¢	No change	No change	No change	No change	----	----	----	----	
No par or face value:											
Selling price less than $20.	Per share	5¢	No change	No change	No change	No change	----	----	----	----	
Selling price $20 or more.	Per share	6¢	No change	No change	No change	No change	----	----	----	----	
All	Each $100 or major fraction of actual value.	----	----	----	----	----	[53] 4¢	No change	No change	No change	[53] 4¢
Other:											
Playing cards	Per package of not more than 54.	13¢	No change	No change	No change	No change	No change	No change	No change	No change	13¢
Silver bullion sales or transfers.	Excess of selling price over cost plus allowed expenses.	50%	No change	No change	No change	No change	No change	No change	No change	No change	50%
MISCELLANEOUS TAXES											
Admissions:											
Admissions, general	Each 5¢ or major fraction.	1¢	No change[57]	----	----	----	----	----	----	----	
Admissions, general	Each 10¢ or major fraction.	----	----	[58] 1¢	No change[59]	No change[60]	No change[61]	No change	No change	No change	[61] 1¢
Horse and dog races [62]	Each 5¢ or major fraction.	----	----	1¢	No change	No change	No change	No change	No change	No change	1¢
Admissions sold by proprietor in excess of established price.	Excess charge	50%	No change	No change	No change	No change	No change	No change	No change	No change	50%
Leases of boxes or seats	Amount charged for similar accommodations.	20%	No change	10%	No change	No change	No change	No change	No change	No change	10%
Roof gardens, cabarets, etc.	Amounts paid	20%	No change[63]	No change	No change	No change	No change[64]	No change	[65] 10%	No change	10%
Ticket broker sales in excess of regular or established price.	Excess charge	20%	No change	[66] 10%	No change	No change	No change	No change	No change	No change	[66] 10%
Adulterated and process butter:											
Adulterated butter:											
Adulterated butter	Per lb.	10¢	No change	No change	No change	No change	No change	No change	No change	No change	10¢
Manufacturers	Per year	$600	No change	No change	No change	No change	No change	No change	No change	No change	$600
Retailers	Per year	$48	No change	No change	No change	No change	No change	No change	No change	No change	$48
Wholesalers	Per year	$480	No change	No change	No change	No change	No change	No change	No change	No change	$480
Process butter:											
Process butter	Per lb.	¼¢	No change	No change	No change	No change	No change	No change	No change	No change	¼¢
Manufacturers	Per year	$50	No change	No change	No change	No change	No change	No change	No change	No change	$50

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950-62**—Continued

Type of tax	Unit of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951 [64]	Excise Tax Reduction Act of 1954 [65]	Various public laws of 1955	Highway Revenue Act of 1956	Excise Tax Technical Changes Act of 1958 [60]	Various public laws of 1959	Various public laws of 1960	Federal-Aid Highway Act of 1961 [66]	Taxes in effect Dec. 31, 1962
MISCELLANEOUS TAXES—Continued											
Automobiles, etc.:											
Automobiles, passenger and auto trailers.	Manufacturers sale price.	7%	[67] 10%	No change	No change [68]	No change	No change	No change	No change	No change	10%
Automobile trucks, truck trailers, buses, and truck tractors.	Manufacturers sale price.	5%	8%	No change	No change	10%	No change	No change	No change	No change	10%
Motorcycles	Manufacturers sale price.	7%	10%	No change	Repealed [69]						
Parts and accessories	Manufacturers sale price.	5%	[70] 8%	No change	No change	No change	No change	No change	No change	No change	8%
Tires and tubes:											
Inner tubes	Per lb	9¢	No change	No change	No change	No change	No change	No change	No change [71]	10¢	10¢
Tires used on highway vehicles.	Per lb	5¢	No change	No change	No change	8¢	No change	No change	No change	10¢	10¢
Tires, other	Per lb	5¢	No change [72]	No change	No change	No change	No change	No change	No change [71]	No change	5¢
Tires, laminated	Per lb								[73] 1¢	No change	1¢
Tread rubber	Per lb					3¢	No change	No change	No change	5¢	5¢
Floor stocks tax on tires used on highway vehicles.	Per lb					3¢				2¢	
Floor stocks tax on tubes.	Per lb									1¢	
Floor stocks tax on trucks, etc.	Manufacturers sale price.					2%					
Floor stocks tax on tread rubber.	Per lb					3¢				2¢	
Bank circulation, etc., taxes:											
Circulation of national bank notes. [74]	Average amount of notes in circulation each half year.	½ of 1%	No change	No change	No change	No change	No change	No change	No change	No change	½ of 1%
Circulation other than of national banks: [75]											
On average circulation outstanding:											
Entire circulation	Dollar amount each month.	1/12 of 1%	No change	No change	No change	No change	No change	No change	No change	No change	1/12 of 1%

Circulation exceeding 90% of capital.	Dollar amount each month.	⅙ of 1%	No change	No change	No change	No change	No change	No change	No change	No change	⅙ of 1%
Circulation paid out	Dollar amount	10%	No change	No change	No change	No change	No change	No change	No change	No change	10%
Earnings of Federal intermediate credit banks.	Net earnings after certain reductions for fiscal year.	25%	No change	No change	No change	No change	No change	No change	No change	No change	25%
Business and store machines.	Manufacturers sale price.	10%	No change	No change	No change	No change	No change[76]	No change	No change	No change	10%
Bowling alleys, billiard, and pool tables.	Per unit per year.	$20	No change[77]	No change	No change	No change	No change[78]	No change	No change	No change	$20
Canal Zone taxes: [79]											
Ad valorem taxes	Value of property.	1%	No change	No change	No change	No change	No change	No change	No change	No change	1%
Excise and franchise taxes.	Gross earnings	2%	No change	No change	No change	No change	No change	No change	No change	No change	2%
Coin-operated machines:											
Amusement devices	Per machine per year.	$10	No change	No change	No change	No change	No change[80]	No change	No change	No change	$10
Gaming devices	Per machine per year.	$150	$250	No change	No change	No change	No change[80]	No change[81]	No change	No change	[81] $250
Cotton futures, contracts of sale of cotton for future delivery, which do not conform with regulations of Secretary of Agriculture.	Per lb	2¢	No change	No change	No change	No change	No change	No change	No change	No change	2¢
Dues and initiation fees	Amount paid	20%	No change	No change	No change	No change	No change[82]	No change[83]	No change	No change	20%
Electrical energy for domestic or commercial consumption.	Sale price	3⅓%	Repealed	----------	----------	----------	----------	----------	----------	----------	
Electric, gas, and oil appliances (household type).	Manufacturers sale price.	10%	No change[84]	5%	No change	No change	No change[85]	No change	No change	No change	5%
Electric light bulbs and tubes	Manufacturers sale price.	20%	No change	10%	No change	No change	No change	No change	No change	No change	10%
Filled cheese:											
Domestic	Per lb	1¢	No change	No change	No change	No change	No change	No change	No change	No change	1¢
Imported	Per lb	8¢	No change	No change	No change	No change	No change	No change	No change	No change	8¢
Manufacturers, per factory.	Per year	$400	No change	No change	No change	No change	No change	No change	No change	No change	$400
Retail dealers	Per year	$12	No change	No change	No change	No change	No change	No change	No change	No change	$12
Wholesale dealers	Per year	$250	No change	No change	No change	No change	No change	No change	No change	No change	$250
Firearms, shells, cartridges (other than pistols and revolvers).	Manufacturers sale price.	11%	No change	No change	No change	No change	No change	No change	No change	No change	11%

Footnotes on pp. 394 to 398.

66496—63——26

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

Type of tax	Unit of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951 [54]	Excise Tax Reduction Act of 1954 [55]	Various public laws of 1955	Highway Revenue Act of 1956	Excise Tax Technical Changes Act of 1958 [50]	Various public laws of 1959	Various public laws of 1960	Federal-Aid Highway Act of 1961 [56]	Taxes in effect Dec. 31, 1962
MISCELLANEOUS TAXES—Continued											
Firearms (machine guns and short-barreled firearms): [86]											
Dealers (class 4)	Per year	$200	No change	No change	No change	No change	No change	No change	No change [87]	No change	$200
Dealers (class 5) [88]	Per year	$1	No change	No change	No change	No change	No change [89]	No change	$10	No change	$10
Importers	Per year	$500	No change	No change	No change	No change	No change	No change	No change [87]	No change	$500
Manufacturers (class 1).	Per year	$500	No change	No change	No change	No change	No change	No change	No change [87]	No change	$500
Manufacturers (class 5). [88]	Per year	$25	No change	No change	No change	No change	No change	No change	No change [87]	No change	$25
Pawnbrokers	Per year	$300	No change	No change	No change	No change	No change	No change	No change [87]	No change	$300
Transfer of firearms	Per firearm	$200	No change	No change	No change	No change	No change	No change	No change	No change	$200
Transfer of firearms [88]	Per firearm	$1	No change	No change	No change	No change	No change	No change	$5	No change	$5
Making of firearms [90]	Per firearm		[90] $200	No change	No change	No change					$200
Making of firearms [90]	Per firearm		[90] $1	No change	No change	No change	No change [91]	No change	No change	No change	
Fountain pens, mechanical pencils, ball-point pens.	Manufacturers sale price.		15%	10%	No change	No change	Repealed		No change	No change	10%
Mechanical lighters	Manufacturers sale price.		15%	10%	No change	No change	No change No change	No change No change	10¢ per lighter but not more than 10% of sale price [92]	No change	10¢ per lighter but not more than 10% of sale price
Fur articles (of which fur is component of chief value).	Retail sale price	20%	No change	10%	No change	No change	No change	No change	No change	No change	10%
Gasoline and other motor fuels.	Per gal	1½¢	2¢	No change [93]	No change	[94] 3¢	No change	[95] 4¢	No change	No change [96]	4¢
Diesel fuel	Per gal		2¢	No change	No change	[94] 3¢	No change	[95] 4¢	No change	No change	4¢
Floor stocks tax on gasoline.	Per gal		½¢			1¢		[95] 1¢			
Immigration head tax	Per person, 16 years or over.	$8	Repealed [97]								
Imports of: [98]											
Coal, coke, etc	Per cwt	10¢	No change	No change	No change	No change	No change	No change	No change	No change	10¢
Copper and copper concentrates:											
Articles containing 4% or more of copper by weight.	Ad valorem or Per lb	3% or ¾¢	No change	No change	No change	No change	No change	No change	No change	No change	3% or ¾¢

Articles in which copper is component material of chief value.	Per lb.	3¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	3¢
Copper-bearing ores and concentrates and articles specified in Tariff Act of 1930.	Per lb. of copper therein.	4¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	4¢
Crude petroleum, fuel oil, gas oil and liquid derivatives (except gasoline and lubricating oils).	Per gal.	½¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	½¢
Gasoline and other motor fuel.	Per gal.	2½¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	2½¢
Hempseed	Per lb.	1.24¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	1.24¢
Lubricating oils	Per gal.	4¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	4¢
Lumber, with certain exceptions.	Per M feet	$3	No change.	No change [99]	No change.	No change.	No change.	No change.	No change.	No change.	[99] $3
Oils:											
Sunflower, rapeseed, sesame, kapok, hempseed, perilla oils, etc.	Per lb.	4½¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	4½¢
Whale oil (except sperm oil), fish oil (except cod oil, cod liver oil, and halibut liver oil), marine animal oil, or any combination of the foregoing, etc.	Per lb.	3¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	3¢
Paraffin and other petroleum wax products.	Per lb.	1¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	1¢
Perilla seed	Per lb.	1.38¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	1.38¢
Rapeseed, kapok seed	Per lb.	2¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	2¢
Sesame seed	Per lb.	1.18¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	1.18¢
Jewelry	Retail sale price.	20%	No change.	10%	No change.	No change.	No change [100]	No change [101]	No change.	No change.	10%
Leases of safe deposit boxes.	Amount collected.	20%	No change.	10%	No change.	No change.	No change.	No change.	No change.	No change.	10%
Lubricating oils:											
Lubricating oils, domestic.	Per gal.	6¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	6¢
Cutting oils	Per gal.	6¢	No change.	No change [102]	[103] 3¢	No change.	No change.	No change.	No change.	No change.	3¢
Luggage, etc.	Retailers sale price.	20%	No change.	10%	No change.	No change.	No change [104]	No change.	No change.	No change.	10%
Matches:											
Ordinary (matches in general).	Per M.	2¢	No change.	No change [102]	No change.	No change.	No change.	No change.	No change.	No change.	[102] 2¢
White phosphorous	Per 100	2¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	2¢
Wood, fancy	Per M.	5½¢	No change.	No change.	No change.	No change.	No change.	No change.	No change.	No change.	5½¢

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

Type of tax	Unit of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951 [54]	Excise Tax Reduction Act of 1954 [55]	Various public laws of 1955	Highway Revenue Act of 1956	Excise Tax Technical Changes Act of 1958 [50]	Various public laws of 1959	Various public laws of 1960	Federal-Aid Highway Act of 1961 [56]	Taxes in effect Dec. 31, 1962
MISCELLANEOUS TAXES—Continued											
Musical instruments	Manufacturers sale price.	10%	No change	No change	No change	No change	No change	No change	No change	No change	10%
Narcotics:											
Marihuana:											
Importers, manufacturers, and compounders.	Per year	$24	No change	No change	No change	No change	No change	No change	No change	No change	$24
Persons engaged in laboratory research.	Per year	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1
Persons, other than practitioners, who deal in, dispense, or give away.	Per year	$3	No change	No change	No change	No change	No change	No change	No change	No change	$3
Practitioners	Per year	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1
Producers	Per year	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1
Transfers of:											
To any person who has paid the special tax as indicated above.	Per oz. or fraction thereof on each transfer.	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1
To any person who has not paid the special tax.	Per oz. or fraction thereof on each transfer.	$100	No change	No change	No change	No change	No change	No change	No change	No change	$100
Opium:											
Importers, manufacturers, and compounders.	Per year	$24	No change	No change	No change	No change	No change	No change	No change	No change	$24
Opium, coca leaves, etc., sold, or removed for consumption or sale.	Per oz	1¢	No change	No change	No change	No change	No change	No change	No change	No change	1¢
Opium manufactured for smoking purposes.	Per lb	$300	No change	No change	No change	No change	No change	No change	No change	No change	$300
Persons engaged in laboratory research.	Per year	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1
Persons not otherwise taxed dispensing preparations of limited narcotic content.	Per year	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1

Practitioners	Per year	$1	No change	No change	No change	No change	No change	No change	No change	No change	$1
Retail dealers	Per year	$3	No change	No change	No change	No change	No change	No change	No change	No change	$3
Wholesale dealers	Per year	$12	No change	No change	No change	No change	No change	No change	No change	No change	$12
ils, coconut, palm, and palm kernel, first domestic processing.	Per lb	[105] 3¢	No change[106]	No change	No change	No change[107]	No change	No change[108]	No change[109]	No change	[105] [106] [110] [111] 3¢
Oleomargarine, imported (in addition to import duties).	Per lb	15¢	No change	No change	No change	No change	No change	No change	No change	No change	15¢
Phonographs and phonograph records.	Manufacturers sale price.	10%	No change	No change	No change[112]	No change	No change[113]	No change	No change	No change	10%
Photographic equipment and supplies:											
Apparatus (cameras and lenses, etc.)	Manufacturers sale price.	25%	[114] 20%	10%	No change	No change	No change	No change	No change	No change	10%
Film and plates, unexposed.	Manufacturers sale price.	15%	[114] 20%	10%	No change	No change	No change	No change	No change	No change	10%
Projectors, household type.	Manufacturers sale price.		10%	5%	No change	No change	No change	No change	No change	No change	5%
Pistols and revolvers	Manufacturers sale price.	11%	No change	10%	No change	No change	No change	No change	No change	No change	10%
Radios, television sets, components, accessories, etc.	Manufacturers sale price.	10%	No change[115]	No change	No change[112]	No change	No change[113]	No change	No change	No change	10%
Refrigerating equipment:											
Air conditioning units, self-contained.	Manufacturers sale price.	10%	No change	No change	No change	No change	No change	No change	No change	No change	10%
Refrigerators, quick freeze units, etc., household-type.	Manufacturers sale price.	10%	No change[116]	5%	No change	No change	No change[117]	No change	No change	No change	5%
Sporting goods and equipment.	Manufacturers sale price.	10%	[118] 15%	10%	No change	No change	No change	No change	No change	No change	10%
Telephone, telegraph, radio messages, etc.:											
Telegraph, cable and radio messages:											
Domestic	Amount charged.	25%	15%	10%	No change	No change					
International	Amount charged.	10%	No change	No change	No change	No change					
Leased wires	Amount charged.	25%	No change	10%	No change	No change					
Local telephone service.	Amount charged.	15%	No change	10%	No change	No change					
Telephone toll service	Amount charged if more than 24¢.	25%	No change[119]	10%	No change	No change					
Wire and equipment service.	Amount charged.	8%	No change	No change	No change	No change					
General telephone service.	Amount charged.						[120] 10%	No change[121]	No change	No change	[122] 10%
Toll telephone service	Amount charged.						[120] 10%	No change	No change	No change	10%
Telegraph service	Amount charged.						[120] 10%	No change	No change	No change	10%

Footnotes on pp. 394 to 398.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

Type of tax	Unit of tax	Taxes in effect Dec. 31, 1950	Revenue Act of 1951 [54]	Excise Tax Reduction Act of 1955 [55]	Various public laws of 1955	Highway Revenue Act of 1956	Excise Tax Technical Changes of 1958 [50]	Various public laws of 1959	Various public laws of 1960	Federal-Aid Highway Act of 1961 [56]	Taxes in effect Dec. 31, 1962
MISCELLANEOUS TAXES—Continued											
Telephone, telegraph, radio messages, etc.:—Continued											
Teletypewriter exchange service.	Amount charged.						[120] 10%	No change	No change	No change	10%
Wire mileage service	Amount charged.						[120, 123] 10%	No change	No change	No change	[124] 10%
Wire and equipment service.	Amount charged.						[120, 123] 8%	No change	No change	No change	8%
Toilet preparations	Retail sale price	20%	No change[125]	10%	No change	No change	No change	No change	No change[126]	No change	10%
Tonnage tax, entry of vessel from foreign port.[127]	Per vessel ton	2¢–$2	No change	No change	No change	No change	No change	No change	No change	No change	2¢–$2
Transfers to avoid income tax.	Excess of value of stock or securities over transferor's adjusted basis.	27½%	No change	No change	No change	No change	No change	No change	No change	No change	27½%
Transportation:											
Oil by pipeline	Amount paid	4½%	No change	No change	No change	No change	Repealed[128]				
Persons by rail, motor vehicle, water, or air.	Amount paid	15%	No change[129]	10%	No change	No change[130]	No change[131]	No change	No change	No change	[132] 5%
Property by rail, motor vehicle, water, or air.	Amount paid or per short ton in case of coal.	3% or 4¢	No change[133]	No change	No change	No change	Repealed[128]				
Seating or sleeping accommodations.	Amount paid	15%	No change[129]	10%	No change	No change[130]	No change[131]	No change	No change	No change	[132] 5%
Sugar:											
Sugar taxes:											
Excise tax on manufacture of sugar in the United States:											
Testing 92 sugar degrees.	Per lb	0.465¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.465¢
Each additional sugar degree above 92.	Per lb	0.00875¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.00875¢
Testing less than 92 sugar degrees.	Per lb. of total sugars therein.	0.5144¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.5144¢

Import compensating tax:											
All manufactured sugar testing 92 sugar degrees.	Per lb	0.465¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.465¢
Each additional sugar degree above 92.	Per lb	0.00875¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.00875¢
All manufactured sugar testing less than 92 sugar degrees.	Per lb. of total sugars therein.	0.5144¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.5144¢
All articles composed in chief value of manufactured sugar.	Per lb. of total sugars therein.	0.5144¢	No change	No change	No change	No change	No change	No change	No change	No change	[134] 0.5144¢
Use tax on highway motor vehicles weighing more than 26,000 pounds (per tax schedule).	Per M lbs. per year.	----------	----------	----------	----------	$1.50	No change	No change	No change	$3	$3
Wagering:											
Wagers (except pari-mutuel).	Amount of wager.	----------	10%	No change	No change	No change	No change[135]	No change	No change	No change	10%
Occupation of accepting taxable wagers.	Per year	----------	$50	No change	No change	No change	No change	No change	No change	No change	$50

Footnotes on pp. 394 to 398.

EXHIBIT 28.—Federal taxes of the United States, 1950–62—Continued

RATES, EXEMPTIONS, AND CREDITS

Type of tax	Taxes in effect Dec. 31, 1950	Internal Revenue Code of 1954	Social Security Amendments of—			Taxes in effect Dec. 31, 1962
			1956	1958	1961	
EMPLOYMENT TAXES						
Social Security Act of 1935, as amended:						
Taxes with respect to old-age, survivors, and disability insurance:						
Income tax on employees based on wages received (Federal Insurance Contributions Act).[136]	Calendar years: 1950–53, 1½%; 1954–59, 2%; 1960–64, 2½%; 1965–69, 3%; thereafter, 3¼%.	Calendar years: 1954–59, 2%; 1960–64, 2½%; 1965–69, 3%; 1970–74, 3½%; thereafter, 4%.[137]	Calendar years: 1957–59, 2¼%; 1960–64, 2¾%; 1965–69, 3¼%; 1970–74, 3¾%; thereafter, 4¼%.	Calendar years: 1959, 2½%; 1960–62, 3%; 1963–65, 3½%; 1966–68, 4%; thereafter, 4½%.	Calendar years: 1962, 3⅛%; 1963–65, 3⅝%; 1966–67, 4⅛%; thereafter, 4⅝%.	Calendar years: 1962, 3⅛%; 1963–65, 3⅝%; 1966–67, 4⅛%; thereafter, 4⅝%.
Excise tax on employers based on wages paid (Federal Insurance Contributions Act).[136]	Calendar years: 1950–53, 1½%; 1954–59, 2%; 1960–64, 2½%; 1965–69, 3%; thereafter, 3¼%.	Calendar years: 1954–59, 2%; 1960–64, 2½%; 1965–69, 3%; 1970–74, 3½%; thereafter, 4%.[137]	Calendar years: 1957–59, 2¼%; 1960–64, 2¾%; 1965–69, 3¼%; 1970–74, 3¾%; thereafter, 4¼%.	Calendar years: 1959, 2½%; 1960–62, 3%; 1963–65, 3½%; 1966–68, 4%; thereafter, 4½%.	Calendar years: 1962, 3⅛; 1963–65, 3⅝%; 1966–67, 4⅛%; thereafter 4⅝%.	Calendar years: 1962, 3⅛%; 1963–65, 3⅝%; 1966–67, 4⅛%; thereafter 4⅝%.
Tax on self-employment income.[138]	Effective Jan. 1, 1951: 1951–53, 2¼%; 1954–59, 3%; 1960–64, 3¾%; 1965–69, 4½%; thereafter, 4⅞%.	Taxable years: 1954–59, 3%; 1960–64, 3¾%; 1965–69, 4½%; 1970–74, 5¼%; thereafter, 6%.[137]	Taxable years: 1957–59, 3⅜%; 1960–64, 4⅛%; 1965–69, 4⅞%; 1970–74, 5⅝%; thereafter, 6⅜%.	Taxable years: 1959, 3¾%; 1960–62, 4½%; 1963–65, 5¼%; 1966–68, 6%; thereafter, 6¾%.	Taxable years: 1962, 4.7%; 1963–65, 5.4%; 1966–67, 6.2%; thereafter, 6.9%.	Taxable years: 1962, 4.7%; 1963–65, 5.4%; 1966–67, 6.2%; thereafter, 6.9%.

Type of tax	Taxes in effect Dec. 31, 1950	1954 Amendments to the Federal Unemployment Tax Act	Employment Security Act of 1960	Temporary Extended Unemployment Compensation Act of 1961	Taxes in effect Dec. 31, 1962
EMPLOYMENT TAXES					
Federal Unemployment Tax Act, as amended:					
Excise tax on employers based on wages paid.[139]	3% on employers of 8 or more employees.	3% on employers of 4 or more employees, effective calendar year 1956.	3.1% effective calendar year 1961.	3.5% effective calendar year 1962 and 1963; 3.1% thereafter.	3.5% effective calendar year 1962 and 1963; 3.1% thereafter.

Type of tax	Taxes in effect Dec. 31, 1950	1959 Amendments to Railroad Retirement Tax and Unemployment Insurance Acts	Temporary Extended Railroad Unemployment Insurance Benefits Act of 1961	Taxes in effect Dec. 31, 1962
EMPLOYMENT TAXES				
Railroad Retirement Tax Act, as amended:				
Income tax on employees based on compensation received.[140]	Calendar years: 1950–51, 6%; thereafter, 6¼%	Calendar years: 1/1/59–5/31/59, 6¼%; 6/1/59–1961, 6¾%; 1962–64, 7¼%.[141]	No change	Calendar years: 1962–64, 7¼%.[141]
Income tax on representatives of employees based on compensation received.[140]	Calendar years: 1950–51, 12%; thereafter, 12½%	Calendar years: 1/1/59–5/31/59, 12½%; 6/1/59–1961, 13½%; 1962–64, 14½%.[141]	No change	Calendar years: 1962–64, 14½%.[141]
Excise tax on employers based on compensation paid.[140]	Calendar years: 1950–51, 6%; thereafter 6¼%	Calendar years: 1/1/59–5/31/59, 6¼%; 6/1/59–1961, 6¾%; 1962–64, 7¼%.[141]	No change	Calendar years: 1962–64, 7¼%.[141]
Railroad Unemployment Insurance Act:				
Excise tax on employers (carriers) based on compensation paid.[140]	½%–3%, depending on the size of the railroad unemployment insurance account.[142]	Effective June 1, 1959: 1½%–3¾%, depending on the size of the railroad unemployment insurance account.[143]	Calendar years: 1962–63, 4%; thereafter, 1½%–3¾%, depending on size of railroad unemployment insurance account.[143]	Calendar years: 1962–63, 4%; thereafter, 1½%–3¾% depending on the size of the railroad unemployment insurance account.[143]
Income tax on representatives of employees based on compensation received.[140]	½%–3%, depending on the size of the railroad unemployment insurance account.[142]	Effective June 1, 1959: 1½%–3¾%, depending on the size of the railroad unemployment insurance account.[143]	Calendar years: 1962–63, 4%; thereafter, 1½%–3¾%, depending on size of railroad unemployment insurance account.[143]	Calendar years: 1962–63, 4%; thereafter, 1½%–3¾% depending on the size of the railroad unemployment insurance account.[143]

Footnotes on following pages.

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

NOTE.—This exhibit does not include (1) customs duties, (2) miscellaneous fines and fees, (3) the tax with respect to certain hydraulic mining (Act of Mar. 1, 1893, as amended by the Act of June 17, 1934, and the Act of June 25, 1938), and (4) various taxes levied in the District of Columbia for expenses of the District of Columbia.

For Federal taxes in the period 1913–39, see 1940 annual report, pp. 466–534; for 1939–44, see 1944 annual report, pp. 458–486; and for 1940–50, see 1950 annual report, pp. 251–280.

1 The Internal Revenue Code of 1954 substitutes the term "taxable income" for "normal tax net income" used in prior laws.

2 For rates and exemptions with respect to nonresident alien individuals, see Supplement A, this exhibit. For tax treatment of capital gains and losses, see Supplement B, this exhibit.

3 Reflects the combined rate (3% normal tax rate and 17% surtax rate), reduced by 13% of the first $400 of tax.

4 Reflects the combined rate (3% normal tax rate and 17.4% surtax rate).

5 Reflects the combined rate (3% normal tax rate and 19.2% surtax rate).

6 Reflects the combined rate (3% normal tax rate and 88% surtax rate), reduced by 13% of the first $400 of tax, 9% of the next $99,600, and 7.3% of the excess over $100,000.

7 Reflects the combined rate (3% normal tax rate and 88% surtax rate).

8 Reflects the combined rate (3% normal tax rate and 89% surtax rate).

9 Effective for taxable years beginning after Oct. 31, 1951. The tax rate schedule for head of household results in a tax halfway between that for single persons and married persons filing jointly.

10 Beginning with the taxable year 1948 married couples filing joint returns divide their combined incomes equally in computing their income taxes.

11 Beginning with the calendar year 1954 a surviving spouse with a dependent child may, under certain circumstances, (a) file a joint return and claim an exemption for the deceased spouse for the year in which the decedent spouse died; and (b) use the tax rates for married taxpayers filing joint returns, without the exemption for the deceased spouse, for the two years following the year in which the deceased spouse died.

12 For taxable years beginning after Oct. 31, 1951, the $600 per capita exemption was applied to the newly-created status of head of household.

13 Effective as to dividends received on or after Aug. 1, 1954. The percentage limitation in terms of taxable income was 2% for qualifying dividends received in 1954, and 4% thereafter.

14 Additionally, the 1954 Code required that the taxpayer must have received earned income in excess of $100 for each of 10 taxable years prior to the beginning of the taxable year for which a retirement income credit is claimed.

15 The changes in the retirement income credit were made by Public Law 87–876, approved Oct. 24, 1962.

16 Effective for taxable years ending after Dec. 31, 1961.

17 For taxes on special classes of corporations, see Supplement C, this exhibit.

18 When a corporation return is filed for a taxable year during which a change in tax rate occurs, tentative taxes are computed applying each rate in effect during the taxable year to the entire taxable income. The amounts so determined are then prorated on the basis of the number of days in the year during which each rate is in effect. The prorated portions of the tentative taxes are then combined to determine the actual liability.

19 The rate for 1954 was extended through 1962 by successive annual Tax Rate Extension Acts of 1955–62.

20 The Revenue Act of 1951 disallowed the $25,000 surtax exemption in the case of certain transfers of property after Dec. 31, 1950. This provision has been continued in subsequent law.

21 From 1951–53 the total of the dividends received credits must not exceed 85% of net income, reduced by the amount of interest received on certain U.S. obligations, before any net operating loss deduction. From 1954 and thereafter the total of these special deductions for dividends received must not exceed 85% of taxable income, reduced by the deduction for interest received on certain U.S. obligations, but before any deduction for net operating loss or dividends received or dividends paid. This limitation does not apply for any taxable year for which there is a net operating loss.

22 The percentage is derived from the formula contained in the 1954 Code, as follows: $85\% \times \left\{1-\frac{14\%}{S\%}\right\}$—where S=sum of the normal tax and surtax rates in the taxable year involved.

23 The 1950 Act provided a rate of 31% for taxable years beginning after June 30, 1950. The 30% rate is not applicable in computing tentative taxes for taxable years beginning before July 1, 1950, and ending after June 30, 1950.

24 The percentage is derived from the formula contained in the 1954 Code, as follows:

$\frac{14\%}{S\%}$—where S=sum of the normal tax and surtax rates in the taxable year involved.

25 In lieu of this credit, a deduction from gross income is optional in computing normal tax net income (1939 Code) and taxable income (1954 Code).

26 Any overpayment or amount withheld at source is fully allowable in the basis for the credit.

27 Public Law 86–780, approved Sept. 14, 1960, reinstituted an overall limitation on an elective basis in lieu of the per-country limitation provided by the Internal Revenue Code of 1954. This election applies to taxable years beginning after Dec. 31, 1960. Under this election the total amount of foreign tax credit is limited to the proportion of the total U.S. tax which the taxable income from sources without the United States (but not in excess of the entire taxable income) bears to the entire taxable income.

28 Effective for taxable years beginning after Oct. 16, 1962.

29 The excess profits tax on corporations imposed by the Excess Profits Tax Act of 1950, as amended, existed from July 1, 1950 through Dec. 31, 1953. For tax years which began before or ended after those dates, the tax was the prorated portion applicable to that part of the year to which the excess profits tax applied. The Internal Revenue Code of 1939, as amended (sections 430–474), contains other special rules and relief provisions applicable to the computation of excess profits tax or tax base of certain corporations.

[30] In lieu of the average base period net income method, the Excess Profits Tax Act of 1950 provided an alternative average base period net income for certain corporations, such as growing corporations, et al.

[31] The invested capital base could be either the adjusted invested capital under the "asset" approach (section 437(b)(2)) or the historical invested capital (section 458). The new capital credit, applicable only under the asset approach, is 12% of any net new capital addition.

[32] The Revenue Act of 1951 disallowed the $25,000 minimum excess profits credit in the case of certain transfers of property after Dec. 31, 1950. This disallowance applied to calendar 1951 and to taxable years beginning after Mar. 31, 1951.

[33] This tax was imposed by the act of Mar. 27, 1934 (48 Stat. 503, 505), as amended (34 U.S.C. 496, 10 U.S.C. 311, and 10 U.S.C. 2382 and 7300).

[34] The suspension was extended through June 30, 1964, by Public Law 87-520, approved July 3, 1962.

[35] Estates of decedents dying after June 6, 1932, and before Aug. 17, 1954 (the effective date of the estate tax provisions of the Revenue Act of 1954) were subject to two estate taxes: a basic tax and an additional tax. The rates and exemptions shown are those used for determining the additional tax. The total estate tax was the amount determined under the basic rate plus the difference between the additional tax and the basic tax. The $60,000 exemption under the additional tax and the $100,000 exemption under the basic tax were allowed only to resident decedents and citizens; an exemption of $2,000 under the additional tax was allowed in the case of estates of nonresidents not citizens. The minimum and maximum rates under the basic tax were 1% (applicable to the first $50,000 of net estate) and 20% (applicable to the net estate over $10,000,000).

[36] The Revenue Act of 1954, effective Aug. 17, 1954, combined in a single schedule the rates and exemptions formerly contained in two separate schedules for a basic estate tax and an additional estate tax. The single schedule, in effect, adopted the same rates and exemptions as had been established under the former additional estate tax.

[37] The Internal Revenue Code of 1954 substitutes the term "taxable estate" for "net estate" as used in the 1939 Code.

[38] Allowed but once and may be taken all in one year or over a period of years at the option of the donor.

[39] The $3,000 exclusion from net (or taxable) gift does not apply to gifts of future interests and gifts in trust.

[40] The provisions of the Revenue Act of 1954 relating to the gift tax became effective Jan. 1, 1955.

[41] The Internal Revenue Code of 1954 provides that the exclusion will apply to certain gifts subject to the exercise of a power and to certain transfers for the benefit of minors.

[42] The Internal Revenue Code of 1954 substitutes the term "taxable gifts" for "net gifts" as used in the 1939 Code.

[43] For liquor and tobacco taxes, the effective dates of the changes were as follows: Revenue Act of 1951, Nov. 1, 1951; Internal Revenue Code of 1954, Jan. 1, 1955; and Excise Tax Technical Changes Act of 1958, July 1, 1959.

[44] With the exception of the taxes on rectification of distilled spirits and wines, the liquor excise taxes also apply to products imported into the United States.

[45] The Internal Revenue Code of 1954 changed the designation of the product "fermented malt liquor" to "beer."

[46] In lieu of the regular tax shown in the table, retailers of wines or malt liquors to members, guests, or patrons at fairs, dances, or picnics, etc., are required to pay a tax of $2.20 for each calendar month in which such sales are made; provided that the person or organization retailing the wine or malt liquor is not otherwise engaged in business as a dealer in wine or malt liquors.

[47] Effective July 1, 1959, under the Excise Tax Technical Changes Act of 1958, rates were based on annual use rather than on annual withdrawals.

[48] With the exception of the penalty tax on tobacco materials, the tobacco taxes apply to products manufactured in or imported into the United States.

[49] Counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

[50] The Excise Tax Technical Changes Act of 1958, Public Law 85-859, approved Sept. 2, 1958, generally became effective Jan. 1, 1959.

[51] Exempted certificates or shares issued by a bank and representing an interest in pooled profit-sharing or pension trust funds and certain certificates issued in connection with the periodic purchase of shares of another corporation.

[52] Public Law 86-416, approved Apr. 8, 1960, lowered the tax rate from 10 cents to 4 cents for stock regulated investment companies, effective Apr. 9, 1960.

[53] In no case shall the tax be more than 8 cents on each share, nor less than 4 cents on any sale or transfer. Exempted odd-lot sales by an odd-lot dealer.

[54] Changes made by Revenue Act of 1951 with respect to miscellaneous excise taxes were effective Nov. 1, 1951.

[55] Changes made by Excise Tax Reduction Act of 1954, Public Law 324, approved Mar. 31, 1954, generally became effective Apr. 1, 1954.

[56] Rate increases and floor stocks taxes imposed by the Federal-Aid Highway Act of 1961, Public Law 87-61, were effective July 1, 1961.

[57] Removed the tax on free admissions and in the case of reduced rate admissions taxed the actual amount paid. Provided exemptions for admissions accruing to certain educational, religious, charitable, or other nonprofit organizations.

[58] Exempted admissions of 50 cents or less.

[59] Effective Sept. 1, 1955, Public Law 354, approved Aug. 11, 1955, exempted athletic events for the benefit of the U.S. Olympic Association.

[60] Public Law 1010, approved Aug. 6, 1956, increased the amount of exempt admissions from 50 cents to 90 cents, effective Sept. 1, 1956.

[61] Provided for exclusion of the first $1.00 of amount paid for admission. Provided exemption for admissions inuring to the benefit of certain scholarship and fellowship funds, and for admissions to privately operated swimming pools, bathing beaches, skating rinks, etc.

[62] Included under admissions, general, before Apr. 1, 1954.

[63] Exempted ballrooms and dance halls where serving of food, etc., is merely incidental to furnishing music and dancing privileges.

[64] Exempted "milk bars" which meet certain statutory conditions.

[65] Effective May 1, 1960, by Public Law 86-422, approved Apr. 8, 1960.

[66] In the case of horse and dog race tracks, the rate of tax is 20 percent.

[67] Removed the tax on house trailers.

[68] Effective Sept. 1, 1955, Public Law 317, approved Aug. 9, 1955, provided a maximum tax on leases of certain automobile utility trailers.

EXHIBIT 28.—Federal taxes of the United States, 1950–62—Continued

[69] Effective Sept. 1, 1955, Public Law 379, approved Aug. 11, 1955.

[70] In the case of sales of reconditioned or rebuilt parts, the fair market value of any like part traded in is excluded from the tax base. Credit or refund of the tax is granted where parts or accessories (with certain exceptions) are used or resold for the repair or replacement of farm equipment parts.

[71] Effective May 1, 1960, Public Law 86–418, approved Apr. 8, 1960, exempted bicycle tires and tubes if sold for use in, or used in, the manufacture or production of new bicycles.

[72] Exempted tires not more than 20 inches in diameter and 1¾ inches in cross section if such tires are of all-rubber construction, and tires of extruded tiring with internal wire fastening agent.

[73] Public Law 86–440, approved Apr. 22, 1960, decreased the tax on certain laminated tires produced from used tires from 5 cents to 1 cent a pound, effective June 1, 1960.

[74] The tax on the circulation of those national bank notes secured by 2% bonds became ineffective in 1941 when these 2% bonds were redeemed.

[75] Outstanding circulation exempt from taxation (1) whenever such circulation of any bank, association, corporation, company, or person is reduced to not over 5% of the chartered or declared capital existing at the time the same was issued; (2) whenever any bank which has ceased to issue notes for circulation deposits in the Treasury of the United States in lawful money the amount of its outstanding circulation to be redeemed at par and (3) whenever any bank is insolvent or bankrupt.

[76] Exempted stencil-cutting machines of the type used in marking freight shipments.

[77] Effective July 1, 1952, Public Law 576, approved July 17, 1952, exempted any bowling alley, billiard table, or pool table maintained exclusively for members of Armed Forces under specific conditions.

[78] Exemption provided for certain nonprofit organizations and for an agency or instrumentality of the United States.

[79] Taxes imposed by 39 Stat. 528, enacted Aug. 21, 1916 (Canal Zone Code, Title II, section 401, 402).

[80] Extended the definition of "coin-operated amusement or gaming devices" to include similar machines not operated by coin.

[81] Effective July 1, 1960, Public Law 86–344, approved Sept. 21, 1959, provided for a tax at the rate of $10 per year (in lieu of $250) in the case of claw, crane, or digger machines operated at carnivals or county or State fairs under certain conditions.

[82] A life member was granted the election of paying one tax based on the amount paid for life membership or paying an annual tax based on annual dues of a member with comparable privileges. Honorary life memberships, assessments paid for the construction or reconstruction of a social, athletic, or sporting facility, and payments to certain nonprofit swimming or skating facilities are exempted.

[83] Effective Nov. 1, 1959, Public Law 86–344, approved Sept. 21, 1959, broadened the exemption for capital improvements to include payments in the form of regular dues or initiation fees and payments for furnishings and fixtures for the facility constructed or reconstructed but limited the exemption to amounts spent for construction, reconstruction, etc., within 3 years after date of payment by the club member.

[84] Added certain household-type appliances to the tax base and exempted certain nonhousehold-type appliances previously taxed. Repealed the tax on electric heating pads, but the effective date of repeal was postponed to Apr. 1, 1952, by Public Law 251, approved Oct. 31, 1951.

[85] Removed electric floor polishers and waxers from the list of taxable articles; added electric, gas, and oil incinerator units and gas or oil garbage disposal units to the list; restricted the tax on electric direct motor driven fans and air circulators to those of the household type.

[86] The term "firearm" means a shotgun having a barrel or barrels of less than 18 inches in length, or a rifle having a barrel or barrels of less than 16 inches in length, or any weapon made from a rifle or shotgun (whether by alteration, modification, or otherwise) if such weapon as modified has an overall length of less than 26 inches, or any other weapon, except a pistol or revolver, from which a shot is discharged by an explosion if such weapon is capable of being concealed on the person, or a machine gun, or a muffler or silencer for any firearm whether or not such firearm is included within the foregoing definition.

[87] Under the provisions of Public Law 86–478, approved June 1, 1960, effective July 1, 1960, occupational taxes are not prorated for any portion of the year.

[88] This relates to firearms having combination shotgun and rifle barrels, 12 inches or more but less than 18 inches in length, from which only a single discharge can be made from either barrel without manual reloading, and any gun classified as "any other weapon," as defined in footnote 86.

[89] Occupational tax not prorated for any portion of the year.

[90] By other than a person who is engaged within the United States in the business of manufacturing firearms. Tax imposed by Public Law 82–353, approved May 21, 1952, effective Sept. 1, 1952.

[91] Includes firearms previously taxed at $1.

[92] Effective Oct. 1, 1960, by Public Law 86–779, approved Sept. 14, 1960.

[93] Manufacturers excise tax on special motor fuels, propane, butane, etc., was changed to a retail excise tax.

[94] Public Law 466, approved Apr. 2, 1956, relieved farmers from tax in the case of gasoline, diesel fuel, and special motor fuels used on the farm for farming purposes. Relief from gasoline tax is achieved by once a year repayments. The first repayment covered the period Jan. 1–June 30, 1956. The Highway Revenue Act of 1956 made provision for exemptions from or repayment of the additional one-cent tax in the case of gasoline, diesel fuel, or special motor fuel used for certain nonhighway purposes or by local transit systems.

[95] Federal-Aid Highway Act of 1959, Public Law 86–342, approved Sept. 21, 1959, effective Oct. 1, 1959. Wholesale distributors were permitted to elect to purchase gasoline tax free and pay tax on their sales.

[96] Federal-Aid Highway Act of 1961, Public Law 87–61, approved June 29, 1961, exempted gasoline sold for use by the purchaser, for nonfuel purposes, as a material in the manufacture or production of another article, effective Oct. 1, 1961.

[97] Effective Dec. 24, 1952, by Public Law 414, enacted June 27, 1952.

[98] The tax rates for import taxes are established by the Internal Revenue Code. However, these rates of tax are subject to variation by treaty. The Tariff Classification Act of 1962, Public Law 87-456, approved May 24, 1962, provided that 10 days after a proclamation by the President, these "import taxes" will be incorporated in the tariff schedules.

[99] Public Law 595, approved and effective Aug. 16, 1954, imposed a tax on various types of wood dowels at varying rates from 75 cents to $3 per 1,000 feet.

[100] Deleted "pearls, precious and semiprecious stones, and imitations thereof," and substituted a specific list of stones. Exempted clocks, watches, cases, or movements which are (1) combined with articles subject to the manufacturer's excise tax, or (2) part of a nontaxable control or regulatory device or sold as a repair or replacement part for such a device.

[101] Public Law 86-344, approved Sept. 21, 1959, deleted coral from the list of taxable stones, effective Nov. 1, 1959.

[102] Tax cannot exceed 10 percent of manufacturers selling price.

[103] Effective Oct. 1, 1955, by Public Law 355, approved Aug. 11, 1955, the 10 percent ceiling was repealed.

[104] Eliminated the so-called "basket clause" and expanded the list of specific articles subject to tax.

[105] Additional tax of 2 cents if coconut oil is not from the Philippines or any possession of the United States.

[106] Public Law 391, approved June 12, 1952, effective June 13, 1952, provided that the additional tax of 2 cents per pound does not apply if coconut oil is from the Trust Territory except to the extent as may be proclaimed by the President in appropriate proclamation.

[107] Public Law 85-235, approved Aug. 30, 1957, suspended 3 cent tax on first domestic processing of coconut oil from Oct. 1, 1957, through June 30, 1960.

[108] Public Law 86-37, approved May 5, 1959, suspended 3 cent tax on first domestic processing of palm oil, palm-kernel oil, etc., from July 1, 1959, through June 30, 1960.

[109] Public Law 86-432, approved Apr. 22, 1960, continued the suspension of the 3 cent tax on the first domestic processing of coconut oil, palm oil, palm-kernel oil, etc., through June 30, 1963.

[110] Public Law 87-859, approved Oct. 23, 1962, continued the suspension of the 3 cent tax through June 30, 1966.

[111] Tariff Classification Act of 1962, Public Law 87-456, approved May 24, 1962, provided for incorporation of these taxes in the tariff schedules, effective 10 days after the President issues a proclamation.

[112] Effective Sept. 1, 1955, the tax on radio and television receiving sets, phonographs, and combinations thereof is limited to those of the entertainment type by Public Law 367, approved Aug. 11, 1955.

[113] Limited exemption to phonographs, and radio and television sets which qualify as communication, detection, or navigation equipment of the type used in commercial, military, or marine installations. Added phonograph record players to the list of taxable radio and television components.

[114] Tax base revised to tax only cameras, lenses, and unexposed photographic film in rolls which are of the types largely used by amateurs. Public Law 352, approved May 21, 1952, exempted unperforated microfilm, effective Nov. 1, 1951.

[115] Exempted communication, detection, and navigation receivers of the type used in commercial, military, or marine installations if sold to the United States.

[116] Exempted refrigeration components sold to wholesalers or retailers where components are held for resale to manufacturers of refrigeration and freezing equipment.

[117] Repealed the tax on refrigerator components.

[118] Tax base changed to remove specific types of articles used predominantly for school sports and by children. Fishing equipment remains subject to tax at the rate of 10 percent.

[119] Exempted calls from combat zones initiated by members of the Armed Forces.

[120] Revised classifications of communications taxes.

[121] Public Law 86-344, approved Sept. 21, 1959, effective Jan. 1, 1959, extended the exemption applicable to wire mileage services used by a common carrier, communications company, or radio broadcasting station in its business to certain telephone service qualifying as general telephone service but which is essentially wire mileage service.

[122] Tax Rate Extension Act of 1962, Public Law 87-508, approved June 28, 1962, and effective Jan. 1, 1963, exempted amounts paid for certain private telephone or radio telephone service which is similar to wire mileage service and is used in the conduct of trade or business.

[123] Exempted services situated in and operating entirely within the premises of, or in a vehicle of, a subscriber.

[124] Tax Rate Extension Act of 1962, Public Law 87-508, approved June 28, 1962, limited the tax to wire mileage service which is not used in the conduct of a trade or business, effective Jan. 1, 1963.

[125] Exempted baby powders, oils, and lotions, barber and beauty shop supplies to be used on premises, and miniature samples sold to house-to-house salesmen for demonstration use.

[126] Public Law 86-413, approved Apr. 8, 1960, deleted "aromatic cachous" from list of toilet articles, effective May 1, 1960.

[127] The rates of tax on tonnage may be varied either by treaty or by Presidential proclamation, 46 U.S.C. 121.

[128] Repealed by Tax Rate Extension Act of 1958, Public Law 85-475, approved June 30, 1958, effective Aug. 1, 1958.

[129] Exempted fishing trips and travel between domestic ports on certain vessels going between the United States and a port outside the northern portion of the Western Hemisphere.

[130] Public Law 796, approved July 25, 1956, effective Oct. 1, 1956, exempted all remaining foreign travel, except to parts of Canada and Mexico, from the scope of the tax. Public Law 1015, approved Aug. 7, 1956, increased the level of charges exempt from tax from 35 cents to 60 cents, effective Sept. 1, 1956.

[131] Provided an exemption for air taxis not operated on an established line.

EXHIBIT 28.—Federal taxes of the United States, 1950–62—Continued

Tax Rate Extension Act of 1962, Public Law 87–508, approved June 28, 1962, repealed tax on transportation of persons by rail, motor vehicle, or water, and reduced tax on transportation of persons by air to 5 percent, effective Nov. 16, 1962.

[133] Exempted charges for movement of excavated material within the boundaries of a construction project or to an adjacent area.

[134] Tariff Classification Act of 1962, Public Law 87–456, approved May 24, 1962, (1) retained the existing rates for sugar manufactured in the United States but added a general rate of 0.53 cent per pound for 100 sugar degrees, and (2) provided for incorporation of the import tax, in the tariff schedules, effective on the 10th day after the President issues a proclamation.

[135] Extended exemption to include amounts paid to operate noncoin-operated gaming devices, such devices being made subject to the $250 annual tax applicable to coin-operated gaming devices.

[136] For the period 1951–54 "wages" do not include remuneration to an individual in excess of $3,600 in a calendar year; for the period 1955–58 remuneration in excess of $4,200 in a calendar year is excluded; thereafter remuneration in excess of $4,800 in a calendar year is excluded.

[137] Reenacted the rates in effect as of Dec. 31, 1950, eliminating reference to years before 1955. Changes were enacted in Public Law 83-761, approved Sept. 1, 1954 (Social Security Amendments of 1954).

[138] Tax does not apply to net earnings from self-employment when such earnings for the taxable year are less than $400, nor does it apply to that part of self-employment income which exceeds for the period through 1954, $3,600 minus the amount of wages subject to social security tax; 1955–58, $4,200 minus the amount of wages subject to social security tax; 1959 and thereafter, $4,800 minus the amount of wages subject to social security tax.

[139] "Wages" do not include remuneration to an individual in excess of $3,000 in a calendar year. Before calendar 1961, credits up to 90 percent of the 3 percent tax were allowed for contributions paid into an unemployment fund under a State law and for experience rating under a State law. Beginning in 1961, credits up to 90 percent of the tax (computed as if the tax were imposed at the rate of 3 percent) are allowed.

[140] "Compensation" does not include remuneration to an individual: (a) in excess of $300 in a calendar month before July 1, 1954; (b) in excess of $350 in a calendar month after June 30, 1954, and before June 1, 1959; and (c) in excess of $400 in a calendar month after May 31, 1959.

[141] Provisions were made for increasing the railroad retirement tax rates automatically after 1964, when increases in the social security taxes become effective. The employer tax rate and the employee tax rate will be increased by the same number of percentage points (or fractions of percentage points) by which the effective social security tax rate exceeds 2¾ percent. Thus, if the social security rates are increased after 1964 as scheduled, the employer rate and employee rate will each be increased without legislation to 8⅛ percent for the calendar year 1965, to 8⅝ percent for the calendar years 1966 and 1967, and 9⅛ percent thereafter. The retirement tax rate for employee representatives will be automatically increased by twice the number of percentage points (or fractions of percentage points) by which the effective social security tax rate exceeds 2¾ percent. Thus, if the social security rates are increased after 1964 as scheduled, the rate on employee representatives will be increased, without further legislation, to 16¼ percent for 1965, 17¼ percent for 1966 and 1967, and to 18¼ percent after 1967.

[142] If the balance to the credit of the account on September 30 of any year was less than $250 million, the tax rate was 3 percent; if the balance was between $250 million and $300 million, the tax rate was 2½ percent; if the balance was between $300 million and $350 million, the tax rate was 2 percent; if the balance was between $350 million and $400 million, the tax rate was 1½ percent; if the balance was between $400 million and $450 million, the tax rate was 1 percent; if the balance was $450 million or more, the tax rate was ½ percent.

The actual tax rate for the years 1950–55 inclusive was ½ percent; for 1956 the rate was 1½ percent; for 1957, 2 percent; for 1958, 2½ percent; and for first 5 months of 1959, 3 percent.

[143] If the balance to the credit of the account on September 30 of any year is less than $300 million, the tax rate for the following year is 3¾ percent; if the balance is between $300 million and $350 million, the rate is 3 percent; if the balance is between $350 million and $400 million, the rate is 2½ percent; if the balance is between $400 million and $450 million, the rate is 2 percent; if the balance is $450 million or over, the rate is 1½ percent. The actual tax rate for the period June 1, 1959, through Dec. 31, 1961, was 3¾ percent.

SUPPLEMENT A—PERSONAL EXEMPTIONS, TAX RATES, AND BASE APPLICABLE TO NONRESIDENT ALIEN INDIVIDUALS [1]

Type of nonresident alien	Taxes in effect Dec. 31, 1950	Internal Revenue Code of 1954	Technical Amendments Act of 1958	Taxes in effect Dec. 31, 1962
Not engaged in trade or business:				
With $15,400 or less gross income from U.S. sources:				
Rate of tax [2]	30%	No change	No change	30%.
Withholding tax rate [2]	30%	No change	No change	30%.
Personal exemption	None	No change	No change	None.
Base of tax	Fixed or determinable annual or periodic gains, profits, and income from sources within the United States.	Fixed or determinable annual or periodic gains, profits, and income from sources within the United States, broadened to include certain income (formerly treated as net capital gains) from certain distributions from employees' trusts; disposal of timber or coal with a retained interest; and sale or exchange of patents.	Same as in 1954 but broadened to include certain distributions under qualified annuity plans.	Fixed or determinable annual or periodic gains, profits, and income from sources within the United States, including certain distributions from employees' trusts; disposal of timber or coal with a retained interest; sale or exchange of patents; and certain distributions under qualified annuity plans.
With more than $15,400 gross income from U.S. sources:				
Rate of tax [2]	Same as for single resident of the United States.	No change	No change	Same as for single resident of the United States.
Withholding tax rate [2]	30%	No change	No change	30%.
Personal exemption [3]	One $600 exemption only	No change	No change	One $600 exemption only.
Base of tax	Same as for those with $15,400 or less.	No change	No change	Same as for those with $15,400 or less.
Minimum tax liability	30% of (1) income from sources within the United States plus (2) net capital gains.	No change	No change	30% of (1) income from sources within the United States plus (2) net capital gains.
Engaged in trade or business: [4]				
Rate of tax	Same as for single resident of the United States.	No change	No change	Same as for single resident of the United States.
Withholding tax rate	18%	No change	No change	18%.
Personal exemption [3]	One $600 exemption only	No change	No change	One $600 exemption only.
Base of tax	All income from sources within the United States.	No change	No change	All income from sources within the United States.

[1] For tax treatment of capital gains of nonresident aliens not engaged in trade or business, see Supplement B, footnote 1.
[2] The tax and withholding rates applicable to all nonresident aliens not engaged in trade or business in the United States may be modified by treaty.
[3] Such aliens who are residents of Canada and Mexico may claim the same personal exemptions, dependency exemptions, and additional exemptions for age and blindness allowable to a resident of the United States.
[4] Public Law 87-256, approved Sept. 21, 1961, classified certain nonresident aliens temporarily present in the United States, who receive scholarships or fellowships, as being engaged in trade or business.

EXHIBIT 28.—Federal taxes of the United States, 1950–62—Continued

SUPPLEMENT B—TAX TREATMENT OF GAINS AND LOSSES FROM SALE OR EXCHANGE OF CAPITAL ASSETS

PART I. UNDER INDIVIDUAL INCOME TAX [1]

Federal tax law	Income years	Provisions with respect to—			
		Assets by period held	Percent of gain or loss taken into account in computing net income	Tax on net gain taken into account	Loss offsets, limitations, and carryovers
Internal Revenue Code of 1939, as amended by:					
Individual Income Tax Act of 1944.	12/31/50 through 10/19/51.	Short-term: Not more than 6 months.	100	Net short-term gain (reduced by net short-term loss taken into account) fully taxable at normal and surtax rates.	Short-term loss combined with long-term loss taken into account allowed to the extent of (1) short-term gain, (2) long-term gain taken into account, and (3) other income up to and including $1,000. Balance of combined short- and long-term loss carried forward for 5 years as short-term loss. The amount of the net capital loss carryover may not be included in computing a new capital loss of a taxable year which can be carried forward to the next 5 succeeding taxable years.
		Long-term: [2] More than 6 months.	50	Net long-term gain taken into account (reduced by net short-term loss) either included with other income subject to normal and surtax rates, or segregated and taxed at 50%, whichever method results in the lesser tax.	
Revenue Act of 1951	10/20/51 through 12/31/53.	Short-term: Not more than 6 months.	100	Net short-term capital gain is fully taxable at the normal tax and surtax rates.	No change.
		Long-term: [2] More than 6 months.	50	50% of excess net long-term gain (reduced by net short-term loss) is included with other income subject to normal and surtax rates. An alternative tax is computed on net income, reduced for this purpose by 50% of the excess long-term capital gain, at normal and surtax rates, plus 26% of the entire long-term capital gain.	No change.
			None	If the alternative tax is less than the normal and surtax, the entire excess long-term gain is taxed at 26%.	
Internal Revenue Code of 1954.	1954 through 12/31/62.	Short-term: Not more than 6 months.	100	No change	No change.
		Long-term: [2] More than 6 months.	50	No change, except that for the alternative tax computation, the entire excess long-term capital gain is taxed at 25%.	No change.
			None	If the alternative tax is less than tax computed by the regular method, the entire excess long-term gain is taxed at 25%.	

Footnotes at end of Supplement B, Part II.

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PART II. UNDER CORPORATION INCOME TAXES

Federal tax law	Income years	Provisions with respect to—			
		Assets by period held	Percent of gain or loss taken into account in computing net income	Tax on net gain taken into account	Loss offsets, limitations, and carryovers
Internal Revenue Code of 1939, as amended.	1951–53	Short term: Not more than 6 months.	100	Net short-term gain (reduced by net long-term loss) subject to income tax rates.	Short term loss combined with long-term loss allowed only to the extent of gains. Excess net capital loss may be carried over as a short-term capital loss for 5 years. The amount of the excess net capital loss carryover may not be included in computing a new capital loss of a taxable year which can be carried forward to the next 5 succeeding taxable years.
		Long-term:[2] More than 6 months.	100	Net long-term gain (reduced by net short-term loss) includible in net income and taxed at regular rates unless the alternative tax produces a lower tax.	
			None	Alternative tax is the sum of the regular tax on net income reduced by the excess of net long-term capital gain over net short-term capital loss, plus 26% of such excess net long-term capital gain.	
Internal Revenue Code of 1954.	1954 through 12/31/62	Short-term: Not more than 6 months.	100	No change.	No change.
		Long-term:[2] More than 6 months.	100	No change.	
			None	Alternative tax rate changed to 25% for taxable years beginning on or after Apr. 1, 1954.	

[1] Capital gains of nonresident aliens temporarily present in the United States are subject to income tax. In the case of a nonresident alien present for less than 90 days, a 30% tax applies only to gains realized from transactions effected during his presence. In the case of a nonresident alien present 90 days or more, a 30% tax applies to all gains from transactions in this country during the taxable year, whether or not he was present when the gains were realized.

[2] For treatment before Jan. 1, 1954, of property used in trade or business and involuntary conversions, see Internal Revenue Code of 1939, section 117, subsections (j) and (k). For treatment on or after Jan. 1, 1954, see Internal Revenue Code of 1954, section 1231. The Revenue Act of 1962 provided that gain on the sale or other disposition of depreciable property would be treated as ordinary income to the extent of depreciation deductions taken (Internal Revenue Code of 1954, section 1245).

EXHIBIT 28.—**Federal taxes of the United States, 1950–62**—Continued

SUPPLEMENT C—FEDERAL TAX RATES ON SPECIAL CLASSES OF CORPORATIONS

Class of corporation	Rates in effect Dec. 31, 1950	Revenue Act of 1951	Rates in effect Dec. 31, 1962
Regulated investment companies:			
On Supplement Q net income [1]	25%	Tax rate same as on other corporations	Tax rate same as on other corporations.
On Supplement Q surtax net income [1]	20% in excess of $25,000	Tax rate same as on other corporations	Tax rate same as on other corporations.
On undistributed capital gains (excess of net long-term capital gain over the sum of net short-term capital loss and capital gains dividends paid).	25%	No change	25%.
Nonresident foreign corporations [2]	30% of income received from U.S. sources.	No change	30% of income received from U.S. sources.

NOTE.—The same tax rates as are applicable to corporations in general apply to classes of corporations which have been accorded special tax treatment with respect to special deductions, credits, or basis of tax. Such special types of corporations include Western Hemisphere trade corporations, China Trade Act corporations, small business investment companies, resident foreign corporations (with respect to U.S. source income), and real estate investment trusts. Under certain conditions, a small business corporation may elect not to be taxed as a corporation; alternatively, partnerships and proprietorships may elect to be taxed as corporations.

[1] The Internal Revenue Code of 1954 changed the taxable income designation to "investment company taxable income."

[2] Taxation of foreign corporations may be subject to treaty provisions.

International Financial and Monetary Developments

Exhibit 29.—Statement by Secretary of the Treasury Dillon, August 7, 1961, at the Special Meeting of the Inter-American Economic and Social Council, Punta del Este, Uruguay

It was a great American—Jose Marti—who reminded us that "We Americans are one in origin, in hope, and in danger."

We meet today in fulfillment of that concept, brought together by our common origin, fired by our common hopes, determined to conquer our common dangers.

We assemble here at Punta del Este to chart the future course of our hemisphere. Upon our deliberations and decisions rest the hopes of Americans yet to come. What we are able to accomplish here may well determine whether the most cherished values of our civilization, the freedom and the dignity of man, are to be strengthened and expanded.

This is a revolutionary task. But we are no strangers to revolution. From the shores of the Americas almost 200 years ago, went forth the call to freedom and national independence which today guides men's actions in all the turbulent continents of the world.

It was our hemisphere which first proved that men could rule themselves, that colonial shackles could be cast off, and that governments could be the instruments of man's liberty.

This was the spirit of our revolution and of the revolutions it has inspired. It is the spirit which has shaped our hemisphere. It is the spirit of our continuing struggle against the despotism which is as ancient as the Pharaohs—no matter what new form it may assume and it is that spirit—the legacy of Artigas and San Martin, of Bolivar and Washington, of O'Higgins and Jose Bonifacto, which guides our actions here today.

But the fruits of the American Revolution have not yet been extended to all our people. Throughout the hemisphere millions still live with hunger, poverty, and despair. They have been denied access to the benefits of modern knowledge and technology. And they now demand those benefits for themselves and for their children.

We cannot rest content until these just demands are met. And it is our profound conviction that they can be met only by free men working within a framework of free institutions.

That is what the Alliance for Progress is about. It is a bold and massive effort to bring meaning and dignity into the lives of all our people to demonstrate to the world that freedom and progress walk hand in hand.

To accomplish this, we must dedicate ourselves to the proposition that the decade of the sixties will be a decade of democratic progress—a period which will witness great forward strides in the development of Latin America—a period in which all our nations will greatly advance the standard of living of their peoples.

Underlying the effort we must make are certain basic principles:

First, no developing nation can progress unless it makes heroic efforts to summon its people to the task of development, unless it dedicates a larger proportion of domestic resources to the common effort, and unless it calls upon all groups in the society to make fresh and larger contributions to the cause of national progress.

Second, developing countries need national programs of economic and social development, programs which set forth goals and priorities and ensure that available resources are used in the most effective manner. Long-term development plans can greatly speed the process of growth.

Third, national development programs must recognize the right of all the people to share fully in the fruits of progress. For there is no place in our democratic life for institutions which benefit the few while denying the needs of the many.

We welcome the revolution of rising expectations among our peoples, and we intend to transform it into a revolution of rising satisfactions.

To carry out these principles will often require difficult and far-reaching changes. It will require a strengthening of tax systems so that would-be evaders will know they face strict penalties, and so that taxes are assessed in accordance with ability to pay. It will require land reform so that under-utilized soil is put to full use and so that farmers can own their own land. It will require lower interest rates on loans to small farmers and small business. It will require greatly increased programs of education, housing, and health. And for the United States it will require a clear acceptance of further responsibilities to aid our sister republics.

We can press forward with industrialization to help modernize our economies and provide employment for our rapidly growing urban populations.

We can establish a society in which no man wants for food, and all have access to education.

We can clear away city slums and wipe out disease by making full use of the wonders of modern medicine.

We can eliminate the poverty which burdens our farmers, and make it possible for every man to own the land he works.

We can do away with the social and economic injustice which undermines free political institutions.

All this and more is within our power if we dedicate the creative energies of free men to the cause of progress.

This is what President Kennedy meant by his call for an Alliance for Progress.

Mr. Chairman: Here at Punta del Este there lies before us the opportunity to create a solid framework of inter-American cooperation to carry forward the Alliance for Progress. To build that framework we must, here and now, chart the course we are determined to follow in the decade of the sixties.

Let us establish the economic and social goals we shall pursue in the next ten years.

Let us determine to prepare, as rapidly as possible, comprehensive, long-term national development programs, meanwhile going ahead at full speed with urgent development projects and measures that are ready for consideration.

Let us greatly strengthen our inter-American machinery for economic and social progress, harnessing our best talents in the service of developments.

Let us concert our policies to expand world markets for our exports and to bring greater stability to our foreign exchange earnings.

Let us move ahead with economic integration in Latin America, releasing the powerful stimulus which this movement can give to the development process.

Let us also build a great common market of intellectual, cultural, and scientific interchange. For this will forge indissoluble ties among our peoples to their mutual enrichment.

My delegation is prepared to discuss in detail these essentials of the Alliance for Progress. Meanwhile, I wish to make certain observations on some of the more important of them:

It has been suggested by the group of experts that a major goal of national development programming should be the achievement of a substantial and sustained increase in per capital growth rates, the target for any Latin American country to be set at not less than 2½ percent per year, which means an average overall growth rate of better than 5 percent.

My Government is in agreement with this concept. Moreover, we believe that this goal is attainable. Growth rates have not been adequate in the past; we can and must do better.

But this requires the will to devote adequate internal resources to development and to do so wisely in accordance with well conceived plans and programs. If this is done the vital supplement of external resources will be available.

In his message to this Conference on Saturday, President Kennedy pledged the full support of the United States and pointed out that public assistance from United States to Latin America has already been increased to an annual rate of more than one billion dollars—three times last year's amount.

This is a measure of our continuing devotion to the concepts of the Alliance for Progress. Furthermore, it is our intention that future development loans made by our new aid agency will be on a long-term basis running where appropriate up to fifty years. We also intend to make the bulk of these loans at very low or zero rates of interests.

Looking to the years ahead, and to all sources of external financing—from international institutions, from Europe and Japan as well as from North America, from new private investment as well as from public funds—Latin America, if it takes the necessary internal measures, can reasonably expect its own efforts to be matched by an inflow of capital during the next decade amounting to at least twenty billion dollars. And most of this will come from public sources. The problem, I am convinced, will no longer lie in shortages of external capital, but in organizing effective development programs so that both domestic and foreign capital can be put to work rapidly, wisely, and well.

In these programs education must receive a high priority. Our goal must be to insure that a decade from now every Latin American youngster who reaches the age of 12 is able to read, write, and do simple arithmetic. These tools will give him access to the great storehouse of human knowledge and will open the road to self-improvement.

It therefore behooves all nations in the hemisphere—even, and perhaps especially, the poorest—to enlarge the share of national income devoted to education.

Along with greater financial support, our educational institutions require far-reaching reforms—and I include those of my own country. Curriculums must be brought up to date, and techniques of teaching and learning must likewise be modernized.

A task force on education should be created immediately. Such a task force can be the needed catalyst to rapid progress on the education front. It can clarify the educational needs of each country including manpower requirements. It can establish priorities for meeting these needs.

In addition to education, our agenda looks toward the formulation of detailed policies and recommendations in a number of other specialized fields, including investment programming, industrialization, agricultural improvement, and public health. I hope that this Conference will call upon the Secretary-General of the Organization of American States (OAS) to promptly establish task forces to consider these problems.

I believe it is especially urgent to set up a task force on land reform. Such a task force could recommend the measures required to bring about the great increase in agricultural productivity which we must have, while at the same time assuring that the benefits of this productivity are available to all who work the land. This may often mean not only the settlement of public lands but also the redistribution of under-used latifundia. It will also mean a whole host of new techniques, including expanded credit facilities, the promotion of cooperatives, and provision of effective extension services.

The United States is prepared to finance inter-American task forces in these various fields to elaborate the specific and concerted actions which countries need to consider in drawing up their programs.

In the vitally important fields of tax administration and tax structure, two conferences have already been arranged for this fall and next spring under the auspices of the Organization of American States (OAS) and Economic Commission for Latin America (ECLA). We believe that this meeting should endorse the purposes of these conferences. Their results could prove to be of enormous help in mobilizing the resources required for economic and social progress.

Low cost housing is another vital ingredient of the Alliance for Progress. We congratulate the Inter-American Development Bank (IDB) for its prompt action in utilizing funds from the social progress trust fund to finance housing projects in Panama and Venezuela, as well as for the loan just announced to help small farmers in El Salvador. The United States believes that an immediate and large-scale program, perhaps as much as 100 million dollars, for aided self-help housing would be a wise investment of the funds provided to the IDB by the United States under the Social Progress Trust Agreement.

Enlarged expenditures for economic and social progress call for the reduction of needless or luxurious expenditures for other purposes. It is time we brought these considerations to bear on military expenditures in considering the competing demands of development and inter-American defense. As ministers of finance or economy we need to encourage those responsible for our common defense to engage in the critical review required to avoid imbalances between military and other expenditures. The Inter-American Defense Board can give invaluable assistance in identifying essential requirements for defense against both direct and indirect aggression.

One important element in the proposed new structure of inter-American cooperation is the Committee on Development Plans. A special committee of highly qualified and experienced experts could review national development programs in close consultation with the governments concerned and provide independent evaluations which would be helpful in enlisting the support of other governments and international institutions.

Such a committee would not interfere with the responsibility of each national government to formulate its own targets, priorities, and measures for national development. But it would be an instrument of great value in facilitating the systematic and sustained provision of outside assistance for soundly conceived progress. The details of its membership, staffing, location, relations with the Inter-American Development Bank, and other such matters, are all matters for our working committees to settle.

If a body of highly qualified and impartial experts is established, my own Government would expect its recommendations to be of great importance in determining the allocation of our own resources to Latin America for development purposes. We would also expect other friendly governments which are potential suppliers of capital, together with the international institutions in which we participate, to accept these expert recommendations as a major factor in their decisions on aid for Latin America.

Continued and steady economic growth demands a solid basis in expanding trade. The development of measures to stabilize, strengthen, and enlarge the markets for Latin American exports must therefore be an integral part of the Alliance for Progress. The United States is ready to cooperate in seeking workable solutions for commodity problems and to give its support to the activities of the various international bodies in this field.

The most urgent and important commodity problem confronting the countries of Latin America is that of coffee. A solution to this problem must be found. The current coffee situation results in a needless drain on resources and is a threat to the economic well-being and stability of 14 nations of the hemisphere.

The weakness of the existing coffee agreement is twofold:

Its membership has been limited to exporters only.

And it has not been possible to make its export quotas fully effective.

We believe that an entirely new agreement is needed. For if export earnings of the coffee producing countries are to be safeguarded, quotas must be geared to actual consumption and must be enforceable. The United States is prepared to join a workable coffee agreement, to use its good offices to urge the participation of other consuming countries, and to help in the enforcement of export quotas through the use of import controls. We all know that any lasting stabilization of prices will also require courageous programs to deal effectively with overproduction.

When the coffee study group meets in September, the United States will propose that a new agreement be drafted to achieve these ends.

Tin is another commodity of importance to this hemisphere. In order to strengthen and support the international tin agreement we plan to discuss with the Tin Council, at an early date, the terms of possible United States accession to the agreement.

We also believe that the proposal in the report of the group of experts for an export receipts stabilization fund is worthy of careful study. It offers promising possibilities even though there are many technical and policy issues regarding the scope, functions and financing of the suggested fund which must be carefully weighed. In the third committee my delegation will propose the appointment of a task force to meet promptly after this Conference to explore the plan in detail and make appropriate recommendations.

I turn now to the economic integration of Latin America. Four countries of Central America have agreed upon a full customs union with internal free trade for substantially all their production. Their bold and decisive action commands our admiration. We are confident that it will open the way to their accelerated development.

The ratification of the Montevideo Treaty establishing the Latin American Free Trade Association is another significant milestone along the road to a Latin American common market. It is our hope that its members will find it possible to expand rapidly the lists of products which are to be traded freely so that the full benefits of integration can be realized.

The United States is deeply conscious of the concern in many Latin American countries for the future of their export markets in the European Economic Community. That Community has committed itself to a liberal commercial policy. All of us in the Western Hemisphere have the right to expect that this commitment will be honored. In addition to protecting our own commercial interests, the United States will continue to urge upon the Community the importance of fair treatment for exports of special interest to Latin America and other developing areas. I think this conference should know that in recent weeks the United States has proposed to the Community the adoption of a program to eliminate the tariff preferences on tropical products now accorded the Associated Overseas Territories. Furthermore, we have informed the Community that we are prepared to give financial support to such a program. We will continue to press this proposal.

Mr. President, we are met here at an eastern outpost of a great and rich continent. Across that continent live millions of people struggling to break the bonds which chain them to lives of endless toil, of disease, and hunger and hopeless poverty. We are here to help them break those bonds—to build the foundations on which will rise a new hemisphere—a hemisphere where human freedom flourishes in lands of hope and progress.

We approach this task with full knowledge of its vast dimensions—of the enormity of the struggle which lies ahead. But we also approach it with sure confidence in the unconquerable powers of free men, and with faith in the God who has guided us so surely through the dangers of the past.

Working together—with His help—I am confident we will succeed.

Exhibit 30.—Statement by Secretary of the Treasury Dillon, August 23, 1961, before the Senate Appropriations Committee in support of the President's foreign aid program

It is a privilege to appear before this committee in behalf of the appropriations requested by the President under the foreign aid legislation submitted by him to the Congress. I wish to report on the recent Alliance for Progress meeting at Punta del Este, but first I would like to comment on the major financial aspects of the economic aid program, which are my responsibility as Secretary of the Treasury and Chairman of the National Advisory Council on International Monetary and Financial Problems. As Secretary of the Treasury, I have the responsibility for financing approved Government programs.

It is precisely because of this heavy responsibility that I hope my belief that an adequate and soundly conceived foreign economic assistance program merits high priority as one of our most pressing national needs will carry some weight with this committee. The program which forms the basis of the appropriations request is soundly conceived. It is responsive to our national need for an adequate foreign aid program. It is essential to our own security and well-being and that of the entire free world.

Moreover, it is a program the United States can afford. The President requested a total of $2,878 million in fiscal 1962 for the Act for International Development. In addition, the military assistance request for 1962 amounted to $1,885 million. This made up an overall program of $4,763 million, excluding funds carried over from previous years' appropriations. The total cost of the program amounted to less than one percent of our gross national product, a figure well within the capacity of our economy.

The Senate has voted to reduce the authorization for the Act for International Development by slightly more than $350 million, and also to curtail military assistance by $335 million. The total authorized by the Senate bill for the fiscal year 1962 is $4,076,500,000, nearly $700 million below the amount requested by the President. This substantially reduced amount is even more clearly within the capacity of our economy.

I am only too well aware that there are some who single out this program and seek to attribute to it alone the prospective excess of expenditures over receipts in the overall budget for fiscal 1962. This, of course, is not the case.

For as this committee knows, only a fraction of the new request for funds will result in expenditures during fiscal 1962. Estimated expenditures under this and previous foreign economic aid programs in 1962 are $1,950 million. Together with military aid expenditures this means a total of $3,650 million, approximately the same as the estimate contained in the budget presented to the Congress by President Eisenhower. Expenditures in ensuing years will, of course, be taken into account in the presentation of the budgets for those years.

On the revenue side of our budget, income in the current fiscal year will still substantially reflect the recession level earnings of the first half of calendar 1961. Principally because of increased defense expenditures and reduced recession revenues, an excess of expenditures over receipts amounting to over $5 billion has been estimated for fiscal 1962. Parenthetically, I might say that this is not at all unusual in the year immediately following a period of recession. Moreover, our unused plant capacity and our excessive unemployment will prevent the budget deficit we face in the current fiscal year from having inflationary results.

Looking forward to fiscal 1963, our revenues are expected to increase substantially and we anticipate that a balanced budget can be achieved without a tax increase.

Now, you may well ask, what is the relationship of the foreign economic assistance program to our balance of payments? This is a matter that especially interests me as Secretary of the Treasury. The program proposed is consistent with our efforts to achieve and sustain overall balance in our international payments. I wish to emphasize that it is the form in which aid is extended, rather than the amount to be provided, that is most relevant to this question. Under the new program, as at present, we will continue to place primary emphasis on the purchase of United States goods and services by aid recipients. The preponderant bulk of foreign aid expenditures will be made in the United States. Such expenditures, which are accompanied by American exports, have no adverse impact on our balance of payments. The fact that foreign assistance has been largely accompanied by an outflow of American exports is not well understood by those who seek to cure our balance-of-payments deficit by curtailing foreign economic assistance.

For as long as our international payments situation requires, in administering the Act for International Development, insofar as the procurement of goods and services is involved, our objective will be to reserve between 75 and 80 percent of the available funds for procurement of United States goods and services. Because of earlier commitments, this goal cannot be achieved immediately, but our efforts in this direction will have an increasingly favorable effect on our balance-of-payments position.

It is not in every case practicable or even desirable to require that foreign assistance funds be limited exclusively to the procurement of United States goods and services. In some cases, particular commodities financed by aid dollars are not available in the United States, or may not be available here in the time required. Also, there are certain situations that sometimes require the transfer of aid through cash grants, a part of which is ultimately spent for the goods of other countries. Nevertheless, through our procurement policy we will hold to a minimum any adverse effect of aid spending on our balance-of-payments situation. I am satisfied that the present directives are adequate to assure this result.

As you know, I have just returned from Punta del Este, Uruguay, where I led the delegation of the United States to the Special Meeting at ministerial level of the Inter-American Economic and Social Council.

At this meeting, agreement was reached on the Charter of Punta del Este, establishing an Alliance for Progress among the American Republics.

The Charter of Punta del Este will become a landmark in the history of the Western Hemisphere. It provides in full measure for those principles of self-help which are essential to economic and social progress in Latin America—for tax reform and land reform, for self-help measures in education, health and housing, for the mobilization of domestic resources with the full participation of private enterprise.

It also provides for the establishment by the Latin American countries of comprehensive, long-term programs for economic and social development, with strong inter-American machinery to assist in the formulation of these programs, evaluate their adequacy and follow their progress and execution. Such programs are essential to the intelligent use of economic resources in the development process.

The charter also makes provision for foreign assistance to Latin America from the United States, from the international financial institutions, and from other friendly countries.

Copies of the charter and the related declaration have been made available to members of the committee for their examination.

While at Punta del Este I followed closely the reports on the Conference which appeared in the American press. Some of these reports, having been filed during the uncertainties and confusions which inevitably surround the progress of an important international Conference, were erroneous with respect to U.S. commitments for foreign assistance. I would like therefore to clarify this matter for the information of the committee.

There are three sections of the charter which relate to the provision of external capital to Latin America to support Latin America's own development efforts.

The first of these three sections appears in title II, chapter I of the charter setting forth the basic requirements for development. Paragraph 4 of this chapter states that, in order to achieve development goals, it will be necessary:

"That the Latin American countries obtain sufficient external financial assistance, a substantial portion of which should be extended on flexible conditions with respect to periods and terms of repayment and forms of utilization, in order to supplement domestic capital formation and reinforce their import capacity; and that, in support of well-conceived programs, including the necessary structural reforms and measures for the mobilization of internal resources, a supply of capital from all external sources during the coming ten years of at least $20 billion be made available to the Latin American countries, with priority to the relatively less-developed countries. The greater part of this sum should be in public funds."

The estimate of $20 billion in capital assistance to Latin America over the next 10 years from all external sources, public and private, including the international institutions and other industrialized countries, as well as the United States is in my judgment a minimum estimate from the viewpoint of Latin American needs and a conservative estimate from the viewpoint of the ability of the outside world to supply it. Given adequate self-help measures a supply of outside capital of about $2 billion a year would still mean that 80 percent or more of total resources for development in Latin America must be provided by the Latin Americans themselves. This they fully realize and they are prepared to undertake the necessary self-help efforts that will be involved.

The second provision of the charter relating to external assistance, title II, chapter III, deals with emergency and short-term measures, including the completion of development projects already under way, measures to assist distressed areas and relieve unemployment and the beginning steps which must be taken now to formulate long-term development programs within a reasonable time. Paragraphs 1 and 3 of this chapter, dealing with United States assistance reads as follows:

"1. Recognizing that a number of Latin American countries, despite their best efforts, may require emergency financial assistance, the United States will provide assistance from the funds which are or may be established for such purposes. The United States stands ready to take prompt action on applications for such assistance. Applications relating to existing situations should be submitted within the next 60 days.

"3. The United States will assist in the realization of these short-term measures with a view to achieving concrete results from the Alliance for Progress at the earliest possible moment. In connection with the measures set forth above, and in accordance with the statement of President Kennedy, the United States will provide assistance under the Alliance, including assistance for the financing of short-term measures, totaling more than $1 billion in the year ending March 1962."

The reference to U.S. public assistance of more than $1 billion during the year ending March 1962 was based upon President Kennedy's message to the Conference and my opening speech. It includes U.S. assistance in all forms for the 12 months ending next March—increased Export-Import Bank loans, anticipated expenditures from the Social Progress Fund already appropriated by the Congress, P.L. 480, and both development lending and contingency assistance provided for in the foreign aid bill now before the Congress. This, again, is a minimum estimate of the funds which should be obligated by the United States for Latin America if the Alliance for Progress is to get off to a good start.

The third provision in the charter relating to U.S. financial assistance is based upon President Kennedy's address of March 13, 1961. It states in paragraph 2 of chapter IV, that:

"2. The United States will assist those participating countries whose development programs establish self-help measures, economic policies and programs consistent with the goals and principles of this Charter. To supplement the domestic efforts of such countries, the United States is prepared to allocate resources which, along with those anticipated from other external sources, will be of a scope and magnitude adequate to realize the goals envisaged in this Chapter. Such assistance will be allocated to both social and economic development, and, where appropriate, will take the form of grants or loans on flexible terms and conditions. The participating countries will request the assistance of other capital-exporting countries and international institutions so that they may provide assistance for the attainment of these objectives."

This provision is an overall promise by the United States that if the Latin American countries do their part, and if our friends and allies in other industrialized countries will also participate, we, the United States, stand ready to do our part also. This mutual dedication to our common goals is the heart of the Alliance for Progress.

In closing, Mr. Chairman, I wish to add a word about the effect of these commitments on our balance of payments. I am satisfied that our payments situation will be amply protected and will not be worsened. The major part of the funds to be provided by the United States is already being extended by methods which assure their expenditure in the United States, as is the case with Export-Import Bank loans and P.L. 480, and with a substantial part of the funds under the new aid legislation. Due to the nature of expenditures under the Social Progress Fund, a somewhat larger part of the overall aid total may be spent for local costs in Latin America than is the case with other aid programs, but in any event these expenditures will enhance the ability of Latin America to buy goods and services from their normal United States suppliers.

EXHIBIT 31.—Remarks by Secretary of the Treasury Dillon, November 30, 1961, at the Inter-American Economic and Social Council of the Organization of American States

It is a great pleasure to be present at this first meeting of the Inter-American Economic and Social Council to take formal steps toward implementing the Alliance for Progress.

This is not an occasion for vivid pronouncements. It is a working-level meeting. In that sense, it is truly representative of the entire spirit of the Alliance, for success in our efforts will depend upon our resolution and our willingness to work to achieve it.

The United States is doing its part. We have promised more than a billion dollars of governmental assistance for the first year of the Alliance which ends March 13, and we have already committed more than $800 million of that amount. That $800 million includes, in approximate amounts: $390 million in Export-Import Bank loans for development and related purposes; $250 million for technical assistance, development loans and grants under the Agency for International Development; $78 million for housing, community development, rural credit and other projects under the Social Progress Trust Fund, administered by the Inter-American Development Bank, and $94 million in U.S. agricultural commodities under the food for peace program.

So we are well on the way toward making good our commitment for the year. We know that over the 10-year span of the Alliance, Latin America will need at least $20 billion in external resources to foster growth and development. This figure includes private, as well as public investment, and while we expect to provide the major part of it, substantial amounts will also be expected from other industrialized nations and from international lending institutions.

But dollars don't mean development. At the very outset, our opportunity for success can be wiped out, and the hope of the hemisphere can be betrayed, if we assume that the Alliance for Progress is no more than a loan program. It is, and will be, far more. Loans there will certainly be. But we have no intention, now or later, of making loans for other than sound reasons of development or need. At Punta del Este, we agreed that this was to be a genuine alliance, with full cooperation and matched effort, and that the other Republics would make their own entry into the decade of development. We will be a partner in hemispheric progress, but we do not intend, and in fact we cannot, carry the whole load. Fully 80 percent of the resources needed to move the hemisphere into the twentieth century must come from Latin America itself.

But that is not all. The most important part of the entire effort is the overall administrative progress, including both land and tax reforms, that our fellow members of the Alliance must make for themselves.

These improvements are needed to give the great bulk of the people of Latin America the stake in social and economic development that is necessary if they are themselves to provide the needed effort. They are also basic in our mutual effort to provide a framework for progress in which free, private institutions can grow and flourish.

No one believes such reforms will be easy. They go to the very root and tradition of ways of life that have evolved through centuries. There is no doubt that making these reforms involves hard choices and difficult decisions. The course of reform is not a smooth one, and it is seldom a popular one. But these decisions must be made.

For it is the agreed position of all of us that the loans would go to the nations which help themselves, and it is fitting that this should be the case. This Alliance was not formed to waste its resources.

It was formed, and its purpose was stated in unmistakable terms, to benefit those people of the hemisphere who need help to achieve their own potential, and to realize their opportunity for growth in freedom.

In the words of the preamble to the historic Charter of Punta del Este:

"It is our inescapable task to . . . demonstrate to the poor and forsaken of our countries, and of all lands, that the creative powers of free men hold the key to their progress and to the progress of future generations."

The realization of the aspirations of the people of the hemisphere depends on the practical planning and implementation that is necessary to transform our goals into concrete and lasting achievements. That is why this meeting today to select the panel of nine experts who will, with appropriate assistance, review development plans and programs, is of particular importance.

One of the most promising aspects of the Alliance is the emphasis it places on countrywide planning. Such planning should serve to assure that individual projects are well integrated into patterns of national development, and that they contribute to a balanced growth, both economically and socially.

The panel, and the experts who serve with it, will provide an incentive to plan so that private, government, and external resources are used in such a manner as to make a maximum contribution to advancing development. This is particularly important since external capital can only be supplementary to local capital, and is most effective when used in combination with national public and private resources.

The panel will also serve to increase the care with which project priorities are worked out within a national development plan. That is a significant aspect of development planning. It is sometimes difficult, for instance, to decide between schooling and irrigation, and often hard choices must be made. Priority planning helps to insure that such choices are faced up to, that decisions are made, and in a manner that will bring the greatest benefit to the greatest number of people.

And, finally, the panel will serve as a highly useful source of information and guidance to U.S. Government officials and others involved in providing and channeling external capital. It will produce greater confidence on the part of private investors, by assuring them of an informed judgment on the project itself, and will also give them confidence that they are investing in countries with a future, where growth and expansion can be expected. Public capital suppliers will also have greater confidence that their resources will be used in combination with other funds to provide maximum overall effect.

But we must remember that all of these things, public capital, private investment, and sound planning, will have little effect without the essential improvements in administration, tax systems, and land utilization, that are the very backbone of the Alliance.

These changes are underway in some Latin American countries, and other members of the Alliance are planning them.

We are all aware that some hemisphere leaders are already working hard to accomplish these improvements, not only in land and tax policy, but in other very important areas as well, such as education and public administration.

We in the United States are doing our part, and with the approval of the Congress and the American people, we will continue to do it. But our friends in the Americas must also act. We are confident that they will.

EXHIBIT 32.—Statement by Secretary of the Treasury Dillon, February 27, 1962, before the House Banking and Currency Committee on special borrowing arrangements of the International Monetary Fund

I am glad to appear before the committee this morning in support of H.R. 10162. This legislation will enable the United States, in cooperation with nine other industrial countries of the free world, to take a major step in support of a strong international monetary system. An amendment to the Bretton Woods Agreements Act authorizing the United States to lend up to $2 billion to the International Monetary Fund is a prerequisite for U.S. participation in proposed arrangements which will make $6 billion of additional resources available to the Fund.

Five members of the European Common Market are participating in the special arrangements with an aggregate lending commitment of $2.45 billion. Germany's commitment is $1.0 billion; France and Italy have agreed to lend up to $550 million each; while the Netherlands is participating with $200 million, and Belgium with $150 million. The United Kingdom is to lend up to $1.0 billion. Other participants are Japan, which is to lend up to $250 million, Canada, participating with $200 million, and Sweden, with $100 million. In all, the nine participating countries other than the United States will stand ready to lend their currencies to the Fund up to a total of $4 billion.

These additional resources have potentially great importance for the United States. The Fund has on hand today only a limited supply of currencies that could be used if the need for a drawing by the United States should ever arise. The lending commitments of the major countries other than the United States and the United Kingdom, which amount to $3 billion, are approximately twice as large as the Fund's current holdings of their currencies. These supplementary resources would greatly enhance the Fund's ability to assist us should it ever become necessary.

As you know, the International Monetary Fund was established in 1945, at the same time as the World Bank. United States membership in the Fund was authorized by the Bretton Woods Agreements Act. The Fund's purpose is to promote exchange and monetary stability among its 75 member nations. It does so principally by providing short-term assistance to deal with temporary balance-of-payments difficulties, pending the results of longer-range corrective measures.

With the growth of world trade and the increase in the size of monetary reserves, the resources of the Fund have been called upon to a greater and greater extent. To keep pace with these requirements, the quotas of the Fund's members, including the United States, were increased in 1959.

Since that time new problems have arisen, largely as a result of the recent heavy strains placed upon the two principal world reserve currencies—the dollar and the pound sterling. The proposed legislation, which would authorize U.S. participation in the new Fund borrowing arrangements, is designed to help deal with these problems, which arose partly as a result of the restoration of currency convertibility among the industrialized countries. With the advent of full economic recovery in Europe, these countries have improved their trade and payments positions and have accumulated large monetary reserves. In the four-year period from the end of 1957 through the end of 1961, the reserves in gold and foreign exchange (mostly dollars) of the major industrial countries other than the United States and the United Kingdom increased from $12.1 billion to about $20.1 billion.

As a result of the improvements in the payments positions of other industrial countries, chiefly in Western Europe, they were able to make their currencies freely convertible, with the consequence that movements of short-term capital from country to country were greatly increased. Wider investment opportunities, the attraction of interest rate differentials and, to some extent, speculation, all contributed to these movements of capital.

Increases in foreign monetary reserves were largely the counterpart of overall deficits in the balance of payments of the United States. Our deficits totaled approximately $13.5 billion during the four-year period 1958–1961 and were financed by a gold outflow of $5.5 billion and an increase in U.S. dollar liabilities of $8 billion.

The basic part of our deficit has been made up of trade transactions, long-term investment, and expenditure for military and economic aid programs. But since the middle of 1960 a large part has also resulted from movements of short-term capital. In 1958, 1959, 1960, and 1961, our basic deficit (which is the net of all of our international transactions except short-term capital movements and unrecorded transactions) was $3.6, $4.3, $1.9 and $0.6 billion, respectively, while we incurred total deficits, including short-term capital movements and unrecorded transactions, of $3.5, $3.7, $3 9 and about $2.4 billion, respectively.

The stability of the dollar is essential not only to the economy of the United States but to that of the entire free world. The dollar is the major reserve currency of the free world. Much of world trade and other transactions is carried out in dollars, and settlements of payments surpluses or deficits between foreign countries to a large extent are made in dollars. It is for these reasons that other nations have a vital interest in these new Fund arrangements which will be so important as an added resource to deal with stresses in the international payments system.

In his message of February 6, 1961, President Kennedy referred to the drawing rights of the United States on the International Monetary Fund as a secondary line of reserves which we could call upon to maintain the strength of the dollar, in addition to our own holdings of gold and foreign currencies.

The U.S. quota in the Fund is $4,125 million, one-quarter of which the United States has paid to the Fund in gold and three-quarters in dollars. A member country is normally entitled to draw currencies freely from the Fund up to the amount of its gold payment, plus an amount equal to the outstanding amounts of the member's currency which have been drawn by other countries. As of December 31, 1961, these virtually automatic drawing rights of the United States amounted to $1.7 billion. In addition, the Fund treats liberally requests for additional drawings up to 25 percent of a member's quota, if the member itself is making reasonable efforts to solve its balance-of-payments problems. In the case of the United States, this would be the equivalent of another $1 billion. Larger drawings are permitted by the Fund if a member is undertaking programs of monetary stabilization and measures for rectifying balance-of-payments deficits.

The total amount, therefore, that the United States would have the right to draw from the Fund almost automatically would be $1.7 billion; another $1.0 billion could be drawn with relative ease; and additional amounts could be drawn depending upon the seriousness of the situation and the measures which the United States was taking to cope with it.

However, the resources of the Fund to meet a U.S. request for a large drawing are not at present adequate. On December 31, 1961, the Fund had available to it $2.1 billion in gold and $11.5 billion in member currencies. But a large part of these currencies consisted of currencies of the less-developed countries which for the time being are not suitable for use by the Fund. The Fund's holdings of the currencies of the major industrial countries amounted on that date to the equivalent of about $6.6 billion; however, of this amount $4.9 billion was in dollars and sterling and only $1.6 billion was in currencies of the other industrial countries. The currencies of the member countries of the European Economic Community accounted for only $890 million of this $1.6 billion. On the same date, the Fund's outstanding commitments under existing standby arrangements with the United Kingdom and other members, amounted to the equivalent of $1.4 billion.

It is clear, therefore, that the Fund now lacks the resources in gold and the currencies of industrial countries other than dollars and sterling which would be needed to meet a large drawing such as the United States would be entitled to request.

At their Vienna meeting last September, there was general agreement among Fund Governors that ways should be found to increase the resources available to the Fund. The arrangements finally worked out are embodied in the Fund Decision of January 5, 1962, and in the exchange of letters initiated in Paris in December 1961 at the conclusion of discussions among the ten governments concerned. The Fund Decision and the related Paris arrangements are reproduced in the Report of the National Advisory Council on Special Borrowing Arrangements which is now before you.

The proposed new arrangements can be described very simply. The ten participating countries would lend stated amounts of their currencies to the Fund if required to permit drawings from the Fund by any one of the participant countries in order to "forestall or cope with an impairment of the international monetary system." These commitments to lend would be invoked only if and when the Fund needs the additional resources.

The proposed arrangement is intended to remedy the shortage of the Fund's current holdings of currencies of industrial countries, especially those of countries having surpluses in their balance of payments and increasing reserves. The participating European Common Market countries, Belgium, France, Germany, Italy, and the Netherlands, would commit an amount of their currencies almost equal to their present quotas in the Fund, while the commitments of the United States and the United Kingdom would be only about half of their present quotas. The effect of the new arrangement would be to increase by about 275 percent the present availability to the Fund of the currencies of the surplus countries of the European Economic Community.

The proposed arrangement is designed so that countries which are in a surplus position and which are gaining reserves may lend their own currencies to the Fund which in turn can supply them to other participating countries which might need additional resources. Thus, if the United States were to draw on the Fund, the Fund would be able to obtain the currencies which we could use. On the other hand, a country which itself faces serious balance-of-payments problems and whose reserves are declining would not be expected to lend to the Fund. This would mean that the United States, for example, would not be expected to lend dollars to the Fund under present circumstances. In any event, since the Fund still has available in dollars almost $2½ billion from the regular U.S. quota, it is highly unlikely that a need for borrowing from the United States will arise.

The agreement set forth in the Paris letters establishes the international machinery necessary for the ten participating countries to meet and act upon requests for loans to the Fund.

If one of the ten participating countries wishes to draw from the Fund, or to enter into a standby arrangement with it, in order to forestall or cope with a situation that might lead to impairment of the international monetary system, that country would consult with the Managing Director and with the other participants.

The Managing Director would then propose to the participants the total amount which he believes the Fund should borrow, and the amounts which should be supplied by each participant in its own currency. The participants would try to reach unanimous agreement on their response to the Managing Director's proposal. If they could not reach unanimous agreement, the question of lending to the Fund would be decided by a vote of the participants. The country proposing to draw would not vote. A decision would require a two-thirds majority of the other voting participants and a three-fifths majority of their weighted votes.

Since the countries concerned are in constant close communication regarding their balance-of-payments positions not only in the Fund, but also through the Organization for Economic Cooperation and Development and bilaterally, a decision can be reached very rapidly. The procedure established balances the right of each country to safeguard its own interests with the collective judgment of the group as to the needs of the international monetary system. Such safeguards are appropriate and necessary since it is impossible to foresee what the situation of any particular country may be at an unspecified date in the future when a borrowing may be needed.

Loans to the Fund by participating countries would carry a transfer charge of ½ of 1 percent, plus annual interest of 1½ percent. Loans to the Fund would mature in five years, but would be repaid sooner if the drawing country repaid the Fund sooner. Also, if a lending country should itself encounter balance-of-payments difficulties, it may obtain prompt repayment from the Fund.

Drawings of the additional resources from the Fund would conform to the Fund's normal procedures: that is to say, the drawing member would purchase from the Fund currencies of other participating countries with its own currency, and would pay a service charge of ½ of 1 percent on the amount of the drawing, plus interest. The rate of interest would vary with the size of the drawing and the period for which it would be outstanding. The drawing member would usually have to repay the Fund by repurchasing its currency within three to five years, but would be expected to repay earlier if its payments situation improved.

The whole arrangement would be effective for an initial period of four years, subject to renewal by the Fund, but it could not be modified within that period except with the consent of all the participants.

I wish to emphasize the great advantage to the United States of these borrowing arrangements. It may be that the Fund will never need to borrow. We hope this will be the case. But the commitments will stand as a reserve to be used if and when necessary, and they will provide the Fund with the currencies which would be needed by the United States if it were ever to draw on the Fund. Thus the very existence of this large supplementary pool of usable resources should act as a strong deterrent to speculation against the dollar or other currencies, since it will be well known that there are ample resources available to counteract serious disturbances of the international monetary system. The arrangements will benefit not only the participating countries, but all countries of the free world. The stability of the dollar and of the other major currencies are of vital importance to the smooth functioning of the international trade and payments system.

The legislation which is before you would amend the Bretton Woods Agreements Act, which now prohibits any loan by the United States to the Fund without the specific approval of Congress, and grant the authority to lend up to $2 billion. The legislation would also authorize an appropriation of $2 billion, to remain available until expended, for the purpose of making loans to the International Monetary Fund. As I have pointed out, we will not be called upon to make a loan to the Fund under present conditions and, in any event, the question of a loan would not arise until the Fund's resources in dollars, currently about $2½ billion, had been exhausted. This is to be a standby commitment to the Fund. There will not be an expenditure of the funds authorized until such time as we might actually make a loan to the Fund. In considering any request to lend under the commitment, we would of course take into consideration our balance-of-payments position at the time and the level of our reserves, as well as the special circumstances which led to the request to lend.

I should like to emphasize that the amount of the appropriation must be in the full amount of $2 billion, in order to bring into effect our agreement with the other nine participants. The entire arrangement is contingent upon the participating countries having authority to take action promptly. The amount of each country's commitment is part of the arrangement, and any change in this amount would require a renegotiation. It is thus necessary to have the full authority to provide the necessary financing if we should be called upon, even though in practice we do not expect to have to use this authority in the foreseeable future.

A section of the legislation before you includes a technical amendment designed to clarify existing legislative authority, so as to permit the use of noninterest-bearing notes, and thus save us interest costs, in an amount of any U.S. drawings on the Fund. If the United States were to draw on the Fund, it would have to do so by purchasing foreign currencies from the Fund with dollars. The Fund's Articles of Agreement, however, permit these dollars to be paid to the Fund in the form of noninterest-bearing notes, without any use of cash from current receipts or any debt operations which would involve the United States in an interest cost. The Bretton Woods Agreements Act authorized the issuance of such noninterest-bearing notes to the Fund up to the amount of our quota subscription, which is $4.1 billion. As of December 31, 1961, notes outstanding under this authority amounted to $2.4 billion. If the United States were now to make a drawing from the Fund in excess of the $1.7 billion balance of this authority, it is not clear, under existing legislation, that we could issue noninterest-bearing notes in the amount of this excess. The proposed legislation would make entirely clear the Treasury's authority on this matter.

In conclusion, Mr. Chairman, I should like to say that the present proposal before the committee is one which is in the best interests of the United States and of the free world as a whole. It is essential to us and to other countries that the dollar be maintained as a sound and reliable currency at its present parity. If necessary to defend the dollar, as President Kennedy said in his Balance-of-Payments Message, we will use our drawing rights in the International Monetary Fund as a supplementary form of reserves. The bill before you will enable the United States to participate in arrangements which will provide the International Monetary Fund with an adequate supply of the currencies which we ourselves might some day need. It will provide significant assistance to the United States in dealing with the balance-of-payments problem.

The arrangement can be used by the Fund to assist any other participating countries as well. The other nine countries also have a stake in the maintenance of a stable international monetary structure in the free world, and this is why they are all now cooperating in this new arrangement. We should join with them in strengthening the International Monetary Fund by giving it authority to borrow, if needed, the currencies which are most essential to cope with an impairment of the monetary system of the free world.

Exhibit 33.—Statement by Secretary of the Treasury Dillon, March 15, 1962, before the House Ways and Means Committee on the Trade Expansion Act of 1962

I am here today to support approval of the Trade Expansion Act of 1962. The authority provided for in H.R. 9900 is designed to enable the President to adjust our trade policies so that they can give maximum support to the political, military, and economic aims of the United States.

The bill would equip the United States to carry out tariff negotiations effectively during the next five years. Such authority is essential if we are to keep our place of leadership in today's changing world. We must accomplish more through trade negotiations in the next few years than ever before.

Other witnesses have testified on the broad political, military, and economic benefits of the bill to the United States. As Secretary of the Treasury, I wish to direct my remarks to the contribution which it can make to the accomplishment of our national financial objectives, especially the solution of our balance-of-payments problem.

I will not take up the committee's time with a long discussion of that problem. I have reviewed our balance-of-payments position in some detail before other committees, most recently for the Joint Economic Committee, and I will be glad to furnish copies of that testimony for your use. The essential problem is that, although we have a large surplus of exports of goods and services over imports, that surplus is not large enough to meet our other payments. Our commercial export surplus of goods and services, excluding those financed with U.S. aid, amounted to $5 billion in 1961, and was $4.6 billion in 1960. But commercial surpluses of this magnitude, large as they are, have not been large enough to finance the indispensable foreign undertakings, public and private, of the United States. The largest items for which we had to provide in 1961 were: $3 billion to support our own military forces abroad, $2.6 billion for private long-term foreign investment, and $1.3 billion of economic aid, in the form of dollars. After allowing for about $700 million of receipts from special debt prepayments to the United States, our basic deficit, which includes all our international transactions except the unrecorded items and the outflow of American short-term capital, amounted to about $600 million as compared to $1.9 billion in 1960.

Unrecorded transactions, and various types of short-term capital movements, involved additional outflows of $1.9 billion in 1961. This brought the overall deficit in our balance of payments to nearly $2.5 billion, compared with $3.9 billion in 1960.

While our international payments do not have to be in exact balance every year, we must aim to bring them into balance over a period of years. If we do not we will experience persistent reductions of our available gold and holdings of convertible foreign currencies.

Expanding our export trade has become an urgent national need. As our domestic economy continues to advance, our demand for imports will become greater. Our outlays abroad for the national defense, aid and investment, are large and continuing. If these payments are to be met, the United States must export more. But, in the end, U.S. exports can be expanded to the necessary extent only if, through negotiations, we ensure that the doors to major foreign markets—and especially the new and expanding Common Market of Western Europe—can be opened wider for U.S. products.

The six countries which formed the European Economic Community have now established their common external tariff, and are expected to bring it into full effect when their "transitional period" is over, at the latest by the end of 1969. Also, they are rapidly reducing the tariffs which apply to their trade with one another and are committed to eliminate them altogether by the end of 1969. The United Kingdom is expected to join the European Economic Community and others may well follow. The resulting expanded Common Market will constitute a giant new economic unit within the free world. If our exports are to be expanded to the necessary extent, liberal access to the Common Market is absolutely essential.

We are now coöperating intensively on monetary matters with the members and prospective members of the Common Market. But monetary cooperation must, in the end, rest on a solid basis of international trade.

We must not view our efforts to achieve balance in the international payments of the United States as a battle in which we can win a decisive victory and then relax. This is a campaign which must be waged successfully year after year. To ensure that we have favorable conditions for that continuing campaign, we must show, by determined action now, the direction American policy is going to take. Then foreign governments will know that we are resolved to obtain liberalized access to foreign markets for our products and that we are prepared to bargain realistically for such access. Moreover, investors can then begin without delay to base their forward planning on the premise that it will be economically feasible to supply European markets with products from American factories and farms.

I want to make it entirely clear that in my judgment trade negotiating authority like that now on the books would be completely inadequate for the solution of the problems we face. There are several reasons for this. First, if our negotiating authority continues to be subject to unduly narrow and precise procedures for item-by-item determination of possible injury, the basic intention to create authority for broad negotiations covering a wide range of commodities would be frustrated. The Common Market countries, which have found across-the-board techniques the only practicable method for their own tariff negotiations, have no interest in further item-by-item bargaining or narrowly selective lists of commodities. Second, if American products are to be competitive with European products, all of which are to gain the right to move, free of duty, across European borders, we need to think in terms of substantial tariff action. If reductions cannot exceed the 20 percent authority we have had on the books in the past, we could, at best, achieve only marginal changes in our trading prospects. Third, tariff cuts by an across-the-board percentage offer the best way of assuring reciprocity, of obtaining from the Common Market full value in tariff cuts for the reductions we make.

If broad and substantial mutual tariff reductions by the Common Market and the United States are effected and if we put our American producers on a comparable footing with their European competitors through the enactment of the investment credit, coupled with administrative reform of depreciation, we can then expect the resulting expansion of two-way trade to bring with it a significant increase in the commercial trade surplus of the United States, with corresponding benefit to our balance-of-payments position.

Commercial merchandise exports of the United States have been $17.6 billion, and imports about $14.5 billion, in each of the last two years, giving us an annual merchandise trade surplus of about $3 billion for these years. Exports to the Common Market were about $3.5 billion and imports $2.2 billion, giving us a surplus of $1.3 billion in 1961; the comparable surplus was $1.2 billion in 1960. Even for nonagricultural goods, our exports to the Common Market in 1961 were valued at more than $2.3 billion, compared with our imports of $2 billion, giving us a surplus of $300 million, the same as in 1960. Thus, we have a favorable basis for enlargement of our trade surplus through reciprocal reduction of tariffs. This is especially true of our trade with European countries. The European countries have surpluses, arising from transactions other than trade, which are readily available to finance deficits in their merchandise trade with us.

If tariffs on our exports and imports are reduced to a comparable extent, the natural assumption would be that exports and imports would rise by the same percentage. As a result, the American trade surplus would become larger.

Conditions now evident, and likely to persist for a number of years, make it more likely, however, that American exports to Western Europe would rise by a greater percentage than the exports of Western European countries to the United States. European labor resources and productive capacity are being strained to support present rates of production. The rapid rise of real incomes and the high rate of capital formation prevailing in the European economy may be expected to exert strong pressure towards absorption of increases in output in domestic markets. In addition, European demand may be particularly strong and persistent for products which the United States already has the plant capacity and the labor force to supply in quantity. This is particularly true of (1) machinery associated with the advanced labor-saving methods already well established in the United States, (2) equipment resulting from our intensive research and development programs, and (3) consumer goods which have not been available in Europe, but are coming into use as incomes of ever-larger groups rise towards the American level.

The Trade Expansion Bill is also important in meeting our need for more rapid economic growth. Our principal domestic economic problem is how to stimulate increasing production and jobs. We must create a million and a half new jobs every year during the present decade to provide for the expected increase in our labor force. In addition, more than a million jobs are needed if we are to reduce unemployment from its present unacceptable level of more than 5½ percent, to a more tolerable level of 4 percent. Finally, there must be employment opportunities for the millions of workers whose present jobs will be affected by advancing technology in the years ahead.

The proposed trade program is designed to be a key portion of our whole effort to meet the need, both for more employment, and for better employment of all our resources. With new trade legislation we may look forward to substantial increases in a wide range of American exports. These will be in lines of production in which we have now, or in which we can achieve, our greatest competitive strength. These will be branches of industry and of agriculture in which our advanced technology and high skills find their greatest role.

Increases of imports, as well as of exports, will result from the reciprocal reduction of tariffs. Pessimists, therefore, will look at once for damage from those increased imports. In a resilient, expanding economy they will have to look hard. The reduction in tariffs and any resulting increase in imports will be gradual. Given time, and a favorable general economic climate in the United States, most of the adjustment to import competition will take place unnoticed, as part of the dynamic readjustment of our economy which goes on constantly. If the American labor and capital which may have been gradually displaced by imports could be identified, they would not be found idle, but rather, busily engaged in new enterprises, using new methods, furnishing new services, or producing new products, many of them for export markets.

The Treasury Department has particular responsibility for two phases of the administration's general program to stimulate faster application of technical achievements, and to strengthen our emphasis upon facing the challenges, and winning the rewards, of more rapid economic growth. While helping us to achieve the goals we have set for our domestic economy, these measures will strengthen our ability to meet international competition.

One measure, designed to encourage business generally, and to assist it in modernization of machinery and equipment, is the 8 percent investment credit recently recommended by this committee. This will offer a powerful encouragement to American business to invest in new machinery and equipment.

A second measure is the Treasury Department's review of the guidelines for depreciation in all industries. Substantial reductions in the suggested useful lives of equipment have already been announced for the textile industry. New guidelines will be announced for all other industries later this spring. Depreciation revision and the investment credit will powerfully assist American manufacturers to modernize and sell at competitive prices at home and abroad. These tax reforms should be especially valuable to United States producers who are, for competitive reasons, forced to speed their replacement of existing equipment with more efficient machinery.

A third tax measure is now proposed. It appears as section 317 of the Trade Expansion Bill. Firms found to be eligible for adjustment assistance as a consequence of increased imports could be given tax relief in the form of a five-year carryback of net operating losses, as contrasted with the usual three-year carryback. The additional carryback provided by the adjustment assistance provisions of the bill would permit a firm suffering a net operating loss resulting from import competition to receive a refund of taxes paid in previous years. The firm, in accordance with its readjustment plan, would be able to use such tax refunds to finance new investments designed to restore profitable operation.

Other forms of adjustment assistance which the bill would authorize include loans, technical assistance to firms, and special readjustment, training, and relocation benefits for workers.

The impact of imports will be gradual enough to allow almost all of the readjustment to be accomplished through normal retirements of workers, through normal writeoffs and abandonment of obsolete production equipment, and the like, just as is the case in response to domestic competition. The adjustment assistance provisions, plus the escape clause, which will be retained, are intended to take care of the cases of hardship that are likely to arise.

The expenditure for adjustment assistance to firms is not expected to exceed $50 million annually, even after five years, when the program approaches full operation. As the program is continued over a period of years, any outlays would be offset to an increasing extent by repayments on prior loans. The additional expenditures arising from benefits to workers are not expected to exceed $20 million annually.

In closing, I want to emphasize my personal conviction that the Trade Expansion Bill is one of the indispensable tools which must be provided to allow our Nation to move toward the full realization of its opportunities for economic growth, and toward mutually advantageous economic association with the rest of the free world.

If we decide not to press for wider trading opportunities, what developments should we expect? I would hope that most of our trading partners would resist any new resort to increased tariffs against us, involving deliberate action to curtail our trade opportunities. But, as internal tariffs in the Common Market disappear, and if we have not been able to bargain down the outside tariff wall of the Common Market, it may well prove impossible for the United States to avoid serious shrinkage of our trade surpluses from the levels which are already proving inadequate.

H.R. 9900 has been carefully developed to meet our need for more far-reaching trade negotiations. I consider that the trade adjustment program is financially sound and that it will furnish, at reasonable cost, justified assistance to firms and their employees encountering unusual difficulty in adjusting to changes in tariff rates. I am convinced that trade legislation of this scope is essential if we are to achieve and maintain a reliable balance between our foreign payments and receipts in the years ahead.

EXHIBIT 34.—Remarks by Secretary of the Treasury Dillon, March 21, 1962, before the North Carolina Citizens Association on the President's trade program

This Nation is faced today with decisions that will reach far beyond the time of the men who make them. Such a decision is now before the U.S. Congress. It is posed by the President's trade program, which is not just a new tariff plan, but a bold proposal that we compete on equal terms with Europe's Common Market.

If the Congress approves the President's program, the resulting competition will benefit both sides of the Atlantic and contribute to free world growth and cooperation for years to come.

If the President's proposal is rejected, if we attempt to retreat behind a high tariff wall, we will have ignored an opportunity of lasting importance both to our domestic economic growth and to the international stability of the dollar.

The President's trade program is a response to the challenge of the new Western Europe that has risen miraculously from the ashes of postwar devastation. We are proud that Marshall Plan aid helped that recovery. But we recognize the importance of economic and political cooperation within Europe in that expansion. For the European integration movement, which many hope will eventually produce a United States of Europe, was largely responsible for a spurt of economic growth almost without parallel in history.

That growth has great significance for the United States. During the last decade, our economic growth has lagged, while Western Europe's economy has expanded at a rate roughly double our own. In addition, while our defense, aid, and investment expenditures overseas have contributed throughout that period to an outflow of dollars, and more recently of gold as well, Western Europe's reserves have been mounting, largely as the counterpart of our losses.

This contrast illustrates our two main economic tasks—to increase our rate of long-term growth, and to eliminate the continuing deficits in our international payments. One major way of making significant progress toward both goals is by expanding our export trade.

Increasing our exports to meet the demand in new and growing markets abroad will stimulate production in our domestic economy. It will broaden our industrial base and help to create the millions of new jobs that are needed in the years ahead to reduce our present unacceptably high level of unemployment, to provide for new workers entering the labor force, and to help those whose jobs will be affected by advancing technology.

An expanded export trade is also an essential step toward eliminating our balance-of-payments deficits, which have totaled more than $13 billion over the last four years and have reduced our gold reserves by almost $6 billion.

We have traditionally exported more goods and services than we import, and last year this gave us a commercial surplus of $5 billion. This surplus was not great enough, however, to offset the dollar outflow from our defense, aid, and investment expenditures abroad. When all the factors involved in our balance of payments were added up, the result was a deficit of almost $2.5 billion. This was a third less than in 1960, but still much too high.

Our currently prosperous allies are now beginning to help offset our deficit through increased military procurement in the United States, and we expect them to shoulder an increasing share of the foreign aid burden in the future. But any effective cure for our continuing deficit will also require a larger trade surplus, and this means expanded exports. To illustrate: If our commercial exports last year had been only 14 percent higher, about one-half of one percent of our overall national output, our deficit would have been eliminated.

The administration is taking steps to increase American sales abroad. These include special efforts to step up the flow of information on export opportunities and to make our producers more export-conscious, and a new and comprehensive export insurance program developed by the Export-Import Bank in cooperation with 57 casualty insurance companies. Almost all administration economic policies are designed to spur domestic investment in productive equipment, thereby creating greater efficiency and competitive potential. Such policies include a balanced budget which will free funds to finance private investment instead of Government spending; monetary and debt management policies that help to assure adequate investment funds at reasonable long-term rates; the proposed tax credit for productive investment; and modernization of tax depreciation to encourage purchase of new equipment.

This broad program to stimulate investment, and thereby bring our industries into step with foreign producers who have been modernizing more rapidly, will put American business in a position both to expand sales abroad, and to better meet import competition in our home markets. However, it will be doomed to failure if we allow prices and wages to get out of hand. Wage increases in excess of average productivity gains could touch off a round of wage-price inflation that could do serious damage to our export chances.

Furthermore, all our efforts to put our producers in a position to better compete with foreign producers will be meaningless if high tariff walls abroad keep our goods out of foreign markets.

That is just what will happen if Congress fails to give President Kennedy the trade legislation he has asked for. Without it, our negotiators cannot bargain down the tariff wall around the Common Market. And bargain it down we must. As internal trade barriers go down in Europe, the effect is to strengthen the external wall around the Market. Member countries are pledged to eliminate internal barriers, permitting their producers to sell duty-free anywhere within the Market by 1970. However, unless we negotiate access to the Market, American producers would have to compete over a tariff wall—a wall that for some products, in some nations, would be higher than it is today.

At present, our exports to the Common Market exceed our imports from it by $1.4 billion—almost half of our commercial merchandise trade surplus. While a large proportion of this surplus is due to the sale of our agricultural products, including cotton, we also have a surplus of $300 million in trade in manufactured products—exports of $2.3 billion, versus imports of only $2 billion. Our surplus with that area increased last year, but without reductions in the tariff wall around the Market, we could not expect further gains. On the contrary, we would expect our surplus to shrink.

Significant future reduction of the Market's outside tariff wall would be impossible with the type of authority the President has under existing law. That law now requires item-by-item negotiation. The Common Market countries have found across-the-board bargaining for whole groups of items at a time the only practical method for their own tariff negotiations, hence, they have little interest in further item-by-item negotiation with us. The recent tariff negotiations between the United States, the six Common Market countries, and 25 other nations at Geneva took 17 months. While they resulted in 20 percent cuts in tariffs for most Common Market industrial items, in exchange for smaller cuts in our tariffs, our effective authority under the present law was exhausted. If we want further concessions from the Market countries, we must be prepared to negotiate for whole groups of items.

That is precisely the authority the Trade Expansion Act of 1962 would provide. Under the proposed legislation, products in which the United States and the Common Market provide four-fifths or more of world trade would be put in a "dominant supplier" group, on which tariffs could eventually be entirely eliminated. Other tariffs in general could not be reduced more than 50 percent. Any tariff changes would go into effect gradually during a five-year transition period, and a proposed adjustment assistance program would help firms and workers affected by increasing imports to meet new conditions.

At present, our tariffs and those of the Common Market are at roughly the same average level. This is a good point from which to bargain. Passage of the new trade legislation would be the best insurance we could have for full reciprocity in tariff reduction, since across-the-board cuts by uniform percentages offer the best opportunity for obtaining full value in tariff cuts for any concessions we may make.

The potential that Western Europe's burgeoning markets has for our goods cannot be overemphasized. Already our exports to the Common Market exceed our imports by more than 50 percent, and Western Europe is expanding rapidly. New cars jam its highways—three times as many as there were 10 years ago. If European consumption expands as ours has, the implications for American export opportunities could be extremely promising.

Furthermore, many familiar American products are still virtually unknown in Europe. As supermarkets, modern drugstores, and shopping centers become more and more numerous, and Western Europe develops a high-income, high-consumption economy similar to ours, American manufacturers will find this to be a market in which they can compete very effectively, because it will be so similar to their home market.

Unquestionably, the Common Market presents a challenge, but opportunity far outweighs the risk. We must accept the challenge, which is simply a challenge to compete on equal terms. Failure to accept would involve risks far more serious than the threat of competition. We could not ignore this challenge and expect to maintain an adequate export trade, or expect to take full advantage of our potential for domestic growth. By failing to compete, we would take the chance of losing our place as the greatest trading nation in the world.

This audience is, of course, concerned with the particular interests of North Carolina, and I will take a moment to discuss them:

North Carolina's textile industry is outstanding, and the future of that industry is important to the entire State. Imports of textiles have increased from just over 2 percent of total consumption in 1957 to 6 percent in 1960, and last year President Kennedy promised to aid our domestic textile industry in meeting this problem. He appointed a Cabinet Committee on the textile industry which was headed by your own illustrious former Governor, Secretary of Commerce Luther Hodges. This Committee, on which I also served, developed a seven-point program which was announced a little less than a year ago.

As part of that program, the Treasury gave top priority to a review of tax depreciation allowances on productive equipment in the textile and apparel industry, with the result that the guidelines for depreciable "lives" of such machinery were reduced by 40 percent. This allowed manufacturers, to write off the cost of this machinery in 15 years, on the average, rather than 25. The guideline for sewing machines, the most important item used by apparel manufacturers, was cut from 15 to 9 years. This move will result in substantial savings to the textile and apparel industries in North Carolina. The investment tax credit I have already mentioned should be an even more potent source of help.

In addition, there was recently negotiated in Geneva an international cotton textile agreement which will have the effect of regularizing textile imports into the United States for the next five years. Under this agreement, no increase in imports over the level of the year ending June 30, 1961, is required for two years. Thereafter, the required annual increase in imports from all sources does not exceed 5 percent, or 15 percent over the 5-year period. On the other hand, the European countries which have traditionally kept strict controls on imports of Japanese textiles have agreed to double their imports over the coming 5-year period. I would like to emphasize that this result was not accomplished through the unilateral, protectionist approach of imposing mandatory import quotas. Rather, the agreement was made under the auspices of the General Agreement on Tariffs and Trade and in a framework of mutual international consent. This shows that it is possible to work effectively with the other free nations of the world on problems which directly affect us here at home.

North Carolina also has a tremendous stake in our export trade. In 1960, for instance, North Carolina exported more than $600 million worth of goods to other nations. North Carolina sold abroad $400 million worth of manufactured goods giving employment to an estimated 28,000 workers. An additional 51,000 farm workers in this State were estimated to be involved in producing the more than $200 million worth of agricultural products exported from North Carolina. The top exporting industry in this State is the tobacco products industry, with almost $200 million in exports. It is significant that among the best customers for such products are France, Belgium, the Netherlands and Luxembourg, four of the six members of the Common Market. The second major exporting industry was textile mill products, with more than $80 million exported from North Carolina in 1960.

The President's trade program then, is as important to North Carolina as it is to other States. It would not be fair to discuss it, however, without considering some of the objections that have been raised.

There are those who believe that our industry will be unable to compete against low-wage foreign competition. It is true that our wages are higher than foreign wages, but wages alone don't determine price. The important factor is overall unit cost, not hourly wage rates, and that is why we are emphasizing domestic investment, to keep overall unit cost down. Our high-wage industries often do better against foreign competition, both at home and abroad, than do our low-wage industries. An American coal miner, for example, is paid eight times as much as a Japanese miner, but produces 14 times as much coal. The result is that despite higher wages, we sell tens of millions of dollars worth of coal to Japan annually. It should also be remembered that rapid economic expansion in other industrialized countries has produced severe labor shortages, which, with other factors, are creating increasing upward pressure on foreign wages and prices.

Another objection is based on the belief that lowering our tariff barriers would result in a flow of imports that would seriously damage domestic industries and hurt our economy. Quite the contrary, a major reason for the trade legislation is to provide further scope for growth. We are now importing about $15 billion worth of goods from abroad, but 60 percent of our imports do not offer any serious competition to domestic products, either because there is no domestic production of the commodities involved, or because the commodities are not produced here in any significant quantity.

It would, however, be unrealistic to assume that no domestic industries will be injured. For that reason, President Kennedy has included in the proposed trade bill provisions for temporary assistance to such firms and workers. This assistance includes loans and technical assistance to affected businesses as well as special readjustment, training, and relocation benefits for workers. In addition, eligible firms could get tax relief, by allowing a carryback of operating losses over five years instead of three. This would permit some firms to get refunds of taxes paid in previous years. Such refunds could be used to finance investments designed to restore profitable operation.

A third objection is that such adjustment assistance will prove extremely expensive, and will provide a chronic drain on the Treasury. This is not the case, because the impact of increased imports will be gradual enough to allow almost all of the readjustment to be accomplished through the normal retirement of workers and the normal writeoffs and abandonment of obsolete production equipment, just as is the case in response to domestic competition. The adjustment assistance provisions, plus the escape clause, which will be retained, are intended to take care of the cases of hardship that are likely to arise. The expenditure for adjustment assistance to firms is not expected to exceed $50 million annually, even after five years, when the full effect of tariff cuts would be felt. As the program is continued over a period of years, any outlays would be offset to an increasing extent by repayments on prior loans. The additional expenditures arising from benefits to workers are not expected to exceed $20 million annually.

A fourth objection sometimes made to the trade program is that increased imports will take jobs away from American workers at a time when the United States needs to provide more jobs. Secretary of Labor Arthur Goldberg has estimated that over the five-year period during which tariff reductions would be put into effect, the nation as a whole would lose only 18,000 jobs a year as a result of rising imports, only one-fortieth of one per cent of our labor force. Far more important, however, is the expected increase in jobs during the same period as a result of expanding exports. While it is impossible to make accurate measurements of such matters, Secretary Goldberg estimated, on the basis of past experience, that three times as many jobs would be created by new exports as would be lost through increased imports.

We must also consider the workers whose jobs now depend on exports, a group that far outnumbers the workers involved in imports, and take account of what trade means to them. One out of every eight farm workers produces for export, and nearly eight percent of our employment in manufacturing is attributable to exports. In all, more than three million workers directly or indirectly owe their jobs to exports. Failure to pass the trade program, by making it more difficult to sell our goods in Western Europe, would certainly threaten the jobs of those who depend on exports.

We have no cause to fear competition on equal terms with the Common Market. Such competition will have broad benefits for us and for the entire free world. With the new trade legislation we can look forward to a strong free world community of thriving nations, with ever-expanding trade between them. Without it we face the possibility that tariff barriers will create a number of separate trading blocs, each the potential economic and political rival of the others. Delay or inadequate authority could encourage the Common Market to develop its new and growing markets without us, making it difficult or impossible for us to regain lost export markets at a later date.

We in this nation have never doubted our productive ability. It has given us the highest standard of living in the world, and we expect it will continue to do so. The trade program is an opportunity to demonstrate to the entire world the vitality and strength of our free market economy. I urge that you give it your strong support.

EXHIBIT 35.—Report to the President by Secretary of the Treasury Dillon, March 26, 1962, on the balance of payments

A little more than a year ago, shortly after taking office, you outlined in a special message to the Congress a broad and energetic attack on the balance-of-payments problem facing this country. In response to the clear and urgent need, a wide variety of measures have been introduced and pursued with vigor by all agencies concerned. At your direction, I have assumed special responsibility for continuous review of all these activities, and for reporting to you at frequent intervals on the status of our international accounts. It is time now for me to measure our progress over the past year, and to assess the hard tasks that still lie ahead.

During 1961, the immediate pressures apparent at the time you took office were relieved. Confidence in the dollar was strengthened; the gold outflow slowed; and the deterioration in our world competitive position arrested. Nevertheless, I must report that the task of eliminating our balance-of-payments deficit has only begun. Until it is finished, we cannot rest easy.

The main responsibility for righting our deficit lies in our own hands—in the sustained efforts of Government, business, and labor. But the cooperation of other free countries is also essential if we are to build a stronger international financial system. That system must be capable not only of supporting and nourishing expanded trade among the free nations but also of withstanding the strains and pressures that are an inevitable part of progress in this restless world.

The results of our efforts thus far have been good enough to justify confidence that we have made the right start; they are not so good as to justify complacency. Part of our improvement in 1961 came from palliatives, and palliatives must be continued in 1962. But the cure has also begun to work, and it can be a lasting cure, so long as we recognize that it can be neither simple nor painless.

Full success will require time. The necessary time is ours—if we use it effectively. Today the dollar is still strong, bulwarked by over 40 percent of the monetary gold stock of the free world. Time will not be our ally if we waste it, for then confidence will be shaken, the basis for essential cooperation among the leading financial powers lost, and the future will be in doubt.

The nature of the problem

In 1961, our basic accounts, which sum up all our recorded transactions with foreigners except flows of short-term capital, were in deficit to the extent of $600 million, a substantial reduction from the basic deficits of $1.9 billion in 1960 and $4.3 billion in 1959. This reduction reflected both a larger export surplus and reduced net payments abroad on Government account—progress in the directions we must move. But, it is clear that our progress did not stem entirely from factors of a lasting sort.

The large surplus of over $3 billion in our trade accounts, excluding those exports financed by Government grants and capital, resulted in part from the low import levels that accompanied the recent recession. In addition, special debt prepayments to the United States—by the Federal Republic of Germany, the Netherlands, the Philippines, and Italy—contributed almost $700 million to our receipts, a much larger amount than can be expected year after year. Because these special factors were concentrated in the early part of the year, our basic deficit increased appreciably during the final six months.

Moreover, on top of the basic deficit, short-term capital continued to flow abroad in amounts only slightly less than during 1960. These flows were much less disturbing than in 1960, when speculation against the dollar developed. They did not reflect or arouse the same doubts over the future of the dollar. Instead, more of the outflow in 1961 consisted of commercial credits to other countries, which helped to support a continued expansion of trade. But this was only part of the cause, and last year the size of the short-term capital outflow clearly aggravated our problem.

Altogether, our deficit in 1961 amounted to nearly $2.5 billion. While sharply below the average of $3.7 billion for the three previous years, this is still far from our target of equilibrium in our international accounts. A deficit of the proportions of 1961 could be, and was, financed without placing new strains on the monetary system only because confidence in the dollar was strong and our determination to meet our problem was apparent.

A little over a third of our deficit in 1961, or $857 million, was reflected in gold sales from our monetary stocks. Of this, $324 million was purchased by foreigners in the single month of January, before you had made clear the determination of this administration to maintain the value of the dollar and to take the vigorous measures neccessary to restore a balance to our international accounts without resort to direct controls or restrictions.

Our ability to finance our deficit in 1961 cannot be permitted to obscure the nature of the continuing problem before us. This country is agreed on its vital responsibilities for leadership in the defense of the free world and for assisting the developing nations to find a better life in free societies. But it is not always understood that these burdens cannot be carried if we do not, over a series of years, earn a larger surplus in our commercial accounts.

Equally important is the fact that a sound dollar is essential to the strength and stability of the whole international monetary system, and thus a vital concern to all our allies and trading partners. American dollars, side by side with gold, are a part of the basic reserves of nearly every country in the free world. They use dollars to finance much of their worldwide trade, to pay for shipping and transportation, and to support their foreign investment or borrowing. It is this universal acceptability of the dollar as a reserve and trading currency that has made possible a vast expansion in world trade.

The dollar can continue to perform these functions only so long as it is reliable. It must be immediately reliable as a currency that can be converted into gold at a fixed price. It must be ultimately reliable as a solid claim on the enormous and richly varied resources of our abundant economy, a claim undiluted by inflation, creeping or rapid.

The broad challenge before us is to maintain the value of the dollar unquestioned, and to do so without impairing our vital domestic objectives, the strength of our mutual defense, or our ability to assist the less fortunate nations along the path to prosperity and freedom. In the end, these tasks are mutually reinforcing. We cannot afford to neglect one for another, for only when our economy is expanding at home, our defenses strong, and the poorer countries are making visible progress can we command the sort of confidence in our own future that is necessary.

The overall objectives

Our programs and policies to maintain the strength of the dollar within a framework of free and expanding markets at home and abroad are focused on two broad and related objectives:

First, we must eliminate the deficits in our international accounts, taking the good years and the bad together, so that prolonged and excessive drains on our own reserves cease. This will require, above all, that we achieve a still larger commercial surplus by competing more vigorously with producers of other countries both in foreign markets and at home. It also requires that we reduce our net payments to other countries on Government account to the minimum required by national security and economic development objectives. And, we must eliminate from our tax system artificial incentives, grounded in neither equity nor economic efficiency, to moving capital abroad.

Second, on this firm base, we must build a stronger framework of mutual cooperation among governments and monetary authorities. Acting with our partners, we must be able to defend the international monetary structure from speculative excesses and other strains. In particular, while allowing short-term funds to move freely from country to country in accordance with private initiative, we must make it impossible for sudden and capricious movements to undermine the stability of the payments system.

To achieve these objectives, the energies and resources of all agencies of the U.S. Government have been mobilized to specific tasks in the area of their responsibilities. To assure that the proper priorities are maintained and the appropriate sense of urgency prevails throughout Government, I have, under your authority, established procedures for continuous review of all these activities. Full reports on the actions of all Government departments and agencies are, as you know, prepared for your review at least once every three months. Special actions being taken or needed throughout the Government to overcome our balance-of-payments problem are brought to your attention promptly, and you have issued a series of directives, and sent to Congress a number of proposals, to intensify and coordinate these efforts.

Eliminating the deficit

The balance of payments is made up of countless individual transactions, each responding to a wide variety of factors. Among these factors, some are under the direct control of Government; others reflect the performance of our whole domestic economy, and still others the policies and performance of other nations. Amid these complexities, there can be no satisfactory single solution to the deficit. What is needed is a concerted effort on all fronts—by the Government, business, labor, and finance in this country and by other leading countries as well, particularly those whose balance-of-payments surpluses represent the opposite side of our deficit.

The first line of attack

The first line of attack on our balance-of-payments deficit consists of measures to curtail the outflow of dollars stemming from the activities of Government itself. Many of these measures are now well advanced, and contributed to the improvement in 1961. Others are just now becoming effective, and should provide needed help this year. But still more can and is being done to assure that all Government programs are fully adjusted to the needs of today.

The Secretary of Defense is conducting negotiations with certain of our allies to offset, through the purchase by them of additional U.S. military equipment and services, the heavy payments which we must make to maintain and support American forces in their countries participating in the common defense. Expenditures for defense purposes overseas were close to $3 billion in 1961. It is expected that our total sales of military equipment and services will result in payments to the United States of more than $1 billion this year, compared to less than half as much in 1961. This will help greatly in reducing our 1962 deficit.

The Defense Department has also directed the return of procurement to United States sources of a portion of the major equipment, supplies, and services formerly purchased in foreign countries for the supply of our armed forces overseas. It is streamlining overseas deployments and pruning installations with a view to conserving dollars within the framework of our needed defense requirements. Military and civilian personnel and their dependents are being urged to reduce their personal expenditures overseas and to channel their family savings into U.S. savings bonds and other American securities or savings institutions.

In our economic assistance programs, we are reducing the portion transferred to foreign countries in the form of dollars rather than U.S. goods and services. Conversely, the share of our aid transferred in the form of U.S. goods and services is being increased. Because a substantial part of current expenditures stems from commitments made under earlier policies, the full results of our new emphasis have not yet been reflected in the balance-of-payments data. Roughly two-thirds of the funds expended for all our foreign economic assistance programs in 1961 (including foreign currency sales of agricultural surpluses) were initially utilized for expenditure in the United States. The portion spent in this country will increase as procurement orders under present directives become more fully reflected in our balance of payments. Ways are being developed to reduce still further the impact of economic assistance on our balance of payments—without damage to the objectives of the AID program.

Our program for bartering agricultural surpluses under Public Law 480 is being reexamined to make sure it will not adversely affect the balance of payments of the United States. The danger is that, in some instances, potential export sales for dollars may be diverted into barter arrangements that return to this country imports for which there is no current need. This problem should be recognized in any modification of legislation or additional appropriations for the barter programs contemplated by the Congress.

Longer range programs

The task of reaching a balance in our international accounts is not one that Government can achieve alone. The private sector of the economy has an even more vital role to play. Long-run equilibrium will be reached and maintained only if private industry improves its efficiency more rapidly, produces goods and services fully competitive in world markets, and actively seeks out and fully exploits its export opportunities.

Here, Government can act as a prod and catalyst and help assure the proper environment. We have recognized that, if business moves ahead as we expect, a balanced budget in fiscal 1963 is an essential part of this environment. It will assure that the overall fiscal program of the Government is in keeping with the need to avoid excesses in our domestic economy and to release savings and resources for productive investment. Moreover, our monetary policies are being conducted in a manner to assure that ample credit is available to finance domestic growth without providing new fuel for inflation. But, in the last analysis, the critical decisions and the crucial actions are those of private citizens.

Above all else is the compelling need for business and labor to exert conscious restraint in shaping wage and price policies. Our industry cannot remain competitive if we repeat the pattern of the 1950's, when prices of industrial goods in this country advanced more rapidly than those of our leading competitors. Prices of American manufactured goods exports, for instance, rose 14 percent relative to those of other industrialized nations from 1953 to 1960. Over the same period, our share of world exports of manufactures declined from 25.9 percent to 21.6 percent.

All the agencies of Government directly concerned—the Council of Economic Advisers, the Departments of Labor and Commerce, and we in the Treasury—are cooperating in the effort to bring home to all Americans the key fact that the United States can, in this intensely competitive world, win the battle for markets only by doing a better job in restraining our own prices and costs. Your Labor and Management Advisory Committee, too, is fully aware of the importance of price stability to our international payments situation, as well as to our domestic economic welfare. That Committee can be of continued and even greater help in the future.

The Council of Economic Advisers has set forth guideposts for wage and price decisions consistent with our longrun needs. These guideposts would permit increases in average wages over time in line with increases in national productivity. They would allow for the correction of existing inequities in the wage structure, and would permit market forces to be appropriately reflected in relative wages and prices. They do not provide precise answers to every question that arises amid the tug and pull of collective bargaining and pricing decisions. But they can indicate, amid the strong pressures on both labor and management to seek whatever bargaining advantage the moment offers, where the public interest lies.

Fortunately, we have so far come out of the recent recession without price increases. Wholesale prices of industrial commodities are actually a bit lower than a year ago despite a gain in production of over 12 percent—altogether the best performance of the postwar years. At the same time, prices in most foreign countries have tended to rise. But, as the domestic economy moves ahead, and the benefits of extraordinary gains in productivity typical of the early stages of recovery are absorbed, we cannot relax our vigilance.

A year ago, in taking office, you suggested that it was the responsibility of every citizen to ask what he could do for his country. In this area of price and wage decision, that challenge is clear and specific.

More rapid modernization of our industrial plants, so that the United States can retain its leadership in efficient production, is another essential part of our longer run effort to achieve and maintain a stronger position in export markets. Improved efficiency is the only way that we can hope to achieve faster growth at home and a better life for all of our citizens, while still meeting our commitments abroad and remaining competitive in world markets.

This improved efficiency is in good part dependent on bringing to our factories the fruits of modern science and technology. Congress now has before it a bill that would provide a tax credit to be applied against purchases of new industrial equipment. Within the framework of existing laws, the Treasury also has underway a program of depreciation reform, updating the outmoded guidelines set years ago and permitting faster writeoffs in line with current experience and technology. Together, these key reforms will provide incentives for new investment in the United States comparable to those available to investment in productive facilities in other industrialized countries of the free world.

At the same time, our payments situation underlines the importance of removing from our tax laws those provisions that give an unwarranted stimulus to investment by American firms in the developed countries abroad. American business does not require the use of special tax privileges, and particularly access to tax havens that avoid practically all taxes, to operate effectively in developed countries with business tax systems comparable to ours.

Price stability and improved efficiency provide the essential underpinnings for any effort to expand our commercial trade surplus by penetrating export markets aggressively while at the same time meeting import competition without resort to restrictions. But, in addition, Government officials and businessmen alike must become export minded—much more so than ever before. To assure that the opportunities open to us are fully exploited, efforts within Government to facilitate and encourage the flow of American goods and services to foreign markets have been greatly increased.

The foreign trade functions of the Foreign Service and the Department of Commerce have been reshaped and infused with fresh energy so that American business can be made aware of export opportunities as they arise. Foreign market surveys by our Foreign Service numbered over 34,000 in 1961, an increase of 73 percent over 1960. The Commerce Department has established a National Export Expansion Council, linked to 14 regional councils throughout the United States on which 1,000 business executives are being asked to serve.

Efforts to familiarize foreign businessmen with American products and firms are also being intensified. The U.S. Trade Center Program, initiated successfully in London last year, is being expanded—centers in Bangkok, Frankfurt, and Tokyo will open in 1962. Last year we participated in 11 international trade fairs and sent special trade missions to 12 countries.

The Department of Agriculture, utilizing foreign currencies received from our sales of surpluses abroad, has expanded its program to develop foreign markets for American wheat, feed grains, rice, and other agricultural products. Forty private trade groups are associated with the Department in this effort. In 1961 alone, agricultural trade promotion exhibits were provided at 20 international fairs in Europe, Africa, the Far East, and Latin America.

The Export-Import Bank, in cooperation with 60 insurance companies, has developed a broad program of export credit insurance to be carried out through the newly created Foreign Credit Insurance Association. The FCIA, which began operations early in February, is offering to exporters throughout the United States a single insurance policy, backed by extensive Government guarantees, covering both commercial and political risks connected with U.S. export sales to buyers in friendly foreign countries. When fully effective, this new insurance program, together with existing Government and private facilities, should permit the American exporter to offer export credit on a footing at least as favorable as available to his foreign competitors.

To promote foreign travel to the United States, and thereby reduce our deficit of roughly $1 billion a year on foreign travel account, the Department of Commerce has established a new agency, the U.S. Travel Service, assisted by a 36-man Travel Advisory Committee drawn from our private travel and tourist industry. United States travel promotion personnel are now established in seven foreign cities and are working with travel agents, carriers, and the general public in 30 foreign countries.

Procedures for entry into the United States for foreign business and vacation travelers have been simplified. Most visas for such visitors are now issued in less than 30 minutes. The Department of State last year recommended legislation designed to simplify visa requirements for travelers still further and eliminate them entirely on the basis of reciprocity. Congress failed to act on this proposal last year, but it will be resubmitted at the present session.

To assure that the maximum potential from this wide variety of efforts is reached, Secretary Hodges and I recommend that you appoint an Export Coordinator in the Department of Commerce. He should be a top level official, concentrating wholly on the overriding need to expand our export sales.

The Export Coordinator would be responsible for developing, in consultation with private business, meaningful export targets by industry, and by country and region of destination. He would assure that the vast facilities of Government are used to best advantage in helping our exporters to reach these targets. He would keep a close watch on performance, pursuing through his own small staff and existing channels the reasons for any shortfalls and assisting in the removal of obstacles as they develop. Finally, he should identify new problems that might arise, and make recommendations for dealing with them to the proper officials.

The role of other countries

The deficit in our own balance of payments has its counterpart in the surpluses of other countries. These surpluses, in recent years, have been largely concentrated in several of the industrialized countries in continental Western Europe. These countries have as great a responsibility for cutting down their surpluses as we have for reducing our deficit, if the international monetary system is to be both strong and stable.

Substantial advances have occurred over the past year in this sharing of responsibility. There were the military arrangements and sizable debt prepayments by certain of our allies already mentioned. Further agreements along these lines are anticipated during 1962. But there must be more. We are hard at work now developing the means.

Only a beginning has been made in mutual support for the expanding needs of the developing countries for economic assistance, on terms and conditions suited to their circumstances. Conventional loans, repayable within relatively short periods at high rates of interest, do not adequately meet these needs. Other industrialized countries, in the years ahead, must contribute much more assistance to the developing countries, and on better terms. This must be a continuing objective of our foreign policy.

In most industrialized countries, businesses and individuals are still not free to invest where and when they wish outside their own currency areas. Frequently, they are not free to invest in the United States when they want to, and in ways they prefer. Such restrictions can no longer be generally justified on balance-of-payments grounds. Continued use of them is especially anomalous in the case of the countries with large and growing monetary reserves.

Surplus countries should move boldly now in freeing those capital movements. Moreover, our longtime objective—removal of controls over trade itself—is only partially fulfilled. To be sure, quotas and other quantitative restrictions, so common earlier in the postwar period, are now largely gone for manufactured goods in the industrialized countries. That has been a great gain. But barriers remain for agricultural goods. And the progress of the Common Market, desirable as it is, will bring into being a common external tariff, a barrier which must be lowered if the United States is to expand its sales to this great and growing market.

A breakthrough is imperative in this area. Broad-scale trade negotiations under the authority of the Trade Expansion Act that you have already proposed to the Congress offers the only realistic opportunity.

Strengthening the world monetary system

The first requisite for a strong and healthy international monetary system is progress toward resolving our own basic balance-of-payments problem. Only in that way can there be a firm basis for continuing confidence in the dollar. But even then the system will remain exposed to potential shocks and strains arising from large-scale shifts of liquid funds from one country to another.

Normally, these short-term capital flows serve a constructive purpose in moving funds to the point of greatest need. But, these flows can also magnify temporary fluctuations in a nation's balance of payments and become a vehicle for speculation against one currency or another. No nation, however strong in reserves, could withstand alone the potential pressures that could conceivably arise. The industrialized nations therefore have a common interest in protecting the system upon which we all rely to facilitate the flow of trade among us.

Basic to progress in meeting this problem are frank consultations and close understanding among the leading financial nations. The working groups within the OECD and the regular meetings of European Central Bankers at Basle, to which the Federal Reserve now regularly sends an observer, have provided appropriate forums for such discussions, and I can report that the cooperative spirit displayed has been gratifying. As a result, we can now shape our policies with fuller understanding of the needs and responses of others. The uncertainties and lack of information that can be a breeding ground for speculation and instability have been largely dissipated.

It was this understanding and cooperative approach toward our mutual problems which made possible the agreement announced in December by ten leading industrialized countries to supplement the resources of the International Monetary Fund by means of a new system of lending arrangements totaling $6 billion. These arrangements will greatly enhance the ability of the Fund to cushion any significant shocks to the monetary system, from whatever source, and to diffuse the impact among the surplus countries best able to bear it. In particular, the new arrangements would greatly increase the potential resources of the Fund in currencies of the surplus countries of Western Europe, upon which the United States would need to draw in the event of need. We are awaiting final approval of the enabling legislation by the Congress.

The Treasury also began, during the past year, to operate directly in the foreign exchange markets. Using in part currencies borrowed in foreign markets, this intervention was helpful in damping down the kinds of temporary fluctuations in the exchanges that can set off excessive short-term capital movements. The Federal Reserve, acting under its existing statutory authority, began in March to engage in foreign exchange operations in full consultation and cooperation with the Treasury. This participation by the Federal Reserve will strengthen this country's resources and facilities for countering any threatening pressures against the dollar in world exchange markets. It will, in the end, contribute to the further use of the dollar as a reserve and trading currency.

There is one area in which the United States can itself take action to eliminate an incentive for short-term capital flows that serve no real economic purpose. Certain recently imposed taxes abroad, in combination with the current provisions of our tax laws permitting a credit for foreign taxes paid, have created, for some companies, an entirely artificial incentive to transfer liquid balances abroad. A specific recommendation for dealing with this quirk in the application of our tax laws is being prepared by the Treasury so that an appropriate remedy may be included in the tax bill now before Congress.

Prospects for 1962

Changes in any nation's balance of payments from year to year, reflecting a mass of cross currents in both the domestic and foreign economies, are never fully predictable. Nevertheless, it is clear that the measures already taken and proposed will not have had time to work their full effect in the space of 1962. We must therefore be prepared for another deficit this year.

The principal factor working against a balance in 1962 is the prospect of a sharp increase in imports over the unusually low level during the early part of 1961. This can be expected in response to the growth of our domestic economy. The same sort of increase cannot safely be assumed for exports, tied closely to market conditions abroad, although we will be doing all we can to expand our foreign markets. Our commitments for defense and economic assistance should, however, impose a smaller burden, because of offsetting payments to the United States—related both to military purchases and debt prepayments—and necessary tying of aid.

We must also be prepared for a possible further outflow of short-term capital. Borrowings in the American market by residents of other countries and foreign governments, unusually large over the past two years, are likely to slacken, but not to cease. In the conduct of our monetary and debt management policies, we must remain continually alert to assure that our own short-term market does not become so liquid that credit spills over unnecessarily into foreign lending.

The means for financing our prospective deficit in 1962 are available. In the process, some portion will need to be settled in gold as some countries exchange part of their dollar holdings for gold to restore or maintain their varied rule-of-thumb ratios of gold to their total international reserves, although ratios of that sort have less relevance as international cooperation becomes closer and the payments system is strengthened.

These gold losses in 1962 should not be of a size or character to cause dismay. But they will be a forceful reminder that, until our accounts are fully in order, we are using our reserves to buy time.

We still have the time for the most important element in any real cure consistent with the maintenance of our commitments to free world security and economic progress in the developing countries, an expanded commercial surplus. To achieve that expanded commercial surplus we shall have to apply ourselves to the job at hand with the same urgency it would need if little or no time were left. And we shall also have to insist that other free countries able to do so assume and discharge their full share of the common burden, and provide us with the sort of trading opportunities that will permit us to carry our own full share.

Needed legislative action

Essential parts of this overall program still require legislative action for their full implementation:

Authority to participate in the supplementary IMF arrangements.

Authority to bargain effectively for lower tariffs with the European Common Market and other countries under the terms of the Trade Expansion Act.

Incentives for more rapid modernization of industrial equipment by means of an investment tax credit.

The removal of special inducements to invest abroad by eliminating the possibilities for tax avoidance on foreign operations through the use of tax havens and unwarranted deferrals of taxes on operations of foreign subsidiaries.

New appropriations adequate to staff and operate effectively the office of the recommended Export Coordinator and the enlarged functions of the Departments of Commerce and State in stimulating exports.

Simplified visa requirements for foreign visitors.

Continuation of Public Law 480 in a form that will not adversely affect our balance of payments.

Conclusion

Recognition of the problems before us, the wisdom to devise and forcefully apply appropriate remedies, the understanding cooperation of our allies abroad—all of these are critical elements in a successful resolution of our current difficulties. But in the end we will succeed, as in all our endeavors, only as all Americans grasp the challenge, and demonstrate that combination of restraint in setting wages and prices and bold initiative in seizing export opportunities that the circumstances require. The stability of the dollar is a key to economic progress at home and abroad. Beyond that, it will stand as a symbol of our own determination to discharge the responsibility that is ours for leadership of the free world.

EXHIBIT 36.—Statement by Secretary of the Treasury Dillon, April 24, 1962, before the Economic Club of New York on responding to the challenge of the Common Market

The fabulous success of the European Common Market presents this Nation with a challenge, an opportunity, and a promise:

A challenge, because the industrial might and know-how of the Common Market make it a formidable competitor in the trading centers of the world.

An opportunity, because the increasing demands of its thriving peoples are creating potentially vast new markets for American products.

A promise, because the prospering nations in the Common Market now have the capacity to assume a larger and more appropriate share of the cost of strengthening the defensive forces of freedom and of assisting less fortunate nations along the path to progress.

In responding to the challenge of the Common Market, we must realize that we live today in a highly competitive, fast-changing new world, in which trade barriers are rapidly being lowered or eliminated. President Kennedy's new trade program recognizes that without mutual tariff reductions, we will be hobbled in our efforts to compete with foreign producers and will be unable to take advantage of the opportunities posed by the Common Market. But trade legislation alone will not keep us competitive. We must compete effectively. This calls for ingenuity and energy in developing new products and new markets, and it demands that the costs of American production be competitive.

These are not simple tasks. They will require concerted effort by every sector of our economy. For every sector of our economy is intimately involved. There is far more at stake than trade. The real stakes are the continued strength and well-being of this Nation and the survival of freedom itself.

In shaping our overall response to the challenge of the Common Market, we must keep constantly in mind these major national economic goals:

First, achieving the more rapid rate of economic growth that we must have to solve our persistent unemployment problem, as well as to remain competitive.

Second, maintaining reasonable price stability, which is essential if we are to increase our export sales, solve the imbalance in our international payments, and ensure the full enjoyment of their later years by senior citizens living on fixed retirement incomes.

Third, achieving and maintaining balance-of-payments equilibrium in a fashion that will permit us to carry our proper share of the free world's defense and furnish a fair proportion of the assistance needed by the newly-developing nations.

Growth is essential to our continuing prosperity because we must grow faster if we are to provide reasonably full employment for our swelling labor force. And only through rapid growth can new technology be put to work fast enough to keep us competitive. Growth is also essential to long-term equilibrium in our balance of payments. We cannot hope to solve our payments difficulties if our growth rate continues to drag along at little more than half that of our friends and competitors in Western Europe and Japan.

If we are to increase our growth from the rate of about three percent a year that characterized the fifties, to the 4½ percent that has been set by the Organization for Economic Cooperation and Development as a fair and reasonable goal for its members in the sixties, we must have an economic environment that will stimulate productive investment and business activity. Demand must be adequate to absorb our production. We must make every effort to avoid recessions and, if they occur, to mitigate their effect. We must have a tax system that will stimulate both individual initiative and private investment. And we must have capital readily available to finance the needs of the economy.

The administration is moving actively in all these areas. The President has submitted a three-point program to the Congress that would improve the effect of the so-called automatic stabilizers in moderating recessions. These automatic stabilizers are the increased unemployment payments and the decline in income tax revenues, particularly in corporate taxes, that automatically accompany any recession. Their action simultaneously decreases the Government's tax take from the economy, and increases Government payments in the area where they will do the most good. These automatic stabilizers have softened postwar recessions, which have had little resemblance to the depressions of earlier days. Even so, we still spend too much time in recession and it is these recessions, moderate though they have been, that are primarily responsible for our inadequate growth rate over the past decade.

The President's program is designed to give us the tools we need to effectively combat these economic slowdowns:

First, there is a need for better unemployment insurance. This need became glaringly apparent during the past two recessions, when we were caught with an inadequate unemployment compensation system that made no provision for the longtime unemployed, whose ranks swell every time business slows down. Congress has twice been forced to improvise with temporary unemployment compensation measures. The time has clearly come to take account of those experiences and enact a permanent law along the lines proposed by the President, a law which would adequately meet the problem.

Second, the President has asked for limited authority to order modest temporary tax reductions that would further speed the automatic reduction in tax revenues that has been so effective during recent recessions. While there is understandable reluctance to grant such new authority, the concept of temporary tax reduction as an antirecession measure appears to be generally accepted. Limited authority to the President under strict congressional control would seem the best way of carrying out this concept.

The third element in the President's antirecession program is limited standby authority to initiate or speed up public works programs of the type that could be gotten underway rapidly, and substantially completed within twelve months.

These three new tools would greatly enhance our ability to deal with the economic slowdowns that have characterized our postwar economy. In so doing they should make possible a substantially more rapid rate of growth over the years ahead.

Rapid growth in our free enterprise system also requires a tax setting conducive to risk-taking—a setting that will give full play to individual initiative and effort—one that will genuinely stimulate investment. Such a tax structure calls for a basic revision of our income tax system, and that is exactly what the President has had in mind for the past year. At his direction, we in the Treasury have been working hard to develop such a new tax program. But taxes are complex.

They effect every facet of our lives. They take time to develop, as well as to enact. The initial program submitted last year is still before the Congress. This has slowed our progress in developing the new program, but our work is progressing and we fully intend to submit proposals for overall reform of the income tax rate structure.

In the meantime, we are hopeful of rapid congressional approval of the current tax bill, since its major element, the investment credit, is absolutely essential both to our growth and to our competitive position in the world.

During the past year, I have found general agreement that it is necessary to liberalize our treatment of depreciation so as to stimulate investment. A good deal can be done under present law, for our depreciation statutes are not as bad as they are often depicted. It is the administration of the law that has been primarily at fault. Revenue agents have been required to use as their guide for depreciation allowances, a bulletin put out by the Internal Revenue Service twenty years ago and never since modified. And, as if this obsolescence of the guidelines were not enough, it has also become clear that the basic concept in the guidelines of separate depreciable lives for each and every tool and machine brings with it a great deal of unnecessary paperwork and argument. We intend to thoroughly revise and update these instructions. In our revision we will set forth broad classes of equipment to replace the 5000 odd items presently listed in *Bulletin F*, as it is called.

Treasury studies, underway for nearly two years, and which for the first time take account of anticipated future obsolescence, indicate that we will also be able to substantially reduce the average guideline lives for depreciation. In the case of the textile industry, where the task has already been completed, the reductions averaged forty percent. However, since our manufacturers are already legally writing off their equipment at considerably faster rates than are provided in existing guidelines, the actual benefit of the revisions now underway will be considerably less than the projected percentage reductions in the guidelines. Present rates of depreciation are the result of agreements with revenue agents. These agreements have not been reached easily. They have involved a great deal of debate and compromise. Sometimes, they have required resort to the courts. Such unfortunate controversy has been the inevitable result of out-of-date guidelines which forced revenue agents to rely upon their own judgment in determining depreciable lives for the various pieces of equipment used by industry. One of our major aims in modernizing administrative depreciation practices is to reduce this area of contention and uncertainty to a minimum. We are confident that very significant progress is possible.

But all we can accomplish by the administrative route is not sufficient to meet the needs of American industry in today's competitive world. All of our competitors in Europe, Canada, and Japan go farther by providing some form of special incentive to modernize. Some of them use unrealistically short lives, which work in the same manner as the five-year amortization we have used in times of defense emergency. Others provide substantial special writeoffs in the first year, usually called initial allowances. More recently, some of them have been turning to allowances over and above one hundred percent of depreciation, the same principle we are advocating in our investment credit. Such investment allowances are presently in effect in Belgium, the United Kingdom, and the Netherlands, and are now being adopted in Australia.

The resulting contrast with current practices here is dramatic. Taking the case of a piece of equipment, which has a fifteen-year life under our present laws, we find that manufacturers in Western Europe and Japan can write off an average of twenty-nine percent on similar equipment in the first year, compared to only 13.3 percent for American industrialists. Modernizing administrative practices can close only a small percentage of this gap. If American industry is to compete effectively, we must provide special incentives comparable to those available abroad. The only possible question can be over the way in which these incentives should be provided. The investment credit is one such way—and an extremely effective one. The combination of an eight percent investment credit and modernized administrative procedures will put American manufacturers on a comparable footing with their foreign competitors as far as investment in machinery and equipment is concerned.

The same result can, of course, be accomplished by various methods of accelerating depreciation beyond what is called for by realistic depreciable lives. But in the Treasury's view, the investment credit has two clear-cut and important advantages over all methods of accelerated depreciation. The first is that the investment allowance or credit, utilizing the principal of an allowance over and above 100 percent of original cost, increases the profitability of a given investment far more than any equivalent acceleration of depreciation. One of the most thorough studies on the subject, prepared for its membership in the machine tool industry by the Machinery and Allied Products Institute, finds that on a typical fifteen-year asset, an eight percent investment credit has the same effect on profitability as a forty percent first-year depreciation writeoff. Let me repeat that. The eight percent investment credit which we are recommending has the same effect on profitability of investment as a special forty percent first-year depreciation writeoff. However, when we calculate the effect of these two methods on our tax revenues, we find that the first-year revenue cost of the credit is $1.35 billion, while the cost of the forty percent initial allowance is $5.3 billion. Over a five-year period, assuming steady growth in the economy, the credit might cost something like $10 billion, compared to $24 billion for the comparable forty percent first-year writeoff. Similar results are reached when we compare the cost of other methods of accelerating depreciation to that of the credit.

I think you will all agree that government in these days should make every effort to get the most out of its dollars. Avoidance of waste is just as important in tax policy as it is in expenditure policy. And that is one very good reason why we prefer the investment credit to the more expensive and less effective route of accelerated depreciation.

The second unique advantage of the credit is that it will not adversely effect costs or prices. Accelerated depreciation is often entered as an item of cost. This naturally inflates costs and shrinks profits, thus tending to promote the very price increases we must avoid.

I think you are all aware that the single largest increase in general manufacturing costs over the past few years has come from the increased depreciation writeoffs permitted by the 1954 law which updated and liberalized depreciation procedures. This increase in costs was fully warranted, since it recognized the actual obsolescence rates of machinery. That is what depreciation is for and this will, of course, also be the effect of our administrative reforms. However, when it comes to an incentive, over and beyond realistic depreciation, the situation is quite different. As I have pointed out, the use of accelerated depreciation for this purpose would be wasteful of the Government's tax dollar as compared to the credit, and would also tend to distort earnings and prices. For these two reasons, we stand firmly for the investment credit approach as the most feasible and practicable method of providing the stimulus to investment in machinery and equipment that we must have if we are to achieve the rate of growth required for a competitive and reasonably fully-employed economy.

Enactment of the investment credit also has an immediate importance. The greatest uncertainty and the major soft spot in our current economic situation is the indication that business investment over the next year may be inadequate to sustain the pace of our recovery. Enactment of the credit will immediately generate new business in the machine tool and allied industries and will accelerate the incorporation of the latest technology into our productive system. It will shorten the lag-time between development and manufacture of new products, and thus help to open up new markets. It will stimulate industrial expansion and thus help to create the new jobs we so badly need. In short it will give a lift to our economy in exactly the place where it is most needed and at the very time it is most needed.

To the extent that investment is stimulated, new capital will be required. The national monetary and debt management policies that have been followed for the past year give assurance that the needed funds will be available at reasonable rates of interest. Today, with the recovery fourteen months old, the cost of new long-time corporate borrowing is lower than at any time since the economic advance got underway. At the same time, for balance-of-payments reasons, we have maintained and even moderately increased short-term interest rates, so as to equalize them with those obtainable abroad.

The investment credit, by promoting the use of modern, cost-cutting machinery, will help us to achieve our two other major economic goals: reasonable price stability and balance-of-payments equilibrium. Price stability is a must if we are to compete successfully in world market places, and it also makes for healthy economic and social conditions at home. Fortunately, conditions today in the United States are favorable to price stability, if only we use restraint.

The strongest type of inflation is classical demand-inflation, too much money chasing too few goods It is because of the danger of demand-inflation that we

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are wary of budget deficits. For Federal budget deficits create purchasing power. Whenever capacity is tight and demand is strong, deficits lead almost inevitably to a rise in prices which diminishes the value of all savings and helps no one but the lucky speculator.

However, for at least the past four or five years, we have had no problem with demand-inflation. We have not known reasonably full employment since 1957. The slack in our economy was revealed by the fact that the record $12½ billion deficit of fiscal year 1959 had no noticeable effect on wholesale prices. Neither has there been any effect from the $7 billion deficit we are running this fiscal year. As a matter of fact, wholesale prices are lower today than a year ago. I by no means wish to imply that we should not be concerned by deficits. But I do want to point out that the effect of a deficit on a slack economy is totally different from the effect of the same deficit on a full employment economy. We cannot afford deficits at full employment. Indeed, we anticipate substantial surpluses in such periods. With the prospect of rapid economic growth that led to last January's forecast of a gross national product of $570 billion for 1962, the President wisely presented a balanced budget. While the January and February slowup has made the achievement of this goal considerably more difficult, it is still possible. If we achieve it, there is no reason why we should not have a balanced budget as well. The main point to remember about our deficits is that they have been a reflection of the uneven pace of our economy. Cure the recessions and the deficits will also disappear.

While we are on the subject of fiscal policy, I would like to digress for a moment to compare our experience with that of some of our European friends. There is a common misconception, both here and abroad, that our fiscal or budgetary performance is poor compared to such countries as France, the United Kingdom, and West Germany. That is simply not so. A recently completed study which converts the budgets of those countries to our accounting system, shows that our record is quite good. By adapting their data to our budget accounting methods Germany would show a budget deficit in every one of the past four years, the only years in which her postwar defense expenditures have been of any significance. France would show them in every one of the past ten years. And the United Kingdom would show deficits in nine of the past eleven years, and, in this connection, the Chancellor of the Exchequer has just forecast another deficit for the upcoming fiscal year. In contrast, the consolidated cash budget of the United States has been in deficit in only six out of the last eleven years.

Perhaps even more impressive is the fact that, over those same periods of time, the cumulative American deficit, as a percentage of gross national product, was the lowest. France's was the highest, with Germany next, and the United Kingdom third.

It is worthy of note that France and Germany, which run persistent deficits in their budgets, also run the greatest and most persistent surpluses in their balance of payments. That, of course, is not because of their deficits, but rather because they have maintained competitive prices on their export goods—the key to payments surpluses—and have maintained them in the face of continuing full employment.

Despite the fortunate absence of demand inflation from the American scene, we must continue to guard vigilantly against wage-price inflation, which can be just as dangerous and can strike at any time. If we are to avoid this type of inflation, prices should remain level or drop, and wage increases should be governed by increases in labor productivity. To help in defining these limits, the President's Council of Economic Advisers, in their annual report, set forth guidelines based on the performance of our economy, which has shown an average annual increase in productivity of from 2½ to 3½ percent. As long as our economy continues to grow and productivity continues to increase at this rate, it should be possible to absorb wage increases of like magnitude without any increases in price. And remember that productivity also applies to capital. As the productivity of capital increases, there should also be room for increases in profits, to correspond with the increased wages of labor. All this will be possible if management and labor work jointly to make it possible—bearing the national interest in mind at all times.

Price stability is essential if we are to achieve our third major goal—balance-of-payments equilibrium. Without it, there can be no hope of achieving balance unless we invoke drastic actions that would do as much harm as good. That was the major reason for the President's great concern when, for a few days earlier this month, price stability appeared to be threatened.

Growth and price stability must both make their contribution to improving our payments problem by keeping our exports competitive. But still more is needed. For we have been forced to assume exceptional responsibilities in the defense of the free world. Those responsibilities put a great drain on our balance of payments, a drain which has recently averaged about $3 billion a year. We must work to reduce this outflow by cutting out all nonessential costs and by obtaining offsetting payments from our European allies for U.S. military materiel and services.

A good start has been made. You have heard the President state that Secretary McNamara has accepted a goal of a billion-dollar reduction in the net outflow of defense dollars. About half of that goal has already been achieved through the recent agreement with West Germany, by which she is sharply increasing her purchases of U.S. military equipment. We are hopeful that similar arrangements can be made with other countries. The rest of the billion-dollar goal will have to be achieved through economies in dollar expenditures.

We are also using every opportunity to channel the maximum amount of our foreign aid funds into purchases in the United States, where they do not affect our balance of payments.

But there is another important area affecting our balance of payments where action is required if we are to achieve overall balance. I refer to the steadily increasing outflow of private investment capital. The easiest way to handle this problem would be to utilize the standard European method—exchange controls. But we are firmly opposed to this approach, and so are pursuing two other avenues: We are working with our European friends in the OECD to liberalize their controls on capital movements, and we are urging them to develop their own internal capital markets so that they will not have to rely so heavily on our capital market. This is a slow process, but progress is being made. Our second method of slowing the capital outflow is by eliminating that portion of the outflow, perhaps as much as ten percent, that is induced by tax reasons. That is the basic aim of the administration's foreign tax proposals. Those proposals are not directed against foreign investment as such. They merely attempt to put investment in the other industrialized countries on a par with investment here at home, as far as tax treatment is concerned. Their enactment would not only reduce the outflow of capital for direct investment in the other industrialized countries by some ten percent, it would also remove the artificial tax incentive to retain profits abroad and so would improve their return flow to the United States by roughly the same amount. The resulting overall balance-of-payments improvement should be something like $400 million a year. The great bulk of foreign investment—and I am confident it is not made for tax purposes—would continue as in the past. But that relatively small part that is purely tax-induced, and we all know that it does exist, would be eliminated, with substantial benefit to our balance of payments.

At the outset of my remarks, I said that the Common Market presents us with a challenge. But the greatest challenge lies within ourselves. We have the means at hand to solve our economic problems, if only we will use them wisely and well. The most important is the stimulation of additional private investment in productive equipment. We must use that means to the full, and in a manner that will not jeopardize the national interest by shortsighted decisions, be they public or private.

If we do so, we can make significant progress toward achieving our goals of more rapid growth, price stability, fuller employment, and payments equilibrium. We can move boldly to take advantage of the competitive challenge of the Common Market, secure in the knowledge that our nation is capable of seizing opportunities in foreign trade to help make a reality of America's vast promise of a fuller life for our own people and for free peoples everywhere.

EXHIBIT 37.—Statement by Secretary of the Treasury Dillon as Governor for the United States, April 25, 1962, at the third annual meeting of the Board of Governors of the Inter-American Development Bank

It is a genuine pleasure for me to join my fellow Governors and the management of the Inter-American Development Bank at our Third Annual Meeting. I regret that long-standing commitments at home made it impossible for me to participate in your discussions earlier this week. But I have read with appreciation President Herrera's admirable opening address, upon which I congratulate him, and look forward to studying the statements that were made by other Governors before my arrival. May I add a word of personal thanks to our host Government for the warm hospitality which it has extended to us in this beautiful city of Buenos Aires.

The first year of operations of the Inter-American Development Bank coincides with the first year of the Alliance for Progress. The solid achievements of the Bank, both in its own capacity as a Bank and as administrator of the Social Progress Trust Fund, encourage us in our conviction that this unique and capable institution will in succeeding years fulfill our best hopes in assisting the economic and social development of the Latin American countries and will continue to play a leading part in furthering the Alliance for Progress.

It is appropriate that I should speak first of the Bank's excellent progress in managing its own resources, progress reflected in those parts of the Annual Report dealing with the Ordinary Capital Resources, the Fund for Special Operations, and technical assistance operations.

In the year ending December 31, 1961, 55 loans totaling $178 million were made to 18 member countries from the Bank's Ordinary Capital Resources and its Fund for Special Operations. This is a remarkable record for a newly-established banking institution.

Over half of the $178 million represented loans to assist private enterprise in the member countries, thus fulfilling one of the important purposes of the Bank's charter to promote private investment in economic development. In large part, these funds were provided to development institutions for relending to small- and medium-sized private industrial and agricultural undertakings. These enterprises, in their thousands of small beginnings, stimulate each other, create centers of local prosperity, and lay a basis for the accelerating, self-generating growth so important in creating a modern, integrated free market economy. The Bank has thus been reaching a truly vital area of Latin American economic development, an area which, moreover, has hitherto been literally starved for credit.

The technical assistance loans and grants provided by the Bank during 1961—amounting to well over five million dollars—also made a valuable contribution to economic growth in Latin America. Preinvestment studies, such as those being made for an Argentine hydroelectric project, for the Bolivian mining industry, for the highway system in Honduras, are often essential for sound investment decisions. The technical assistance which the Bank has extended for both national and regional planning and development organizations should also yield a rich harvest in the years to come. Of immediate practical help to many member countries was the technical assistance to development institutions, in helping to reorganize their structure and administration so as to enable them to utilize the Bank's loans more efficiently.

I am sure that all of us are especially gratified by the confidence which the financial community has shown in the Bank's lending operations from its Ordinary Capital Resources. A large number of leading commercial banks, including several in Western Europe, have participated in 22 of these loans without the Bank's guarantee. And—even more striking evidence of this confidence—was the action of a group of leading Italian banks in subscribing to the Bank's first bond issue of more than 24 million dollars in lira bonds, the net proceeds of which will enlarge the Bank's Ordinary Capital Resources. This kind of foreign financial operation, during an international bank's first years, is both exceptional and significant. The Bank has acted promptly to implement the spirit of the Act of Bogota and the wishes of the Board of Governors that efforts be made to attract the resources of Europe towards the development of Latin America.

I am glad to hear that the Governors have already adopted this proposal. I am also most interested to learn that the Governors early today adopted a resolution calling on the Executive Director to study the question of export financing. Certainly the diversification of exports is a most important part of long-range plans for the development of Latin America. The growth of what I might call "export-mindedness" among both the government and the business community of the region must also form part of this process. The increasing attention being devoted to the export of capital goods is a very encouraging sign I will look forward with great interest to the results of the forthcoming study. We are prepared to consider with an open mind any practical proposals which emerge from this study.

As President Herrera has pointed out, the Bank has already committed a substantial part of its resources. It is clear that, if the Bank is to continue to lend in the future at the same rate as in the past, the time is not far distant when its existing resources will have been exhausted. The United States therefore welcomes the proposal of the management that the executive directors be asked to study the question of the future replenishment of the Bank's lendable assets.

I would like now to speak of the very important work of the Bank in dealing, as administrator under the Social Progress Trust Fund Agreement, with the $394 million of resources placed in that Fund by the Government of the United States. This sum was, as you know, the bulk of the half-billion dollars voted by the Congress of the United States in response to the call for social progress in the Act of Bogota. It testified to our belief that economic progress cannot be successfully achieved if social needs are ignored.

In its first 10 months of administering that Fund, the Bank has made loans totaling over $200 million. These loans from the Social Progress Trust Fund, and others to come, will help to provide adequate homes for those who lack them to give the small farmer access to credit on terms he can afford, to bring the blessing of pure water to many now forced to use contaminated supplies. In the true spirit of a common purpose, those who receive these benefits will also share in their creation. They and their neighbors will help to build homes with their own hands; the homes will not be rented but sold, so that the pride and satisfaction of family ownership can be realized; and those who receive pure water in their homes will pay for it, loans for all these purposes are being provided on liberal terms which the home owner, the small farmer, the water-user can afford. Self-help, and the dignity and independence of the individual, are thus being emphasized.

These accomplishments of the Bank have been achieved within the framework of the Alliance for Progress. The Alliance has had a year of solid achievement. I say this in the full knowledge of all that remains to be done, of all the obstacles that must still be overcome, of the wide-spread poverty, disease, hunger, and despair that still exists in our hemisphere. But we can here take note of the progress that has been made, with the understanding that we are far from satisfied with it, and that we will not be satisfied until our task is accomplished.

My Government has fulfilled the promise which it made at Punta del Este last August to commit more than a billion dollars in public assistance to Latin America during the first year of the Alliance. More than $400 million came from the Agency for International Development, $375 million from the Export-Import Bank, $135 million under the food for peace program, $130 million from the Social Progress Trust Fund, and several millions more for other assistance, including activities of the Peace Corps.

As you know, President Kennedy has asked the U.S. Congress for $3 billion to finance development aid programs under the Alliance for Progress during the next four fiscal years. He asked that $600 million be appropriated by the U.S. Congress for the fiscal year 1963, which starts this July. This amount would be in addition to the amounts to be provided by the Export-Import Bank, by the food for peace program and from the Social Progress Trust Fund during fiscal 1963.

Latin America must also look to the other industrialized countries of Western Europe, Japan, and Canada for development assistance. The Alliance for Progress is important to the entire free world. Other industrialized countries, along with the United States, must help if its success is to be assured. This will mean development loans on flexible terms to replace and supplement the high interest suppliers' credits which up to now have constituted the bulk of European credits to Latin America. It is my sincere hope that the other industrial nations of the free world will play a greater role in the development of Latin America in the future than they have in the past. Each of our governments must do everything in its power to achieve this result. The new era in international economic cooperation which is just beginning, as evidenced by the Common Market, the Organization for Economic Cooperation and Development, and the Alliance itself, is an opportune time to encourage outside aid and investment for Latin America.

The participation of the Government of the Federal Republic of Germany with the Inter-American Development Bank, the Government of Argentina, and the Government of the United States in the program for the rehabilitation of the Bolivian Mining Corporation is an interesting and welcome move towards international cooperation. My Government will continue to seek such cooperation by other capital exporting countries in increasing the flow of long-term public development capital for Latin America.

I was glad to learn, in this connection, that the Bank had established a European representative office, under the direction of an able Argentine, Julio Gonzalez del Solar, which should be of assistance in interesting European capital in Latin America.

In addition, private capital must be encouraged both within Latin America and from the industrialized countries. Private funds in large amounts are essential if economic growth is to be stimulated to the point where it will outstrip the population gain and provide a significant rise in the standard of living. The goal of 2½ percent yearly increase in per capita economic growth which we established in the Charter of Punta del Este is not excessive in a continent where the average per capita annual gross product is about $300. But this goal cannot be achieved without more private investment. Private capital will also bring with it the needed technicians, skilled help and know-how so important to creating real growth. If private enterprise follows a policy of mixed capital financing, part foreign and part local funds, there will be benefits for all concerned, not the least of which will be the training and utilization of Latin America's own people. Such ventures will encourage the development of local technical and managerial talents and will allow existing talent to gain greater experience.

The broad charter upon which we all agreed at Punta del Este, and the Act of Bogota which preceded it, were based upon the principles of self-help and economic and social reform. Before the end of 1961, beginning steps had been taken to achieve the land, tax, and administrative reforms that must be carried out if assistance funds from the United States and elsewhere are to produce the effect for which they are designed. These steps are reflected in the detailed report of the Bank, as administrator of the Social Progress Trust Fund for the calendar year 1961, with respect to each member country. In some countries, beginnings have been made by law or are under legislative consideration. More than half the members of the Alliance either have national development plans completed or under way. Our progress so far offers hope for the future, even as we recognize that much more remains to be done.

In the period ahead we shall need sounder tax laws and better tax administration to provide the revenue to finance needed self-help measures, to assure that all bear an equitable share of the burden of providing that revenue, and to end the huge annual losses from tax evasion. Each country's needs are different, but nearly all need more efficient tax systems. For only through more efficient tax systems, tighter administration, and stricter enforcement of legislation already in effect, can widespread tax inequities, noncompliance, and evasion be stopped, and the vital resources of the continent marshalled for progress.

In the period ahead we shall need greater land productivity, including a better system of land distribution, so that land does not lie idle or ineffectively used, and so that hard-pressed farmers are not exploited. The type of land reform needed also varies widely from country to country. In some, the need may be for the opening up of new public lands, by irrigation or by building roads. In others, the acquisition and reallocation of private land holdings may be in the national interest. The need for reform, particularly reform and investment to increase efficiency, is indicated by the fact that while roughly half of Latin America's labor force is involved in agriculture, agriculture represents considerably less than half its total output. Increasing, and at the same time diversifying, agricultural productivity is an urgent need.

Above all, we shall need wise planning, with a real sense of priorities. The nine-man panel set up to review national plans is a major step to efficient planning. I wish to reiterate that it will be the policy of the United States to give great weight to the views of the panel in providing development assistance under the Alliance for Progress.

At our last meeting a year ago in Rio de Janeiro I suggested that the objectives of the Alliance for Progress could be defined as growth, stability, and social equity for the individual. In particular, I stated the conviction of the United States that financial stabilization must be accompanied by social progress and economic growth if the goals of the Alliance for Progress are to be realized. I should like on this occasion to restate and reemphasize that belief. I think it is clear beyond any possible doubt that in our modern era democratic governments cannot long endure if they neglect the needs of the people for social improvement and rising standards of living. That is why government policy in a free society must be directed to offering education to the illiterate; assuring homes, land, and food for the homeless, landless, and hungry; bringing productive work to the unemployed; and instilling in the hearts of the underprivileged hope for the future instead of despair. These are tasks of statesmanship which require positive and forward-looking programs, not merely negative restraints. They demand intelligent, imaginative planning for the use of national resources. They call for courageous political leadership to bring about changes in society often contrary to the immediate interests of powerful opposing minorities. Financial stabilization, even though it is essential to the process of widely-shared growth, cannot by itself meet the insistent demands of the people for the better life denied them by the existing order of things. And experience shows that efforts to achieve financial stabilization will themselves be overthrown by irresistible pressures in the absence of effective and concrete programs to bring economic growth and social improvement in a measurable and tangible form. What is called for are policies which continually blend financial stability with economic and social development.

The Alliance for Progress is a ten-year program which is only a year old. We have accomplished much in one year, but history is in a hurry.

Whether we delay or act, whether we succeed or fail, we know that present conditions will not endure. The winds of change are blowing throughout the world. Let us then employ our wisdom, our energy, and our dedicated efforts in striving for a peaceful change to a better life in freedom, in striving to save our peoples from the violent change of bloodshed and tyranny.

I offer the words of the President of the United States, delivered last month on the first anniversary of the Alliance:

"The Charter of Punta del Este which last August established the Alliance for Progress is the framework of goals and conditions for what has been called 'a peaceful revolution on a Hemispheric scale.'

"That revolution had begun before the Charter was drawn. It will continue after its goals are reached. If its goals are not achieved, the revolution will continue, but its methods and results will be tragically different. History has removed for governments the margin of safety between the peaceful revolution and the violent revolution. The luxury of a leisurely interval is no longer available."

EXHIBIT 38.—Remarks by Secretary of the Treasury Dillon, May 18, 1962, at the ninth annual monetary conference of the American Bankers Association, Rome, Italy

I am delighted to join with you in this Annual Monetary Conference, which has brought together so many of those who, as public officials or private citizens, share responsibility for the financial policies of the free world. Our common objective of a durable international payments system, capable of supporting and nourishing economic growth and expanded trade, cannot be achieved by nations working in isolation. Lasting progress depends upon concerted action by all of our governments and by labor, business, and finance within each country. Such cooperation can flourish only in an atmosphere of frank discussion—the sort of atmosphere provided by this meeting. The opportunity which we Americans have had to meet in such pleasant surroundings with our eminent European colleagues has been most useful in giving us a clearer appreciation of our common problems. I am thankful to the American Bankers Association and to our Italian hosts for making this possible.

The free world's monetary system, as it has evolved since World War II, rests inescapably on the full acceptability of the dollar as a supplement to gold in financing world trade. No practicable alternative is in sight. This means that the dollar holdings of central banks must continue, in the future as in the past, to be readily convertible into gold upon demand at the fixed price of $35 an ounce.

It further means that all of us—every nation with a stake in a stable international financial mechanism—have a strong interest in the elimination of the lingering United States payments deficit.

The chief responsibility for righting that deficit rests, of course, with the United States. We recognize this responsibility, and we are prepared to do what is necessary to eliminate the deficit and to preserve the value of the dollar. But the nature of the eventual solution, and the speed with which it is reached, also depends upon the degree to which the surplus countries of Western Europe accept a complementary responsibility.

Recognition of the need for coordinated, cooperative action has been apparent in many areas over the past year. This provides solid ground for confidence as we look ahead. Nevertheless, much remains to be done. And this is nowhere more true than in one area of direct concern to everyone in this room: the arrangements for raising and distributing credit and capital in world markets. Potential investment funds are still too often dammed up behind national boundaries by legal restrictions or institutional barriers, even when any need for these restrictions has long since passed. Capital does not, as it should, flow freely from those with ample resources to the points of greatest need. Benefits and burdens often bear little relationship to current patterns of trade or to the underlying payments position of a country.

This is reflected in the fact that most governments or businesses, when raising funds outside their own country, still look to the United States as the only readily available source. Conversely, American investors, unlike those in most other countries, have both the facilities and freedom to place their funds abroad without restriction, on a basis comparable to—and sometimes even more favorable than—domestic investment.

These conditions are an anomaly in a world of convertible currencies, a world in which barriers to trade have been steadily reduced, a world characterized by American deficits and European surpluses. I am not suggesting that the United States, as the richest and most productive nation on earth, should cease to export capital. Nor do I suggest that action to free the flow of investment funds from other countries would relieve the United States of its responsibilities for vigorous and effective action in other directions to reduce its payments deficit. But progress toward a broader, more fluid international market for capital does seem to me to be an essential part of our American effort to achieve and sustain international payments equilibrium. At the same time, more effective means of mobilizing the huge potential for savings implicit in the dramatic economic expansion of Western Europe must be developed if Europe is to fulfill its hopes for continued rapid economic growth in the years ahead.

Western Europe is in a period of economic growth that can and should lead to standards of living comparable to those in the United States. But we in the United States would not have been able to achieve our present standard without the development of a capital market whose breadth and flexibility remain unparalleled. The plain fact is that Western Europe will not be able to approach the American standard of living until it develops ways and means of mobilizing its own extensive savings and capital that are fully as effective as those of the New York market. This is an area where the interests of the United States and Western Europe coincide completely. Western European economic growth will require an enormous mobilization of capital. Because of balance-of-payments realities, as well as our own competing domestic needs, the amount of capital that we will be able to furnish is simply not enough to go around. If Europe is to have adequate funds for the expansion that is now within its grasp, it must develop up-to-date mechanisms to mobilize its own capital resources—mechanisms that do not exist today in most of continental Europe.

To return to our balance of payments and to put it into proper perspective, let me review the broad strategy that lies behind all of our efforts to restore a balance in our international accounts.

As you know, spending for the defense and economic support of the free world imposes a uniquely heavy burden on the U.S. balance of payments. The annual dollar cost of our defense expenditures overseas has been roughly $3 billion in recent years, substantially more than our average basic payments deficit. I would like to emphasize that the $3 billion figure is the balance-of-payments impact, not the budgetary cost to the United States, which is several times higher.

Approximately $2 billion of this is spent in NATO countries. Our dollar costs for defense are heaviest in Germany, where they amount to about $700 million a year. In France, they are more than $300 million per year; in the United Kingdom about $250 million, and in Italy, about $100 million.

These expenditures represent the dollar cost of maintaining U.S. forces overseas, and the heavy expenditures in NATO countries result from the fact that our largest overseas troop deployments are here in the NATO area.

There can be no doubt of the necessity to maintain large U.S. forces overseas for our own security, for that of our NATO allies, and for the entire free world. Nor can there be any doubt of our firm determination to meet in full our responsibilities for the defense of NATO and the free world. As President Kennedy has stated, the United States is prepared to make any sacrifice necessary for free world security. We are prepared to maintain fully effective military forces overseas, wherever necessary and for as long as needed. Even as we meet today, American troops are deploying in Thailand in response to a request for assistance by the Royal Thai Government as a result of renewed communist aggression in Laos. But at the same time that we fulfill these military responsibilities we must exercise all prudence to ensure that the adverse impact on our balance of payments is minimized.

The United States must trim all nonessential foreign exchange expenditures from its defense programs. Therefore, we are emphasizing U.S., rather than foreign procurement. We are economizing in manpower wherever possible without loss of military strength and we are encouraging our forces to hold down the level of their personal expenditures overseas. But this can only accomplish a relatively small part of the job.

More important is our effort to work out arrangements in cooperation with our NATO allies for offsetting our defense expenditures by increasing their procurement of military equipment and services from the United States. This not only assists the U.S. balance of payments, it also strengthens the military capabilities of our allies, for we are usually in a position to produce the needed equipment faster and at less cost than it can be produced in Europe.

As a first and most important step in this effort, agreement has been reached on the establishment of a cooperative logistics system whereby the armed forces of the Federal Republic of Germany will increase the level of military procurement in the United States and will utilize American supply lines, depots, and maintenance and support facilities. By this means the Federal Republic of Germany will fully offset the dollar costs of maintaining U.S. troops in Germany during 1961 and 1962. Discussions are under way, or will soon be initiated, with certain of our other NATO allies. Our objective during 1962 for total military cash receipts is approximately $1.2 billion. I believe that we will be successful in attaining this objective.

It is our view that such military offset arrangements are both equitable and mutually beneficial. They provide a means whereby our allies can strengthen their own military forces at minimum cost and in ways that often would not otherwise be possible, while at the same time offsetting the dollar costs which we incur in maintaining our forces on their territory in the joint defense of the precious heritage of freedom. Thus, these agreements, at one and the same time, build up both the military and economic defenses of the West.

The dimensions of the actual drain on our balance of payments from economic aid, while important, are currently much smaller than many have assumed. A sizeable fraction of our $4 billion expenditure for aid, over two-thirds in 1961, is furnished in the form of U.S. goods and services. And in terms of the funds being committed at the present time, the portion furnished by our own goods and services is even higher and is still increasing. But just as in the case of defense spending overseas, there are limits to the further dollar savings that can safely be made in this area. The needs of the developing countries are likely to rise in the years ahead, not decline. Hence, much remains to be done in sharing this burden more equitably among all the countries able to bear it. I am hopeful that continued progress can be made along those lines this year.

On balance, a realistic appraisal of actions now underway suggests that the total drain on our balance of payments from aid and defense will be reduced by something over a billion dollars a year, to a figure on the order of $3 billion.

This means that the United States must have a continuing surplus of about $3 billion a year in the other elements of our basic balance—trade, services, and long-term capital movements if we are to achieve a balance in this account which, as you know, does not include short-term capital flows. This is a tall order. But it is one we can, and must, achieve. Last year, when circumstances were particularly favorable for our trade account, our commercial trade surplus amounted to $3 billion. This reflected the abnormally low imports of the first six months of 1961, which resulted from the slowdown in our economy. We must, however, accept this as a minimum target for the future and strive to do even better. Such a target will not be easy to achieve. But it is feasible and realistic, if we Americans continue to apply ourselves to the task with all the vigor and imagination it requires.

I will not review in detail here all the measures we have undertaken to make Americans export-conscious as never before, to support industry with short-term credit insurance comparable to that available in other industrialized countries, and to provide comprehensive and speedy information on foreign markets. I am certain, however, that all of you here will see visible results from these efforts in the months and years ahead, as American businessmen move more aggressively to participate in growing world markets.

All of this effort will, of course, avail us nothing if American industry cannot or does not deliver its goods at attractive prices. Restraint on costs and stable prices must lie at the very heart of American efforts to sharpen our competitive drive in world markets.

Our overall approach to this objective is, I believe, clear: the thought that price stability depends on keeping wage rates in line with national trends in productivity is hardly new. But never before has an American administration assumed the responsibility for defining that principle in such clear terms—and never before has an American administration so carefully spelled out its implications for collective bargaining and pricing decisions. The object is simply this: to ensure that labor and business alike, in weighing all the complex pressures that enter into any wage price decision, are also fully aware of the overall national interest.

The past year has seen some success in these efforts. Despite our economic recovery the very significant fact is that wholesale prices in the United States are lower today than they were a year ago. They have now remained stationary for four years. This price stability has served to improve the competitive position of the United States versus our friends in Europe, reversing the trend of earlier years. We will continue to do everything in our power to see that this new trend continues. Important among our efforts is the promotion of a more favorable environment for investment. An investment tax credit, included within a broader program of tax reform now before our Congress, is a key element in our approach. And updating and simplification of outmoded depreciation guidelines to take full account of the impact of swiftly changing technology on the useful life of equipment is another. Together, these measures will provide incentives for investment in new equipment comparable to those that have long existed in other leading industrialized nations.

Monetary and debt management policies are being conducted in a manner to ensure that ample funds are available, at reasonable cost, to finance new capital outlays. Fiscal policy, too, has been closely attuned to the need to encourage investment, and to avoid the sort of demand pressures that could menace price stability.

As you know, we have succeeded this year in keeping the deficit in our Federal budget far below the level of fiscal year 1959, the last similar recovery period. This has been of major assistance in our effort to forestall any significant tightening of the credit markets, with government draining off resources and funds that might better be devoted to productive investment. For the fiscal year beginning next July, we have programmed a balanced budget on the presumption that the economy will continue to expand vigorously, approaching full employment by the end of the fiscal year.

Under such conditions, our budget would gradually, and quite properly, exert increasing restraint on demand as the year progresses. This is better illustrated by the projected surplus of $1.8 billion in the overall cash account which, in contrast with the administrative budget, reflects all the activities of the Federal Government.

Whether or not our budget target will, in fact, be reached, cannot be foretold with certainty today. We won't know the answer until time has tested the basic assumptions that underlie the revenue estimates. But as you all know, Government receipts in the United States are very sensitive to business conditions because of the heavy reliance on the income tax. I can assure you that expenditures are being kept within the limits of the revenue estimates. I would be less than frank if I did not admit that our first quarter results were disappointing, although the shortfall was not so great that it cannot be made up in the months ahead. Certainly my own readings of the latest business news and profits figures suggest that it is still premature to conclude that we cannot attain our goal.

Whatever the precise budgetary outcome 14 months hence, the really crucial fact is that the economic effect of any particular surplus or deficit can be judged only in the context of the existing business environment. If our economy fails to sustain the momentum we anticipate, labor will remain freely available and industry will continue to operate well below capacity. Under such circumstances, experience shows that a moderate deficit would not be inflationary, just as the rather substantial deficit of the past twelve months, with manpower and goods in ample supply, has not been inflationary—and, for that matter, just as the much larger deficit in fiscal 1959 was not accompanied by any general price increase. And here I would like to say that our deficit for the current fiscal year ending on June 30th is today estimated at $7 billion, exactly the same as our official estimates of last October and last January.

The fact that there is no automatic relationship between budgetary deficits and price inflation, or between budget deficits and the balance of payments, is brought home forcefully by a recent study comparing the budgets of the United States with those of the three largest European countries. I do not recommend it for light reading. It is a highly technical statistical exercise designed to adjust the data to a common basis so that they accurately reflect the net impact of central government operations. But the conclusion stands out clearly and unambiguously: Britain, France, and Germany have all been more "deficit-prone" than the United States. Converting European budgets to the more rigorous standards of American budget accounting, we find that Germany, for example, has had a deficit ever since defense spending became a significant portion of its budget four years ago, and that France has had a deficit in every year of the past decade. Moreover, the deficits of all three of these European countries have, much of the time, been considerably larger, relative to gross national product, than that of the United States.

What is one to conclude in view of the fact that two countries, France and Germany, which, using our basis of budgetary accounting, have had relatively large budgetary deficits in recent years, have also had the largest surpluses in their international accounts?

Certainly not that large deficits are the road to salvation.

We all know that the wrong deficit at the wrong time can pave the road to inflation. But, in discussing budget policy, we too often fall into the trap of forgetting that it is inflation which is the real enemy. We should always bear in mind that moderate budget deficits incurred during periods of inadequate demand and which do not exert upward pressures on price levels are quite different in their economic effect from deficits incurred when the economy is operating at full capacity.

In this connection, the relationship of the Federal debt to the gross national product—in other words, the ability of the national economy to carry the debt burden—is also pertinent. In this area, the record of the United States has been and continues to be very good. From a situation at the end of the war when the Federal debt amounted to about 125 percent of our gross national product, the percentage has continually declined and today stands at about 53 percent. This compares with a ratio of 56 percent just one year ago, and a ratio of about 50 percent in 1941, before wartime expenditures sent our debt soaring. The addition of our growing State and local debt would modify these percentages only slightly. The general picture would not be changed.

Price stability, investment in modern machinery, an export-minded Government and industry, these are the keys to an expanding trade surplus for the United States in the years ahead, a surplus achieved not by retreat to controls or deflation, but firmly grounded in the ability of American business to pour out into world markets new and improved products at attractive prices. Our trade surplus is already large. But it is not quite large enough to cover our commitments for defense and aid, as well as our current volume of private investment abroad. However, the needed margin is within reach, and reach it we mean to do.

The preliminary results from the first quarter of 1962 clearly show that our efforts are beginning to bear fruit. Despite an increase of $550 million in our imports as compared to the unusually depressed level of the first quarter of 1961—an increase that is the natural reflection of our economic recovery—our overall deficit for the quarter was just $100 million larger than in the same quarter last year. Leaving imports aside, this represents a solid improvement of $450 million in all the other elements of our balance of payments. Overall these results show an improvement of a billion dollars over the deficit incurred during the fourth quarter. During the first quarter of this year our basic deficit ran at an annual rate approximately $1.2 billion, and our overall deficit at an annual rate of $1.8 billion. The continuing and growing effect of our various efforts to correct our balance of payments should serve to maintain or improve these results as the year progresses.

We should not, however, center all our attention and all our efforts on our trade balance. A danger will remain so long as the United States stands virtually alone in providing a free and effective capital market, absorbing the bulk of the marginal demands for funds from other countries, surplus and deficit alike. Then, the dollars saved in defense and aid, and the dollars earned in trade, could too easily be drained away in an accelerating outflow of American capital.

I am not referring to sudden and massive shifts of liquid funds in response to interest rate differentials, to speculative considerations, or to other factors. That difficult problem has already received much attention, and our mutual defenses are being strengthened. I am referring to the basic world market for long-term capital.

This long-term capital market has two major facets: direct investment and portfolio investment. It is the latter, or rather a portion of the latter which is my chief interest today, although I will say a few words first on the subject of direct investment.

The United States has consistently favored free capital movement, the ability of individuals or companies to invest their funds where they will. There has been no change in that view. We are, however, asking our Congress to end the tax inducements to American investment in other industrialized countries, particularly the inducements which flow from the mushrooming use of so-called tax havens. The object is not to discourage capital from going abroad in search of higher gross return. That sort of investment will, in the long run, serve the investor, the United States, and the recipient country alike. We recognize that the great bulk of our foreign investment is of this type and is not tax-induced. We do, however, want to make sure that our tax system does not unwittingly, and artificially, spur this outflow. We wish only to eliminate marginal foreign investment that is induced primarily by tax considerations. While there is no expectation that such action will dramatically reduce the outflow of direct investment funds from the United States, it will be of some help—and every bit counts in the effort to eliminate our payments deficit.

In the field of portfolio investment, I am not interested in the purchase of foreign equities by American investors, a process that is an essential element of free capital movement. What I am concerned with is the increasing use of the various mechanisms of the New York capital market by European borrowers to raise funds for their own internal purposes. Today, the plain fact is that underwriting and distributing facilities in the industrialized countries of continental Western Europe, are generally inadequate to meet the foreseeable needs of domestic borrowers, much less those from abroad. That is not a healthy environment for long-term domestic growth. It inevitably means higher borrowing costs and a shortage of funds for firms and industries that lack their own internal sources of capital. And, when combined with controls and restrictions on capital movements lingering on from earlier days, it has the incongruous effect of shunting to the New York market new issues from the surplus countries, even as we in the United States are endeavoring to erase our deficit.

While the current relatively favorable interest rates in the New York market are, of course, attractive to foreign borrowers, there is plenty of evidence that a large part of the current European borrowing in New York is as much a reflection of the greater and more ready availability of funds in the New York capital markets as it is of interest rates. In other words, the indications are that many of the current European borrowers would be coming to New York even if our interest rate structure were somewhat higher. They would be coming because they find it more difficult to raise the needed funds in Europe than in New York. A case in point is the current $25 million borrowing by the European Coal and Steel Community.

This does not seem to me to be a very efficient use of the world's capital resources. The years to come will certainly see a growing demand for capital from countries which cannot be expected to develop their own capital markets. Such countries have traditionally looked to the capital markets of New York and London to raise their funds. This is a normal procedure and should continue. But it will be more difficult for these countries to meet their needs if they must compete in the New York market for necessarily limited funds with continental European borrowers who, given fully adequate European capital markets, should normally be able to find the needed funds without having to cross the Atlantic.

It is true that a large proportion of the European issues that have been publicly floated in New York have ultimately been taken up by European investors, which, among other things, shows that these investors are prepared to lend their money long-term at lower rates than are currently quoted in their own capital markets. Thus, the burden on our international accounts has not been as large as it may have appeared from a simple total of the volume of new issues sold in New York. But the burden is nonetheless real. And so long as the imbalance in facilities and controls remains, so will the threat that an accelerating flow of these issues could undermine our efforts in other directions. And as long as continental Western Europe continues to operate with inadequate and outmoded capital markets it can have no solid assurance that the capital required to ensure steady and rapid growth will, in fact, be available. I am glad that the Organization for Economic Cooperation and Development (OECD) has now recognized the importance of this problem and has commenced to work actively in this field. We should all of us give this effort our full support.

I recognize that progress toward relaxing some of the formal controls on external capital flows is already evident in most industrialized countries. Nevertheless, residents of only a few Western European countries have freedom today to invest abroad wherever they may wish, and in whatever form they may desire. Some type of official authorization and approval is still commonplace, and outright prohibition is not infrequent. The volume of foreign bonds offered in Western European countries in recent years has, except in one or two of the smaller countries, been negligible, and in some countries, nonexistent. And, it still appears that bank funds are readily available to foreign borrowers, in substantial volume and without ties to exports, only when they are in the form of U.S. dollars.

Thus, we have a long way to go before we can be satisfied that our arrangements for raising and distributing capital within the free world are in step with our progress toward freer trade and higher standards of living. I, for one, shall be uneasy so long as virtually all the world, surplus and deficit countries alike, those capable of generating a high level of savings internally and those operating close to subsistence levels, must look to the United States as their principal, if not only, source of marginal capital.

Progress in this area cannot come with dramatic speed. Markets have been insulated too long. The whole psychology of a generation of investors must be changed. New institutional structures must be developed. But as I look at the development of Western Europe from a distance, it seems to me that the logic of internal growth and development points in this direction.

More efficient capital markets will be essential to sustain growth and should themselves tend to reinforce other factors that could bring about a lower level of long-term interest rates more in line with those typical of the American market. Already, some tendency in that direction has developed. In this interdependent world of ours, I would expect that tendency to continue.

I am not calling today for any radical new departures in policy. I am asking only that we willingly accept the logic of our evolving world economy, and press ahead with all our vigor to cast off those restrictions that still impede the free flow of capital, both within and between nations. This is clearly not a job for governments alone, but for banking leadership and banking statesmanship as well. I submit it as a special challenge for all of you who have a vital interest in expanded trade between nations, growth at home, a durable payments system, and a strong free enterprise economy.

EXHIBIT 39.—Statement by Secretary of the Treasury Dillon as Governor for the United States, September 19, 1962, at the discussion of the Annual Report of the International Monetary Fund

First of all I wish to pay tribute to our retiring Deputy Managing Director, Mr. Merle Cochran. His long diplomatic and financial experience has been an important element in the Fund's success, and his vigor and impartiality have enhanced its high standards.

The Annual Report makes clear that the International Monetary Fund has had an exceptionally active and successful year. That is evident from the statistical summary of the Fund's operations—total drawings by 22 countries of $2.2 billion spread over 10 different currencies, and repurchases of $1.3 billion. It is also evident in the continued growth of the Fund's membership. I should like to welcome the new members who have joined since we met in Vienna: Cyprus, Kuwait, Liberia, Senegal, Sierra Leone, Somalia, Tanganyika, and Togo, and to express my pleasure over the large number of pending applications for membership, of which many are on our agenda.

One basic function of our international monetary system is to assure the time and resources necessary to facilitate the adjustments that are an inevitable consequence of economic change and progress. But, no matter how soundly conceived and operated, no monetary arrangement can absolve a country of the responsibilities that go hand in hand with the benefits of participating in world trade and investment. That is why the first order of business for each of us must be the development of programs that combine external financial equilibrium with economic growth at home.

There are no simple prescriptions that can be readily utilized at all times and by every country. That is recognized by the United States, which experienced relatively slow growth and sizable external deficits during the later 1950's. We are now attacking both of these problems with vigor, and the results are encouraging.

Since the end of the mild recession 18 months ago, the value of total output has expanded by more than $55 billion, or roughly 11 percent. Unemployment has been appreciably reduced. At the same time increases in average wage rates in manufacturing, roughly 3 percent per year, have been smaller than during other postwar recoveries, and have remained within the limits of rising productivity. Prices for manufactured goods are now slightly lower than during the recession months of 1961, and in fact have remained virtually stable for four years.

Although our economy continues to move steadily ahead unmarred by the excesses that characterized earlier periods of expansion, we are not satisfied. The rate of investment in new productive facilities has continued to lag, and we still have too many idle human and physical resources. To meet our obligations to ourselves and to other nations, we must put those idle resources to work, and we must do so in ways that will add to our productive efficiency and reinforce the prospects for price stability.

Broad agreement has developed among our citizens that one of the keys to progress is tax reform—reform designed to stimulate investment and to release the brakes on growth inherent in our present rate structure. A good beginning has already been made. The tax treatment of depreciation has been thoroughly modernized. A 7 percent tax credit, similar to the investment allowances now used in many other countries, has been approved by both houses of our Congress and is expected to become law shortly. Together and for the first time in many years, these reforms will place investment in new equipment in the United States, so far as taxes are a factor, on a basis roughly comparable to that in the other industrialized countries. We intend to submit the remainder of the tax reform program to Congress in January at the start of its next session.

Although we had hoped for a balanced budget in the current fiscal year, ending next June 30, we now recognize that another moderate budget deficit appears likely. Because our business recovery has not moved as rapidly as we had anticipated, revenues will fall below projected levels. However, the currently envisaged deficit, accompanied by appropriate monetary and debt management policies, should not give rise to fears of inflation. For our problem is not excessive demand and scarce resources, but rather excess capacity, too much unemployment and a tax structure that has become a drag on productivity, new investment and growth.

With this in mind, the basic aim of our monetary and debt management policies over the past year has been to assure an ample supply of credit to support domestic expansion, while simultaneously maintaining a rough equality between the return available on short-term investments in the United States and in the leading money markets abroad. We have concentrated the bulk of new Treasury borrowing in the short-term area of the market, and, as a result, key short-term rates are now a full half of one percent higher than a year ago. Meanwhile funds for productive long-term investment have remained in ample supply. And long-term rates for corporate bonds, mortgages, and State and local government securities, which have a far more important relationship to domestic investment, have held at or below the levels to which they had declined in the recession months of 1961.

While concentrating our new cash borrowing in the short-term area, we have, at the same time, undertaken a significant restructuring of the outstanding Federal debt. The slow but steady shortening of the average maturity of the marketable debt that had proceeded throughout the 1950's has been reversed. After allowing for the effects of last week's advance refunding, the average length of the debt has been increased by 20 percent since January 1960. The general public now has more of its funds in Government bonds of longer than 20-year maturity than at any time since the early fifties. We have not jeopardized prospects for price stability by monetizing excessive amounts of debt through the banking system. The money supply, demand deposits and currency, is today less than 2 percent larger than a year ago and certainly no cause for inflationary concern during a period in which overall economic activity has risen by some 6 percent.

As we move ahead in financing the current budget deficit, we will continue to tap a cross section of the vast amount of funds becoming available in the market. Some of those funds will come from the rapidly growing savings accounts in our commercial banks. Some will represent a prudent increase in the money supply, as our productive capacity increases. Meanwhile, the Treasury will continue to seek opportunities for placing longer-term bonds with individuals and with investment institutions.

That should not be interpreted as an intention to press ahead with long-term financing, or to constrict the money supply, to the point of impeding the availability of funds for business investment. Should the economic advance generate a growing and buoyant demand for funds for domestic investment, with consequent pressures on the supply of resources, a moderate rise in long-term interest rates would be a natural and appropriate response. But a blunt effort at this time to push long-term rates up, in an attempt to crowd out of our markets some marginal amount of foreign borrowing, seems to me both contrary to the needs of the free world for an expanding economy in the United States and quite futile in terms of our balance of payments.

It is true that a sizable number of foreign securities have been floated in the New York market this year. However, such borrowing is attracted as much by our well developed market facilities and by our complete freedom from controls as by relatively small differences in overall interest costs to borrowers, costs that for many foreign offerings have run to six percent or more. I have suggested on other occasions that the fundamental, longrun solution to the anomaly apparent today, with borrowers in some of the surplus countries seeking credit in a deficit country, lies in the further development of the capital markets in Western Europe and the abandonment of outmoded controls and restrictions on the free flow of capital that still are far too prevalent.

Imposition of capital controls by the United States would not be a satisfactory solution. It would be contrary to all that we have been striving for in freeing trade and payments between countries. It would not be in keeping with our special responsibilities as custodian of a reserve currency. And it would be contrary to our own longrun interest in ensuring that funds move to where they will be used most productively.

The magnitude of this type of portfolio investment, in relation to our balance of payments, should not be overstated. Foreign bonds and notes totaling just under $600 million were sold in our market during the first six months of this year. Of this amount as much as one-third was for the purpose of refunding other dollar obligations. Often a quarter, and sometimes much more, of the individual issues were taken up by investors abroad: one indication that it is market facilities as much as long-term rate differentials that tend to attract these issues to the New York market. Moreover, in some cases, the new funds raised have been used for investment in productive facilities in this country or for purchases of American goods and services.

At the same time, in cooperation with some of the principal surplus countries, a reverse capital flow has developed in the form of prepayments of debt owed to the United States, a flow that so far this year has totaled nearly $550 million from France, Italy, and Sweden. And it is also worth pointing out that the return flow of earnings from our rapidly growing private investments abroad, which now amount to nearly $60 billion, was running at an annual rate of $3.6 billion during the first half of this year, $300 million higher than in 1961, and $1.1 billion higher than just four years ago in 1958.

So far as our overall balance of payments is concerned, further improvement has been apparent. The deficit for the first eight months of the year ran at an annual rate somewhat over $1½ billion, in contrast to last year's $2½ billion, and to the average of $3.7 billion during the years 1958–60. These eight month results were influenced both by a substantial inflow of Canadian funds during the first half of the year, and by a sharp reversal of these flows during July and August.

A particularly encouraging development for the longer run has been our ability to maintain a decidedly favorable balance of trade, even while domestic recovery was generating a sizable increase in our imports. An important factor, of course, has been price stability which laid the foundation for the increase of 6½ percent which we achieved in our exports during the first half of this year as compared to the same period a year ago. We intend to continue to strengthen the competitive capacity of our industry over the coming years. That is one of the chief reasons why our tax program has placed so much emphasis on improving the climate for productive investment.

In recent years, our military effort in defense of the free world has resulted in a net balance-of-payments outflow averaging roughly $2.6 billion a year. Through our own economies, and arrangements for the procurement of additional American equipment and services by our allies, that figure will drop to about $1¾ billion in 1962. We firmly intend to bring about substantial further reductions over the next few years. Our intention reflects our conviction that a more equitable sharing of these defense burdens can and must be reached.

Our economic assistance programs total about $4 billion a year. We are aiming to provide 80 percent of that aid in the form of United States goods and services, as compared with an average of about two-thirds in recent years. Meanwhile, we look to other industrialized free nations to provide a fair share of the expanding needs for development assistance.

The reduction in dollar outflows that are being achieved by these and other Government actions, together with the growing returns from our overseas investments and the improved competitive position of our exports, underlie our goal of the early achievement of balance in our international payments.

Progress toward a basic equilibrium in the payments position of deficit and surplus countries alike is the true foundation for any lasting international monetary stability, but alone it is not enough. We must also be prepared to cope with those sudden, and potentially large, movements of short-term funds that can be set off, often with little or no warning, by a variety of influences. This is partly a matter of the amount of international liquidity that exists at a given time, which in turn rests on our joint ability to maintain the usefulness of key currencies, side by side with gold itself. But equally important, it is essential that we have the facilities for quickly mobilizing additional resources, when and as they are required, and applying them effectively at the point of need.

That is the significance of the special borrowing arrangements which are being established through the Fund by a number of the industrialized countries. We expect to receive final approval of these arrangements for the United States from our Congress before the end of the current legislative session. Thanks to earlier action by other participating countries, the agreements will then become effective.

Meanwhile, we have initiated actions in other directions to reinforce the defenses of our monetary system, supplementing and complementing the facilities available through the Fund. These new initiatives started more than a year ago, when the United States for the first time in a generation began to intervene in the foreign exchange markets and to hold convertible foreign currencies as a part of its international reserves. Working closely with other countries, various techniques have been carefully tested in a wide variety of situations. Their usefulness for dealing with incipient disturbances in the exchange markets and unusual swings of short-term money has, I believe, now become clear to all.

The amounts of convertible currencies presently at the disposal of the United States, largely as a result of reciprocal currency agreements and direct Treasury borrowing, are not inconsequential. They amount to approximately $900 million in cash or standby facilities. Should large and potentially disruptive flows of funds actually develop, these facilities could be further enlarged. In addition, should the need arise, the United States is also prepared, in concert with other affected countries, to provide forward exchange to the market, thereby facilitating the holding by private parties abroad of dollars that have passed into their hands for what may prove eventually to have been a temporary period. In these ways, a pattern has been established for prompt and effective international action to meet unusual pressures when and if they develop, and to contain and diffuse their impact.

The potential value of such cooperative arrangements was vividly demonstrated by the experience in 1961 when sterling was under heavy pressure. More recently, the shock of the temporary Canadian difficulties and the potentially disturbing effects of the sharp break in the stock markets of the United States and other industrialized countries this spring were accommodated smoothly and effectively.

Responsible cooperation among monetary authorities has also borne fruit in new techniques for handling transactions on the London gold market so that it may better fulfill its basic purpose of providing a workable and flexible mechanism for distributing the supply of newly mined gold. It is clear that temporary and erratic fluctuations in the market price of gold in response to real or fancied political and economic developments serve no legitimate interest. It is equally clear that it does not serve the interests of the official participants in the market to engage in transactions in ignorance of their implications for each other.

That is why the authorities of a number of countries have begun to exchange information and to coordinate their operations in the gold market, not on the basis of hard and fast rules, but in accordance with common understandings reached in frequent consultations. The object is to contain within a reasonable range those fluctuations which occur in response to passing influences—to emphasize that the private purchase of gold is unlikely to yield speculative profits, and instead can be expected to be a costly and unrewarding use of funds.

In all these ways, we are justified in looking back upon the past year as a period of striking progress in strengthening our international monetary system—a system that, in the last analysis, rests firmly on the maintenance of the dollar at its present gold value as a key reserve and trading currency.

But, necessary as it has been to strengthen the defenses against temporary swings of short-term funds, we must not allow progress in this area to divert our attention from the fundamental need to achieve an overall equilibrium in basic trade and investment flows.

For the United States, this requires continued and vigorous effort in many directions. We must maintain and improve the competitive position of our exports through price stability at home and aggressive selling abroad. We must also continue to reduce the dollar flows associated with our defense effort overseas and with our widespread economic assistance programs.

Continued effort is also required by the surplus countries to open their markets to foreign products and borrowers, to minimize the foreign exchange costs of our defense deployments, and to assume a fairer share of the burden of economic assistance.

Those are the basic challenges of the day. They are challenges that can and must be met. They can, of course, be met most readily by cooperative action among nations. But we recognize that in the final analysis, each nation must accept the responsibility for taking the actions needed to maintain the soundness of its own currency in international markets. This we in the United States are fully prepared to do, in the knowledge that a sound dollar is essential not only for us at home, but also for the continued and healthy growth of trade and commerce throughout the entire free world.

EXHIBIT 40.—Remarks by Under Secretary of the Treasury Fowler, June 20, 1962, at the Commerce Department Regional Conference on business and the balance of payments

Scarcely five years ago most people in the United States were unacquainted with the term "balance of payments."

Today the United States balance of payments is a major problem. Our place in world affairs, our free world security and development program, the free world trade and payments system—all depend upon a solution of our balance-of-payments problem. We are determined to solve it. We are making significant progress. But we are well aware that for the foreseeable future all our national and international policies will have to take account of our balance-of-payments position.

Necessarily, the solution of the problem will depend heavily upon the efforts of the American businessman who has an important, indeed, an indispensable, role to play. So, it deserves our attention today.

Our balance of international payments is nothing more than the balance—either net surplus or net deficit—between the payments and receipts during a given period between the United States and the remainder of the world.

Immediately after World War II when much of Europe's industrial capacity had been reduced to rubble, the United States was left as the only major nation with its industrial capacity intact. We exported vast quantities of goods to the rest of the world, a world which, except for raw materials, did not ship very much back to us.

This situation brought about the "dollar shortage," and this was a source of great concern to economists and responsible officials for many years after the war. The problem was not only how to maintain markets for our goods in countries which had no way of obtaining an adequate amount of dollars with which to purchase them, but to give Western Europe the vital purchasing power needed to rebuild its industries.

The problem then was exactly the opposite of the problem now. The change resulted from three major developments.

The first was the decision of the United States to shoulder a heavy share of the burden of the reconstruction and development of the free world. This decision, as you know, began with aid to Greece and Turkey, and grew into the Marshall Plan of aid to Europe. Economic aid to the emerging nations was the next step and it remains today, a cornerstone of our foreign policy.

The second development was the emergence of the cold war. This meant that the United States, in order to maintain not only its own security but that of its allies, was obliged to maintain troops, bases and military assistance programs abroad, which, like its aid programs, increased U.S. payments to other nations without any corresponding increase in receipts.

The third development resulted from the economic recovery and growth of Western Europe in the last decade. The European integration movement increased the momentum of this growth, and with the development of the Common Market, Western Europe has become a center of prosperity, with a promise for the future even brighter than the past.

The result of the European recovery and expansion and a similar development in Japan was that the United States now had rival producers of exports to the remainder of the world. This new competition for exports, combined with the increase in the amount the United States imported from these nations, put pressure on our trade surplus by squeezing it from both ends. At the same time our necessary foreign aid and overseas defense expenditures were mounting, American private capital was starting to flow abroad in increasing amounts, particularly into Canada, Western Europe, Japan, and to oil producing areas, to take advantage of inviting opportunities there for long-term direct investment.

The result of all this was to change the U.S. balance-of-payments position from surplus to deficit. Western Europe, on the other hand, as exports increased, and American investment funds flowed in, began to experience a steady rise in its balance-of-payments surpluses. Those surpluses, of course, were in large part the counterpart of our deficits.

It is not surprising, then, that all during the fifties, the U.S. balance-of-payments position was in deficit, with the exception of 1957, when the closing of the Suez Canal temporarily raised our export level to a very high point.

Early in the 1950's the deficits averaged only about a billion dollars a year, and were not accompanied by any appreciable net reduction in our gold stocks, because other nations were more than happy to rebuild the low level of their dollar reserves. But late in the fifties the deficit rose sharply. For the past four years our deficits have averaged almost $3.5 billion a year, of which almost $1.5 billion per year resulted in gold losses. Also, late in 1960, speculation, often in the background of the international exchange markets, became a factor. This speculation, combined with an outflow of short-term capital from the United States by those who found they could get a greater interest return in other than dollar investments, greatly increased the deficit, to a level of almost $4 billion. About $1.7 billion of this deficit was reflected in gold withdrawals.

This piling up of deficits year after year, and the loss of gold by the United States, represents the disequilibrium in the international payments system which must be corrected. There is nothing alarming in this situation, but it emphasizes the considerable importance of the confidence of foreign central bankers in the dollar and of their willingness to hold dollars rather than convert them into a call on our gold reserves.

When President Kennedy took office, he immediately began a vigorous program to reduce and eventually eliminate the deficit in our balance of payments, and initiated a series of measures to build up confidence in and protection for the dollar.

The near-crisis of confidence in the dollar of late 1960 was soon dissipated and the improvement in our position during 1961 was significant. The overall annual deficit was cut by a third, from $3.9 billion in 1960 to $2.5 billion in 1961, and the gold outflow was cut in half.

So far this year the reduction in our balance-of-payments deficit has continued. Compared to last year's $2.5 billion, to date this year it has run at an annual rate of about $1.5 billion. Our target is the elimination of the deficit entirely, and we hope to reach that by the end of next year. Whether we will or not depends upon too many factors to make any definite promises, but I will give you my assurance that the U.S. Government will continue to do everything in its power to restore an equilibrium.

Our gold losses so far this year are greater than they were for the same period last year, despite the improvement in our payments position. This is partly the result of a shift in dollars among countries abroad, to those countries which traditionally hold gold rather than dollars in their reserve. It is quite possible this year that there will be improvement in our payments position, without improvement in our gold position. Indeed, our deficit may turn out to be lower, and yet we could lose more gold.

We are convinced beyond the shadow of a doubt that it is absolutely essential that the dollar be maintained in a fixed relationship to gold and that we continue to offer gold for sale at the fixed price of $35 an ounce.

At present we have roughly 40 percent of the gold reserves of the free world, and these reserves are important to maintaining confidence in our currency and in assuring the continued smooth functioning of the international monetary system. But the essential factor is the confidence others have in our currency, and in the health and competitive efficiency of our economy, and gold can never be a substitute for that confidence. The way to maintain this confidence and arrest the gold outflow is to reduce and eliminate our balance-of-payments deficit.

This raises properly the question: Why does the United States have a deficit at all? Since the balance of payments is made up of a number of different categories of payments and receipts, one might say that if exports were higher we would have no deficit, or if there were less long-term private U.S. capital investment placed each year in other countries we would have no deficit, or if imports were lower we would have no deficit, and so on.

The deficit is frequently blamed on the cold war, by pointing to our defense expenditures abroad, which last year had an impact of nearly $3 billion on our balance-of-payments position.

But that does not mean that U.S. defense spending abroad alone, or indeed, any one single factor, causes the deficit. The deficit is the result of all the different payments and receipts, and no single one of them by itself can be pointed to as the cause of our problem. Thus, it would be possible to have a deficit without any defense expenditures abroad, or to continue defense expenditures abroad on a scale adequate for our security and still eliminate the deficit, which is just what we plan to do.

We have sought to reduce the deficit by reducing or offsetting the impact of governmental expenditures outside the United States for aid and defense. The use of U.S. goods instead of dollars in foreign aid is being maximized to reduce the effect on our balance of payments, and at present only about one aid dollar out of every three is being spent abroad. This ratio, however, is lower in recent aid commitments; the objective is to get it down to one dollar in five.

Furthermore, the cost of our military aid is being increasingly offset by military procurement by our allies through purchases from the United States. This year, for instance, our military expenditures will be offset by about $1.2 billion in military receipts, a sharp increase over last year. This will reduce by more than a third the impact on our balance of payments of our defense expenditures overseas.

So much for the balance-of-payments impact of our foreign aid and defense spending. Our efforts in both areas are continuing, to expand the significant progress already made. There is still the short-term effect on our balance of payments of long-term private investment abroad by U.S. companies. The Government does not wish to interfere with the free flow of that investment, where it is based on practical business and competitive considerations of a long-term nature rather than short-term desires to avoid U.S. taxes.

The proposed tax bill would limit certain existing special tax preferences which favor investment and earnings by American citizens and corporations outside the United States, thereby encouraging the repatriation of these earnings and discouraging outflows primarily motivated by tax considerations. This proposal would result, among other things, in improving our balance-of-payments position.

So much for the attack upon the elements that have contributed most substantially to our basic balance-of-payments deficit in recent years. Let us look for a moment at a more mysterious area—short-term capital movements.

Last year the dollar outflow from short-term capital and unrecorded transactions totaled $1.9 billion, almost as great as in the preceding year, 1960. But it is precisely here that the importance of the form of this movement is demonstrated.

While the overall figures are nearly the same, close analysis reveals that the underlying causes of much of the short-term flow in 1961 were considerably different from those of 1960. There was an absence of the speculation against the dollar which had been a disruptive influence in 1960, and which had played such an important role in the sudden worsening of the situation late in 1960.

This lack of speculation reflected the much improved atmosphere of international financial cooperation, and the speculators' belief that such cooperation would thwart attempts to profit by speculating in the international money markets.

Also, the international interest rate differentials that encouraged large movements of short-term funds in 1960 became less pronounced in 1961 in some cases, resulting in part from this cooperation.

Of the $1.4 billion in recorded U.S. private capital outflow in 1961, almost half represented commercial bank credits to Japan, largely to finance U.S. exports. We are happy to see our exports rise, and we should recognize that money borrowed to buy exports is a useful form of extension of credit.

One of the signs of our progress is the increasing atmosphere of international cooperation which is perhaps the most important single factor currently aiding our efforts. This attitude is based on the realization that it is not merely the U.S. payments position that is involved, but the trade and payments system of the free world which is based, in large part, on the soundness of the dollar. There is a growing awareness in other nations that while the primary responsibility for ending our payments deficit rests with the United States, the cooperation of other nations is essential to the success of our efforts, and that our success is just as vital to those other nations as it is to the United States.

The greatly increased international cooperation has considerably improved the ability of the major industrial nations to prevent or cope with the threat of sudden disruptive flows of short-term capital. In addition, it has given rise to an even more important manifestation, which has been largely overlooked. I refer to two areas in which our allies are aiding directly in our efforts to reduce our balance-of-payments deficit: first, as I mentioned earlier, by their increased military procurement in the United States; and second, by prepayment of debts owed to the United States.

In the case of the Federal Republic of Germany, our receipts from military sales are being raised to the point where the $700 million balance-of-payments impact of gross U.S. defense expenditures in foreign exchange in that country will be completely offset this year. Similar arrangements will be sought wherever practicable with our other major allies. Our objective, as I noted earlier, is to achieve a total in military cash receipts of $1.2 billion this year.

Debt prepayments scheduled for this year are already approaching the quarter-of-a-billion-dollar mark, with almost $60 million from France and the recent arrangement for payment from Italy in July of $178 million. Last year's military receipts ran about $400 million, and with debt prepayments of almost $700 million, provided more than a billion dollars in international receipts. This year we expect to exceed that overall total. The willingness of our allies to make these contributions to improvement of our payments situation also provides a basis for the broader questions of a more equitable sharing of the cost of defending and developing the free world.

There are other ways in which cooperation can be used to increase the efficiency and stability of the international monetary system. Among the indirect ways is the opening up of European capital markets. There has lately been an increasing tendency for Europeans and others, governmental bodies and private businesses, to gravitate toward the United States in the search for new capital. This is natural. Our capital markets have played an important role in the industrial and economic progress of our nation, and they now offer an economical and highly reliable market for foreign governments and concerns seeking investment funds.

We have neither the desire nor the intention to take any action which would inhibit the free flow of capital between nations.

It is important to the sound development of the European countries, whose surpluses are the counterpart of our deficits, that they expand and improve their own capital and savings markets, and make every effort to remove the many restrictions which burden these markets and inhibit the movement of funds into investment in other countries and areas. This will provide a sound basis for future European expansion, while at the same time removing a drain on U.S. capital which contributes to the deficit in our balance of payments. It will also create increased opportunities for the flow of European funds into increased direct and portfolio investment into other parts of the free world including the United States.

I should add that the full benefits of this removal of restrictions on the free flow of capital by other countries in the free world can only be achieved if U.S. businessmen themselves voluntarily encourage the sort of response that is necessary. It is, for example, important to the nation and to American firms themselves, to encourage increasing interest in investing in American securities and in the American capital market by European institutions and individual investors. The shares of major American corporations should be listed on foreign stock exchanges, particularly in Europe and Japan, in greater numbers. American firms might also explore and seek out more fully opportunities for borrowing abroad, especially in support of the operations of their own foreign branches and subsidiaries, instead of relying as heavily as they do on the easy alternative of seeking funds from familiar American sources.

I might also add, in a similar vein, that U.S. businesses operating abroad should not neglect to fully explore possibilities for procuring their supplies, equipment, and services from American sources on an economical basis.

Finally, we come to the most important aspect of our balance-of-payments program, the development of commercial exports of U.S. goods and services in quantities sufficient to assure an increasing trade surplus. Only an increasing trade surplus will wipe out our deficit without weakening our national security position overseas, diminishing our vital role in helping the growth of the developing countries of the free world, or inhibiting U.S. business in its legitimate and proper investment activities abroad.

It is to the American businessman that the nation must look to provide this trade surplus on which our international position depends. For, in the final analysis, it is the American businessman, on the land, in the plant, or in the channels of distribution, who must sell U.S.-made products and services abroad and at home in competition with foreigners on a scale, at a price, and with the quality that will assure the expanding trade surplus the nation requires.

If, for instance, we could have doubled our commercial export trade surplus last year, we would have wiped out our payments deficit and replaced it with a small surplus.

Doubling our export surplus may sound like an impossible job, but actually, since the surplus on non-U.S. financed exports totaled $3 billion, it would have required only a 15 percent increase in overall exports to achieve that result, assuming a constant import level.

That need to expand exports is the real key to improving our balance-of-payments situation, and that is why President Kennedy places such stress on it. That is why he has asked businessmen to cooperate, by forming a balance-of-payments group in the U.S. Chamber of Commerce, and another in the Business Council. These, as well as a number of similar groups already in existence, are important in finding new ways to expand exports, and in improving the old ways. The revival of the wartime "E" flags for those industries making a significant contribution to our program of export expansion is another step in the campaign to raise American exports, and particularly to find ways to bring the creative, driving enterprise of American business to this task.

Our job, yours and mine, is to make every American producer and businessman export-conscious, and to urge that each of them give serious consideration to what they can do to initiate or expand export production, not only for their own profit, and export trade can be highly profitable, but even more important, for the profit of their country, and for the important contribution a higher export level will make to the international stability of the dollar.

This need to expand our export trade is the basic reason behind President Kennedy's trade program. The fantastic growth of Western Europe in the last decade has created vast new markets for just the kind of goods that our own manufacturers are so skilled and experienced in producing. New cars, new highways, new shopping centers, new suburban developments, all these are characteristic of the rapidly expanding European scene. As the Common Market takes in new members, and as this self-stimulating growth continues, these markets will grow also.

It is essential for the maintenance of United States export trade that we have a part in this future. If we fail to maintain our access to European markets at this critical time when new trade patterns are being evolved, when new customers are forming preferences, we may find ourselves at some later date unable to regain that access, no matter what concessions we may be prepared to offer, because the pattern may have been set without us. This goes much deeper, of course, than customer preferences. It encompasses the whole range of business relationships, both here and abroad. Firms will be either geared to deal with the United States, or not. Furthermore, the more we allow this new pattern to be set without us, the more difficulty we will have in dealing with a Europe whose own special interests will have become accustomed to a Europe-oriented market, and which may look upon exports from the United States as a disturbing and threatening influence.

Now is obviously the time to deal with the Common Market, and with other nations, on the vital question of mutual tariff reduction. Mutual tariff reduction now will require some readjustment on our part, and the program provides for assisting those workers and those industries which will be obliged to adjust to the imports that will result from lower tariffs. The important thing, however, is to see to it that American goods are in from the beginning, and in force, in the new and growing markets of Western Europe.

Export trade offers today, as never before, a new frontier for American business, comparable to the days when our own mighty internal market was developing and expnading. Now is the time for American business, which has used its competitive ability and resources to help this nation develop the highest standard of living on the face of the earth, to use that same talent, drive, and enterprise to maintain our position as the greatest trading nation in the world.

This new competitive frontier for American producers means they will have to have cooperation from Government, and we are making every effort to provide that cooperation.

It is well known that Western European producers have been modernizing more rapidly than have producers in the United States, and that their productivity has been increasing as a result. This allows them, through improved quality and lower unit costs, to be more competitive than ever in world markets. We need the trade program to ensure that our goods have access to European markets, but that is not the end of the story. Once there, they must be competitive, and that is an area where we are moving forward on several fronts.

At present the tax measure before the Senate Finance Committee provides for a tax reduction or credit equal to seven percent of the expenditure of a businessman or farmer for new machinery or equipment used in his business. We are attempting to have that increased to eight percent, but the important thing is that this measure, too often misunderstood in the business community, is a really effective tool in assisting business to modernize to meet foreign competition.

The importance of the need to modernize to meet foreign competition was underlined in the recent episode over steel prices. If you recall, that was the reason given for seeking the price increase. There are other ways of financing modernization besides price increases however, ways which would not damage the economy as widespread price increases might. The investment credit is one of them, and an essential one. It is far more effective and efficient than other alternatives, such as the various forms of accelerated depreciation, in that it offers a maximum of stimulus to modernization for each dollar of tax revenue lost.

The proposed investment tax credit to stimulate modernization is linked with the Treasury Department's administrative program for overall revision of guidelines and procedures affecting depreciation of equipment, a program which we will announce early next month. These two programs, depreciation revision and the investment credit, will give our businessmen and farmers using substantial quantities of machinery and equipment a tax treatment which is on a par with that received by their major foreign competitors.

The Government is initiating other measures to fulfill its responsibility to cooperate with business in efforts to expand exports, and to make sure that this will be both a successful and a profitable enterprise. At present the Commerce Department has greatly increased its listing of export trade opportunities, and the publication and distribution of these opportunities has been widened.

Even more important is the new export credit insurance system, which went into effect early this year. Through this, American exporters for the first time can avail themselves of insurance and guarantee benefits comparable to that provided their foreign competitors. Later this year, when medium-term insurance becomes available, the protection afforded exporters will be even greater.

What this insurance amounts to is a network of 67 private insurance companies, working in cooperation with the U.S. Export-Import Bank, a Government agency, to write policies covering both political and commercial export credit risks. The Bank underwrites the political risks and shares with the pool the commercial risks. Hundreds of exporters have already taken out insurance binders totaling hundreds of millions of dollars, and hundreds more have requested detailed information on the program. As time goes on, this can be expected to have an increasing effect on our overall export level, and is particularly important in encouraging new firms to enter the export field.

In summary, then, increasing our trade surplus is the most promising way of solving our balance-of-payments problem. While Government will help where it can, the primary responsibility for this expansion will depend, in the end, upon the imagination, ability and energy of the American businessmen. Upon their ability to increase the efficiency of their own manufacturing, distribution and research and development, the future of the international position of the United States primarily depends.

In the face of the excellent recovery and the promising outlook for the economy we can take great satisfaction in the fact that there has been substantially no inflation. Prices have remained virtually stable, and both industrial and wholesale price indices have actually declined. The consumer price index rose about one percent during the recovery, but most of this reflected the increasing cost of services rather than goods.

This brings me to the final and perhaps the most important point I have to make to you. That is simply this: all our efforts to restore international stability will be undermined if we are unable to continue to maintain reasonable price stability.

European bankers today are aware of this. They are not seriously concerned today about our fiscal policy provided it is disciplined and controlled and is not allowed to contribute to an inflationary surge. They do, however, have considerable concern over our capacity to maintain price stability, and what failure in this area would do to our payments position. While there is no great danger of inflation at present, we must not forget for one instant that continued price or wage increases beyond average productivity gains could represent a real threat to our international economic position. A higher export level is dependent on price stability. Excessive price rises could do serious damage by reducing our share of trade in world markets.

The President's Council of Economic Advisers has already laid down valuable guidelines for evaluating the significance of productivity in wage increases. These merit careful attention. It will require cooperation by Government, business, labor, and the financial sectors of our society if we are to meet our problems at home and abroad without resorting to unnecessary monetary or other restrictions.

Without question, at least for the next twelve months, some self-restraint and possibly some sacrifice is called for to avoid excessive wage or price increases at this very sensitive time when our economy is moving toward full employment and an equilibrium in our balance of payments. This means, in blunt terms, that both management and labor, acting on a voluntary basis, should content themselves with somewhat less than they believe the market will bear. If they do so, and price stability is maintained, we can expect the measures we have taken and will take to have the desired effects. If, however, shortsighted leaders of business or labor pursue limited special interests to the exclusion of the national interest, the natural laws of domestic and international economics will see to it that their gains are short-lived, and they, as well as the nation, will have lost something of lasting value—our strategic position in free world security, economic development, and its trade and payments systems.

If, on the other hand, we all act in the public interest, we can confidently expect that our problems—both in the balance-of-payments area and in our domestic economy—will prove amenable to solution, and that the solutions to both will not be in conflict, but will harmonize to provide greater prosperity at home and an extension of the frontiers of freedom and security abroad.

Exhibit 41.— Remarks by Under Secretary of the Treasury for Monetary Affairs Roosa, February 7, 1962, at the American Bankers Association Mid-Winter Trust Conference on the balance of payments and international financial cooperation

You were very courageous to invite a Government securities salesman to address such an impressive group of customers, particularly while our books are still open for such an attractive offering. But in spite of all temptation, I will stay with my subject for today—the balance of payments and its implications for international financial cooperation.

I.

We are now thankfully, and at last, living in a highly competitive world. Together with the other free, democratic, capitalistic countries, the United States has begun over the past few years to experience some of the shocks of actually living in economic conditions which resemble, rather closely, many of the ideals which we have for generations been endorsing. Europe has for several years had greater mobility of labor than the nationalism of earlier times could ever have permitted, and at the same time a rate of economic growth that no one would have dreamed possible a decade ago. The constructive force of active competition in manufacturing and trade, both for us and for others, has been greatly strengthened by the striking adaptations to rapid technological advance that have occurred in Western Europe, Japan, and elsewhere. In the United States we seem to have come much closer to our aim for reasonable price stability. And for more than three years now there has been a free interconvertibility among the currencies of nearly all of the major industrial countries.

These are the kinds of conditions we want to live with; they are part of the framework for a vigorous, expanding, prosperous community of free nations. But they did not just happen; and we will not keep them if we ever relax into just taking them for granted. The base on which all our performance rests, of course, is the effort of the individual as laborer, farmer, employer, investor, and indeed, as public servant. What I want to center on today, though, is the part of Government policy and action in helping to construct some of the new international financial arrangements, public and private, we will need to sustain the remarkable advances of these past few years in western capitalism as an economic system. Even for much of the sphere of government, our own and others, I can scarcely begin a catalogue. But I can start at the center, the balance of payments, and work out from there into several areas of real significance for international financial cooperation:

First, a cursory restatement of the links that remain between the old gold standard and the balance-of-payments disciplines, within a system of fixed exchange rates, which govern the world economy of the 1960's.

Then, a look at the present U.S. deficit and its counterpart, the surpluses of some of the European countries.

From this, a review of what has been done or can be done to improve the payments arrangements among all countries, the developed and the developing, in the nonCommunist world.

And finally, a sweeping glance forward toward the outlines of the kind of international monetary system for which we may be heading.

II.

The gold standard, as a concept and as a symbol, has always been a convenient abbreviation for the need that every country faces to keep its balance of payments in equilibrium within the context of fixed exchange rates. That is, whether a country formally adheres to the gold standard or not, it must have a reserve of some kind of internationally acceptable purchasing power—either gold, or dollars, or possibly pounds sterling, or an equally useable quick line of credit. Whenever its current receipts from sales or the inflow of capital do not equal its current outpayments, it has to draw on this reserve. Consequently, the size and ready usability of the reserve, together with the quick claims against it, must be watched continually as an indication of changes in each country's external economic strength or weakness.

No country can pursue policies indefinitely which consume its external reserves, and draw down its potential credit abroad. Though the United States has for a long time been shielded from this hard fact, all of you know well that any country must, in time, if it is to retain contact with the world outside its borders, balance its international accounts and maintain some foreign exchange reserves. On the other hand, no country, and for that matter no bank, nor even any trust department, can afford to build liquidity indefinitely. Sooner or later the strong countries acquire all the liquidity they want, or at least they slow down their accumulations, so that they can increasingly acquire other kinds of profitable assets. Once it has acquired substantial liquid reserves, the creditor country rightly encounters pressures to change its ways that are, in the end, just as strong and just as clear, as those impelling the deficit countries to change. But for about a quarter of a century, until these past three or four years, it was only the United States among the leading countries which had been faced with the need to behave as a creditor country.

Under the theoretical conditions of the full gold standard, these offsetting adjustments by debtor and creditor countries in order to restore equilibrium could be direct and automatic. When gold left the debtor country, its internal monetary system contracted, prices fell, and eventually sales abroad rose while imports declined until balance was restored. The creditor country, receiving the gold, had a corresponding rise in its internal money supply; its prices rose; its exports fell off; its imports went up; and eventually balance returned. This was, in its simplest terms, the old gold standard version of the balance-of-payments disciplines. Of course, things never did really work out in just that way. But what matters most for us now is that the world has for some time rejected the harshness of a system of correctives which presumed that creditor countries must undergo inflation, and debtor countries must create unemployment, to reach a suitable equilibrium. The solutions now must take a different form, but the balance-of-payments disciplines which must be served are still the same, and are still inescapable.

The difference now is that the world is finding new ways to serve these disciplines, ways that reflect the new conditions in which sustained economic growth, and the minimizing of cyclical fluctuations in business activity, are also important goals And they must also reflect the other conditions which I mentioned a few minutes ago, those of price stability, of labor mobility, of aggressive and open competition in production and trade, and of currency convertibility. In a complex of such varied and such important conditions as these, there can be no single golden formula. There must be some reliance upon the judgment of men, expressed through governmental action, to help achieve a continuing reconciliation between the imperatives of the balance of payments, the competitive forces of the market place, and the other broad, vital objectives of modern economic society.

My own view is that there are two strong surviving attributes of the gold standards of earlier eras that must be continued, if the balance-of-payments disciplines are to be effectively fulfilled within the array of differing monetary and fiscal policies now pursued by the various countries. One is that a fixed link must be preserved between gold—the universal monetary metal of timeless acceptability—and at least one national currency. Since the mid-thirties, the dollar alone has served that function. It is essential that the United States continue freely buying gold, and selling it to the monetary authorities of the world, at the price of $35 per fine ounce. The second requirement, in my judgment, is that all leading countries maintain fixed (rather than variable) rates of exchange in relation to the dollar, with narrow permissible spreads around the declared par value—such as the 1 percent, each way, established by the International Monetary Fund. There must be room for market forces to demonstrate, through small changes within such a band, whether a given currency is presently strengthening or weakening. But there must not be an escape hatch through which one country or another can seek temporary refuge from balance-of-payments disciplines by juggling its own exchange rate, beggaring its neighbors, and disrupting the orderly processes of cost and price adjustment among the various products and services that are required for eventual balance-of-payments equilibrium.

A fixed price for monetary gold, and fixed exchange rates, are essential. But in place of the other automatic features of the old gold standard, there are now new arrangements for common appraisal and concerted action, centering in the International Monetary Fund. Other important supplements, arising from consultation among the leading industrial countries themselves, as well as from a variety of reinforcing bilateral arrangements, also offer new potentialities. But before turning to these, I think we can usefully look briefly at our own current balance-of-payments deficit and its counterpart, the European surpluses.

III.

On present estimates, the combined balance-of-payments deficits of the United States, the United Kingdom, and Canada, were only slightly larger in 1961 than the combined surpluses of France, Germany, and Italy. Of course, all six countries, for reasons arising partly from their own domestic institutions, prepare their balance-of-payments records in different ways, so that little arithmetic exercises of this kind can be quite misleading. The U.S. method of balance-of-payments accounting, for a variety of reasons, takes no credit for any of the short-term claims of its nationals on foreigners in calculating its overall balance-of-payments deficit. Unlike some other countries, we treat short-term foreign private capital inflows as part of our deficit rather than as an offset to the outflow of U.S. private capital. The rather paradoxical result is that the whole of our reported deficit is currently much larger than the sum of its parts (as reported in the surpluses of other countries).

Statistics aside, however, we have been undergoing far too long a balance-of-payments deficit that is far too large. It is of little avail either to the British or ourselves to find temporary respite through passing our deficits back and forth between each other. It is useful, though, in appraising our own prospects, to pay some attention to the sources and the durability of the European surpluses. This is particularly relevant since the United States is itself, and has been almost uninterruptedly, a large creditor country too, so far as the trade and services accounts are concerned. We are in trouble partly because we continue to perform, on a substantial scale, the role of a good creditor country, while the newer creditor countries have until quite recently either been too awed by their new strength, or too uncertain of its continuation, to follow our earlier example.

As they do, through extending more foreign aid, through prepaying debts owed to us, through offsetting more of our military outlays by compensating arrangements, through opening up their markets, and through removing the restrictions that many of them still retain on the outward flow of their own capital, they will be giving further evidence of the two theses that have run through my remarks thus far:

(1) that the adjustment process toward balance-of-payments equilibrium, though no longer of the old gold standard form, still does require change and adaptation by both the deficit and the surplus countries; and,

(2) that the process requires, increasingly, the exercise of positive judgment and action by governments, and perhaps more particularly by their financial officials, on the basis of extensive cooperation and joint analysis of many interrelated problems.

Yet the underpinning for all successful cooperation must still be aggressive and effective corrective action on the part of the deficit countries themselves. That ranks first among the various implications of international financial cooperation that I am discussing here. That is why, regardless of all the essential action which the surplus countries can undertake (and such action is essential), the U.S. Government has given the highest priority to reducing the net outflow of dollars for our military effort, for our aid, and for our other governmental operations, while expanding in every practicable way the program for stimulating the export performance of American business. We must sell abroad, on commercial terms, enough to pay for all of our imports, for all of the governmental programs which prudence commands, and at the same time support the unrestricted flows of capital that our national interest requires. That is the only fundamental solution to the balance-of-payments problem which is also consistent with all of our other goals—market freedom, growth, stability, steady prices, currency convertibility, and expanding commerce among all of the free nations.

It is the urgent need to strengthen our balance of payments that underlies, of course, the President's effort to modernize our tariff procedures through the proposed Trade Expansion Act of 1962. That same need also explains the determined effort to promote productive investment in the United States through depreciation reform. It motivates the formulation of a balanced Federal budget for the fiscal year 1963, in order to create an atmosphere of business confidence conducive to even greater competitive effort in the years ahead, and to avoid the drain which Federal budget deficits might otherwise place upon the supply of capital and savings available for new investment. It underscores the need to continue our present efforts to maximize the use of our foreign aid money in the United States, and to minimize the dollar outflow for maintaining our military forces overseas. It explains the intensified promotion of export markets through all available means.

Most notably and recently, the export drive has been sparked by the opening, just two days ago, of the Foreign Credit Insurance Association, which supplements the export credit insurance already available through commerical banks, in conjunction with the Government's Export-Import Bank. By utilizing the facilities of 57 associated private insurance companies, also in cooperation with the Export-Import Bank, the new association will guarantee (for a fee) the political and commercial risks of extending short-term credits to buyers in other countries.

Even more important for the longer run, both in terms of domestic growth and of balance-of-payments equilibrium, will be the recognition by labor and by management of the guidelines presented two weeks ago in the *Annual Report of the Council of Economic Advisers*, for relating changes in wages and prices to productivity over the years ahead. These clearly stated principles (pages 185 to 190, in case you have not seen them), and the Council's straightforward handling of their possible statistical ambiguities, represent in my judgment the most promising advance yet made in this country toward assisting (without controlling or regulating) the processes of collective bargaining. They should help all responsible citizens to proceed, not only in wage bargaining but also in price determination, along lines that can and will serve best the general interest of the public as a whole. As acceptance of these principles spreads, and if their significance can actually be amplified through a succession of specific settlements, the United States will not only gain greatly in its internal affairs but will also have passed a most crucial milestone on the road toward lasting equilibrium in its balance of payments.

Meanwhile, the Government's present attack on the balance-of-payments deficit is proceeding aggressively on all other fronts. The net dollar drain for military purposes, which was reduced substantially last year, will be cut by at least a third this year. With only one-third of our economic aid now flowing out on an untied basis, we are determinedly at work to reduce that fraction to one-fifth, leaving the remainder to go largely to countries and purposes that are likely to result in spending here, in any case. And we are negotiating actively with various creditor countries for the further prepayment of the large debts still owed to us.

These measures and policies are all aimed at restoring balance in our basic accounts, that is, covering all of our imports, everything the Government has to spend abroad, and our net outflow of long-term investment. It was this basic deficit that reached \$4.3 billion in 1959, dropped to \$1.9 billion in 1960 as exports rose dramatically while imports declined and the economy went into recession, and has apparently dropped further on the strength of trade factors to about \$1¼ billion in 1961 (before allowing for debt prepayment, which reduced the figure to about half of that amount, or \$600 to \$700 million). To continue progress in 1962, as our surging economy draws in more and more imports, will be difficult; it will require all of the vigor that the exporters of America can exert, alongside the determined governmental efforts which I have just reviewed. But the place to look for evidence that the underlying correctives are still at work will be mainly in the record of our commercial exports, that is, after deducting all exports dependent upon our own aid program. For if these exports can continue to expand, there will be a continued and strengthened basis for that confidence of others in our capabilities which has so much to do with the movements of short-term capital in and out of the United States.

It is these short-term capital movements to which we should now turn, both in rounding out a quick view of our present balance-of-payments position and in preparing the way for some discussion of those aspects of international financial cooperation which I personally find most interesting—the various forms of payments arrangements, and the consultative facilities, which we have introduced or expanded during the past year.

The outflow of short-term capital in 1961, including that elusive statistical aberration, the "errors and omissions," will probably prove to have been almost as large as in 1960. It looks as though it will have accounted for roughly three-quarters of the total deficit in the United States balance of payments. What does this mean? Is it evidence of declining confidence in the dollar? Or, if not, does it imply possible trouble ahead? What can we learn at this stage, before the detailed data have been completed and disclosed, from an analysis of that experience?

Four characteristics of the outflow of short-term funds this past year stand out. First, they did not reflect a flight from the dollar; there was a gain, not a loss, of confidence in our determination and ability to hold the value of the dollar. That is confirmed by the shrinkage of our gold loss to one-half that of 1960, as central banks added to their holdings of dollars by amounts nearly equal to their purchases of gold from us. It is further confirmed by the fact that foreign private holdings of dollars rose, perhaps by as much as three-quarters of a billion dollars, whereas in 1960 they had actually fallen. What this meant was that in 1960 the entire outward flow of dollars had been unloaded upon the central banks which were engaged in supporting their own exchange parities with the dollar.

A second factor, which partly accounted for the willingness of private recipients to retain the dollars they received, was the removal of much of the interest rate advantage in moving short-term funds abroad. Short rates here were held much higher than in any previous recession-recovery period since the war. Some key rates abroad were lowered. And after giving effect to the costs of forward cover, there was from April onward no obvious advantage in shifting, so far as the customary money market instruments were concerned. But investors will be investors, and some Americans, at any rate, sought out the more unusual, perhaps I should say exotic, forms of short-term paper abroad in order to better their yields, thereby adding to our overall balance-of-payments deficit.

Although neither confidence factors nor the more simple forms of interest rate arbitrage had much to do with our short-term outflows this year, various aspects of commercial banking operations did—these are third in my list of four characteristics. Loans for the financing of foreign trade—the most normal and healthy component of short-term capital outflows—rose sharply. The increases to Japan alone accounted for more than two-fifths of the entire recorded short-term capital outflow during 1961. If the new facilities for export credit insurance serve their purpose, this kind of short-term capital outflow will probably continue, though no doubt the special needs of Japan have been nearly satiated for the present.

But there is another commercial banking component of the outflow, which also loomed large during 1961, and which seems quite different in nature. Foreign commercial banks, some of them functioning in New York through their agencies, have taken advantage of a favorable competitive position costwise to attract American deposits and in turn lend these proceeds in the call market in New York and in other ways. This shift, involving in many cases no net movement of funds out of the United States, gives rise to added short-term claims on the United States. These added claims are part of our recorded balance-of-payments deficit. But there is no offsetting credit for the claims by the original depositor on the foreign banks. Whether or not all of this is good banking, or good for banking, it has the statistical result of increasing our recorded balance-of-payments deficit.

The fourth factor to be mentioned here has worked both ways on our short-term capital movements over this past year, perhaps not accounting for any great part of the final total for the year as a whole, but going far toward explaining some of the variations we have had from quarter to quarter in our overall short-term flows. This is the reverse influence upon us of disturbing economic or political developments abroad. In March, when the German mark and the Dutch guilder were appreciated, a wave of rumors began to spread concerning other possible currency moves. The position of the United States had just been so resolutely restated by the new administration that this wave passed us by, and tended to center, so far as drains were concerned, upon the pound sterling. But after the British Government initiated a vigorous new program in July, and borrowed $1½ billion (plus a $500 million standby) from the International Monetary Fund, the flows turned sharply around. Much of our rather large outflow that will soon be published for the fourth quarter of 1961, including (as already announced) a sizeable part of our gold sales, is attributable directly or indirectly to the gratifying improvement shown by the British pound—the only other currency now used extensively as part of the monetary reserves of other countries.

There was, of course, another wave of unsettlement through the foreign exchange markets, that associated with the events in Berlin, triggered particularly on August 13. For a brief time this, too, sent some funds moving. But perhaps because the British position with respect to governmental action affecting the balance of payments was then somewhat comparable to ours of the spring, the greater part of any initial flows benefited the British reserves rather than our own. Fortunately, Berlin soon subsided as a factor in the exchanges, but it did play a large part in holding our net outflow of short-term capital in the third quarter to an unusually small figure.

IV.

Both of these dramatic events, the sterling strain early in the year and the Berlin crisis of the summer, taking place within a structure of convertible currencies, gave rise to immense shifts of short-term capital. The fact that these movements were contained within orderly patterns, and their potentially disruptive influences were avoided, can and should be attributed in considerable part to the implementation during the year of several new approaches to international financial cooperation. All of these steps had been in the making since the return of convertibility at the beginning of 1959. It was no doubt the pressure for action, first stimulated by the events of last March, which brought the new arrangements more quickly and effectively into functioning form. But they had their origin in a new spirit of international cooperation, a spirit fostered by the existence of convertibility and the widening recognition of the responsibilities which its preservation imposes upon all of the leading industrial countries. There were four important kinds of innovations during 1961, innovations which helped greatly to check any cumulative speculative distortions in the structure of the world payments system.

The first of these came to be called the "Basle Agreements." The governors of the various leading European central banks attend each month in Basle the meetings of the Bank for International Settlements, meetings to which senior representatives of our own Federal Reserve System have always been invited and which, for nearly two years now, they have attended regularly. It was at such a meeting last March, when massive money flows around Europe had been set off by the German and Dutch currency revaluations, that the governors of the central banks receiving large inflows undertook to lend them back to the Bank of England, from which most of the drains were flowing. Thus the potentiality of a currency crisis was avoided and time gained for the orderly development of measures to strengthen the British balance of payments and attract a return flow of funds to the United Kingdom.

Although the United States was an active participant in many of the deliberations, it was not in a position to lend substantial amounts back to the United Kingdom because no substantial inflows here had occurred. We did have another direct and important interest, however. Virtually all of the funds withdrawn from London took the form either of gold or of dollars, apparently somewhat more of the latter. If these dollars were to remain long in the hands of central banks which normally maintained high gold ratios, or if any of the central bank holders had entertained any serious concern over the position of the dollar, the next round of consequences following the initial strain upon the British would have been a resumption of our heavy gold outflow.

In fact, the United States received a small gold inflow during the second quarter. To be sure, that mainly represented a redistribution of some of the gold which the British had already paid out. But it was also symbolic evidence that the new spirit of mutual understanding and responsibility, developed not only in the meetings at Basle but in others that I will describe in a moment, had begun to affect the actions of central banks and governments. It had become apparent to them that they, too, had an important share in maintaining the conditions of stability in the international monetary system.

It was in these circumstances that the U.S. Treasury began, for the first time in more than a generation, to conduct operations in foreign currencies through the good offices of its fiscal agent, the Federal Reserve Bank of New York. We began with the German mark and then the Swiss franc, the two currencies toward which the great bulk of the short-term movements of dollars had gone from the United Kingdom. As the events slip further into the background and the possibilities for speculative inference recede, we are taking steps to describe fully these and other later operations in our various official publications. For now, it is sufficient to stress that the second powerful innovation of 1961, in helping to calm potential unsettlement in the sensitive markets of a convertible world, was the active entrance of the United States into the markets for several of the other leading currencies of the Western world. It is with great anticipation that we in the Treasury now look forward to the early entry of the Federal Reserve System itself, operating for its own account, into the area of foreign exchange operations. Certainly we have already found our own operations helpful in 1961, even when operating on the very slender resources available to the U.S. Treasury for these purposes.

The third innovation is still not formally completed, but it was the subject of continuing negotiations from the early spring until the end of December in 1961. I am referring, of course, to the decision taken by the Executive Board of the International Monetary Fund on January 5, 1962, to provide for supplemental standby resources of $6 billion to be loaned by ten industrial countries. This was another of the needs which became so clearly evident at the frequent discussions among the financial officials of various affected countries that began to take place in the early months of 1961. For in the new world of convertibility, uses abound for other convertible currencies; not all drawings on the International Monetary Fund, by the larger or the smaller countries, need be made in dollars. The practices of the IMF had already begun to recognize this, and its supplies of some of the other strong currencies were rapidly dwindling. Thus, where there might indeed be a general need for an overall increase in the Fund's resources, to keep pace with the continual expansion of its useful activities, the clearest need was to replenish its supply of the newly convertible currencies of the other leading industrial countries.

As you know, proposals respecting the U.S. participation in these new arrangements were sent to the Congress by the President only last Thursday, on February 1. We are hopeful that action can be completed by the necessary number of participating countries before the middle of this year. The standby resources are designed, particularly, for use in the event of massive movements of funds, such as those which affected the pound sterling last spring. It is significant that when the British drawing actually was made in August, in order to restore British reserves and permit them very largely to repay the central bank credits of the Basle Agreements, roughly two-thirds of the initial drawings were made in currencies other than the U.S. dollar. The same proportion is being preserved under the standby arrangements.

But I said there were four main avenues of innovation and development: the first was that among the central banks; the second, our own entry into the foreign exchange markets of the world; and the third, expanded use of the International Monetary Fund. The fourth is the growing reliance which all of the leading industrial countries in Western Europe can now place upon the Organization for Economic Cooperation and Development, the OECD. At the suggestion of the United States, at the first meeting of the Economic Policy Committee of OECD held last April, two special working parties were established, one to deal with the problems of growth, the other with the monetary, financial, and balance-of-payments problems of common interest. My own involvement has been heaviest with this second group. And I can indeed affirm, despite the stresses of incessant trans-Atlantic journeys to attend meetings held at intervals of four to six weeks in Paris, that the progress achieved has already amply repaid all of our efforts.

For, at these meetings, active financial officials from the capitals of each of ten participating countries are present, full of the current problems confronting them and eager to analyze together the financial forces at work which affect the balance of payments of any or all of the participating countries. Not much can or should be said, on a current basis, concerning the work of a committee of this kind. It is a pioneering experiment; it is being conducted with the flexibility and the uninhibited freedom of inquiry that is appropriate to such an experiment. The aim is understanding, not negotiation from prepared positions, and least of all the semantic exercise of preparing communiques. But the results of 1961, not only in terms of what has occurred at the meetings, or in the parallel discussions which the meetings make possible, but also in broadening our immediate awareness of what is going on abroad as we work out our own domestic financial programs, assure great potentialities for the future of this regular, frequent, face-to-face contact for international financial consultations. They enlarge, they supplement, but they do not in any way replace or supplant, all of the other existing forms of contact and exchange through the staffs permanently assigned to the various international institutions in the economic and financial fields.

These remarks have ranged widely over our balance of payments and the growing and related role, not only for last year and for this year but more importantly for the future, of international financial cooperation. Step by step, the fresh approaches which began at Bretton Woods in 1944, and carried us through nearly fifteen years of postwar inconvertibility, are now being reshaped for a world in which the currencies of the principal industrial countries have assured convertibility, at fixed rates of exchange.

The emerging pattern has at its center, of course, the International Monetary Fund with a membership now of 75 countries and resources, on hand or on call, soon hopefully to exceed the equivalent of $21 billion, distributed among all manner of currencies, both the weak and the strong. Operating within the framework of Fund practices are the central banks or treasuries of the various member countries, all of them also engaging, for their day-by-day affairs, in a network of contacts with each other, and concentrating in a thick web of interrelations among the financial institutions, both public and private, of the leading industrial countries. Somewhere in the middle stands the United States, with the largest holdings in the IMF, with some two-fifths of the world's known monetary gold reserves, with $50 billion of other financial assets or resources in other countries, and with short-term liabilities of some $18 billion to foreigners (about equally divided between official and private foreign accounts), and buying and selling gold at the fixed price of $35 per ounce.

Clearly the strong performance of this country is crucial, for us and for the international monetary system. That is why the first order of priority in the Government's financial program, and in the President's own thinking and concern, has been, and continues to be, the restoration of equilibrium in our balance of payments. That is why, too, we have turned our attention so concertedly to the strengthening of the payments arrangements that can best surround the dollar, and strengthen or complement the underlying supporting role of the IMF itself, through the years ahead. For convertibility brings problems with its opportunities, and it will not be protection enough for the system as a whole to have a strong dollar and a sturdy Fund. There must be a growing set of relationships and understandings among the other leading countries which are strong enough to assume some responsibility for the defense of the system as a whole against the capricious raids of speculators or the pressures set off by threats to political or economic stability in various parts of the world.

It is with a view to these longer run requirements that the United States has moved energetically toward developing, in the living context of today's problems, an experimental approach toward various ways to spread among other currencies some portion of the burden that has for so long been borne by the dollar alone. That is the most obvious, and compelling, requirement. But beyond that, in a variety of ways, we have learned much, and have hopes that the machinery of payments arrangements will profit much, from the close working relations developed during the past year with Germany, Switzerland, Italy, Holland, France, Sweden, and several of the other countries represented at Basle and in the OECD.

The outlines of what may emerge can barely be sketched now. But the promise lies in the high degree of understanding, and the close integration of common action, that has emerged in the face of the various tests presented by the events of 1961. The answer will not be found, I feel sure, in any drastic rewriting of the codes or procedures of international monetary behavior. It will, instead, emerge, step by step, from the kind of experimentation that has marked the evolution of joint operations in various currencies, the imaginative lending of funds among central banks and between governments, the extensive use of the resources of the International Monetary Fund, notably in support of sterling and the introduction of facilities for new forms of frequent and intimate consultation on emerging problems and appropriate action. This is the pragmatic course from which all of our lasting banking institutions have evolved. We have much to do now in developing international arrangements to match the effectiveness, and the flexible adaptation to local conditions, that has been achieved in the domestic monetary systems of most of the leading industrial countries of the world.

The essence of all these new developments is understanding, but there must all along be an intermixture of hard negotiations and determined actions. For both, the United States is not yet adequately prepared. It is not enough for a few representatives of Government to eat, sleep, and dream the balance of payments and its implications for the American economy; there must be a spreading, permeating consciousness of the balance of payments and its significance throughout the business and labor communities.

The buffeting which the United States has undergone over the last few years has led to many good results. Everyone who travels from Washington out through the country returns with a sense that the country as a whole is indeed aware of our balance-of-payments position and senses its significance. That is the essential beginning. But we will not have reached the stage in which we can, in the best, responsible democratic manner, adequately discharge our responsibilities as first among the leading countries until the typical labor leader, or the typical business executive in this country can analyze the main lines of economic development in balance-of-payments terms in the same taken-for-granted manner that characterizes his counterpart in the other industrial countries with whom our contacts must now be so much closer, in our convertible currency world.

My observation is not meant as a complaint. For so many generations the United States has been able to live without direct concern for its external economic affairs that we have not been forced by the events of daily experience to develop the same consciousness of export markets, or of foreign trade finance, or of the effects of capital flows, that have been, equally for generations, the every day concern of people in the European countries, whether they are in business, in finance, in trade unions, or in government.

That is why I have had the temerity today to speak so long and to try to touch upon so many aspects of our balance-of-payments position when I was given the opportunity of appearing before this captive audience of bankers. For it is among bankers as in no other single group in the country that a genuine understanding of the elements in our balance of payments has been, for a much longer period, an essential part of the stock in trade. And I think it will fall upon bankers to carry a major part of the effort toward broadening and deepening the general public knowledge of all the questions that we have been reviewing here today.

EXHIBIT 42.—Remarks by Under Secretary of the Treasury for Monetary Affairs Roosa, May 17, 1962, at the monetary conference of the American Bankers Association, Rome, Italy

Over the past fourteen months the United States has, for the first time since the later 1930's, entered into foreign exchange transactions for monetary purposes, as distinct from the more or less routine handling of foreign exchange to meet the Government's operating needs abroad. The Treasury began limited operations in March 1961, acting through the Federal Reserve Bank of New York as its fiscal agent. In February of this year the Federal Reserve System announced its decision to enter the exchange markets for its own account.

To date, U.S. action in the foreign exchange markets has been largely exploratory in character, designed to probe and possibly to limit temporary disturbances in the exchange markets. All operations have been carried out in close consultation with, and usually jointly with, the financial authorities of the other countries involved.

These activities in the foreign exchange markets have sometimes been referred to as the financial component in the outer perimeter defenses of the dollar. This is probably a good characterization, since of course the inner defenses depend upon the productivity, production, and competitiveness of the American economy. But in what we have been doing, both basically and peripherally, to defend the dollar, we have also been defending, in concert with others, the whole system of convertibility at stable exchange rates that has been so painstakingly reconstructed since the end of World War II. And the effective functioning of that system is, in turn, essential for diversified growth and integration among the free, capitalist economies of the World.

In addition to the shortrun objectives of our foreign exchange operations, on which I shall say a bit more in a moment, there are longer run implications and potentialities of an approach in which a key currency country becomes an active participant in the international exchange markets. As we go along we are also, therefore, trying to think through some of these possible implications for the long-run: Can such participation aid in assuring the stability of the international financial mechanism? Can it, if properly executed, reinforce the fundamental work of the International Monetary Fund? Does it afford a helpful means toward providing sufficient international liquidity for the continued growth of the world economy? Does it strengthen the role of gold as the base of our international reserve arrangements?

These are the kinds of questions that central bankers, and commercial bankers and treasuries can usefully ponder together, in our joint efforts to find the combination of private and governmental monetary facilities that a flourishing capitalism needs. While I cannot presume to suggest any of the answers, it may be of some help as background for others who can, if I discuss two themes that seem to run through our American experience of these recent months. First, what has thus far been the nature of our foreign exchange operations within the framework of the system of convertibility based on fixed exchange rates? Second, what possibilities seem at this early stage to be suggested, concerning the accumulation by a key currency country of balances in the convertible currencies of other leading countries?

Other countries have long accepted direct intervention in the exchange markets as a customary way of life. At the least, they must be buyers or sellers as exchange quotations reach the acceptable limits of variation around their own fixed exchange rates. The United States, on the other hand, was, and still is, the only country that maintains complete interconvertibility between gold and its own currency at a fixed price, and, until recently, was content to leave all operations concerning the exchange relations between the dollar and other currencies to the officials of those other countries. The recent decision to participate in the international markets in cooperation with other financial authorities reflects, as do many other governmental and private actions, a growing awareness within the United States of the dual nature of our own balance-of-payments problem.

We must not only respect and fulfill the balance-of-payments disciplines to which other countries have been accustomed for so long; but we must do this while also keeping our own currency and gold equally and alternatively available as reserves for all other countries. We must gain and keep the initiative for influencing the factors that affect our balance of payments, but we must do so in the impeccable manner that assures and retains bankers' confidence. This means that, both as trader and as banker, the United States has to keep its markets open and free. We have therefore a major stake, which the Western World shares with us, in resolving our balance-of-payments problem within the framework of a free international economy, with stable exchange rates and an immutable gold price of $35 an ounce.

Let me make it absolutely clear, again, that there is no thought that foreign exchange operations can provide the solution to the U.S. balance-of-payments deficit. More fundamental correctives are necessary for this end, and I know that you are all familiar with the many-sided program of American business, finance, and Government that is moving forward toward a restoration of equilibrium, and surplus, in the American balance of payments.

Our foreign exchange operations have so far been mainly designed to help in providing a breathing space during which these basic programs could have a chance to become effective. In our judgment, they have been most helpful in deterring unwarranted speculation and unwanted capital flows, and in reducing the drain on our gold stock, which stands as the bulwark of the whole international currency system.

I should emphasize that our operations have not at any time involved an attempt to "rig" markets or "peg" prices. Within the relatively narrow band which is, in any event, permitted for exchange fluctuations under the rules of the International Monetary Fund, there must be room for market prices to demonstrate the basic strength or weakness of any currency. We could not, of course, have pegged exchange rates even if we had wanted to. In March 1961, the United States held no reserves of convertible foreign exchange, and the balance of payments was in deficit. As a result, there was no opportunity to support the dollar in the exchange market through spot sales of other currencies in the way that European monetary authorities customarily do when their own currencies come under pressure.

Some minor limited selling operations in the spot market have been undertaken more recently to alleviate temporary pressures, using foreign exchange acquired by borrowing in Switzerland and Italy (or limited amounts acquired at times when the rate would not be adversely affected). Operations have been mainly concentrated, however, in forward exchange. These markets can at times be quite thin and even a relatively limited volume of market demand can have an excessive impact on rates which are not subject to limitations under IMF regulations but which can generate great pressures upon the spot rates. When the forward rate, whether because of expectations concerning future currency values or for other reasons, moves conspicuously out of line with its interest parity, short-term private capital movements can be set off that may be disturbing to both the country receiving and the country losing funds. It is useful to have facilities for testing out whether the particular developments are in fact deeply rooted and sustained, or whether they are short-lived and may soon be reversed.

It was precisely this sort of situation, in fact, that provided the immediate motivation for Treasury operations, in conjunction with the Bundesbank (and actually in response to a very constructive initiative on the part of the Bundesbank) in the forward market for deutschemarks in March 1961. You will recall that the revaluation of the mark and the guilder at that time led to a state of great uncertainty in the markets and there were widespread expectations that further appreciation of these, and perhaps other, currencies would shortly be forthcoming. In these circumstances forward rates moved to substantial premiums, the deutschemarks approaching a 4 percent per annum premium for a time, and incentives were created for heavy flows of funds out of the dollar and into the mark. Actually, in providing marks to the forward market, we made it possible for the recipients to continue holding their dollars, while assured of later convertibility into marks if their acquisitions did in fact prove to be sustained. Our own forward sales of marks reached a peak of about $350 million in mid-June and aggregated considerably more as some initial contracts were rolled over once or twice more. But now, they have all been paid off, as the excessive flow of funds into Germany first subsided and then was reversed when the Berlin situation deteriorated during the late summer of 1961 and expectations of further appreciation disappeared.

Operations were also undertaken in Swiss francs beginning in May 1961 on a small scale, and accelerating in July when the Berlin crisis encouraged a stepped up flow of funds into Switzerland. The Swiss were anxious to encourage an outward flow of short-term Swiss capital to offset inflows from other sources that were creating domestic problems of excessive bank liquidity and inflationary pressures, and the United States was glad to cooperate, since we were equally anxious to defend the dollar by lessening the pressure on the Swiss National Bank to absorb more dollars. Early this year, for roughly similar reasons, forward sales of guilders and Italian lire were made. To give you an idea of the magnitudes involved, sales of forward Swiss francs reached a maximum of something over $150 million. Sales of Italian lire have been larger, while guilder sales have been quite modest. All in all, total forward exchange operations undertaken by the Treasury in the four currencies that I have mentioned, including the rollover of maturing contracts in some cases, have amounted to about $1½ billion in the 14-month period.

One of the main results of these sales of forward exchange, as is obvious from what I have said so far, has been to encourage foreign private investors to stay invested in dollars (or to increase their holdings) and thus restrain the piling up of dollars in central banks abroad.

As long as the United States continues to run a sizeable deficit in its balance of payments it is unlikely that we can or should expect that some part of the dollars pumped into the international financial stream will not reach central bank hands. Nor should we expect to avoid some resulting drain on our gold stock. And the disciplines which such movements imply are fundamental and clear.

At the same time we must be constantly mindful that the dollar is not just another currency, but that it is a key reserve currency—not only for foreign monetary authorities but also for foreign private banks and corporations. We must remember that foreign monetary authorities adjust their own balance-of-payments position day-by-day and week-by-week by the purchase and sale of dollars in the exchange market. Irrespective of our balance-of-payments position the shift of dollars from countries with traditionally low gold ratios to countries with high ratios can result in a gold drain for the United States. Similarily, with 8½ billion of liquid dollar holdings in the hands of private foreigners, we must make sure that speculative forces are not fed by uncertainty about either the ability or the determination of the United States to stand firmly behind the interconvertibility of the dollar with gold at the fixed price of $35.00 per fine ounce.

A clear distinction has to be drawn—and it is not always easy to convey this readily, between the absolute and unconditional availability of gold to foreign monetary authorities for legitimate monetary purposes and the compulsion on us, in cooperation with foreign monetary authorities—to avoid any unnecessary dispersions of the U.S. gold reserve, on which our existing international system, in the last analysis, depends. The United States would, in fact, be just as derelict in its duty to help support and sustain a growing and viable international economy if it failed to defend the gold stock through improved techniques of monetary cooperation as it would be if it failed to make gold available to foreign monetary authorities on demand.

A solution of the balance-of-payments deficit is fundamental if we are to ward off a steady attrition of the U.S. gold stock. But, the problem goes even beyond this. The United States is a ready seller of gold on demand, but other countries are not necessarily sellers to us when they have exchange deficits, partly indeed because their own gold reserve is cushioned, in many cases substantially, by dollar reserves.

It is consequently a matter of first priority for us to develop methods that will minimize our gold losses whenever our balance of payments swings into deficit, by no means avoid them, but certainly avoid conditions that exaggerate them. Under present procedures, we cannot be sure that gold will return to us when we move into surplus, and we must and will have surpluses from time to time.

This kind of consideration leads directly into my second main theme, the potential uses of foreign exchange holdings by a key currency country. As I had mentioned earlier, our exchange operations to date have been largely dictated by clear, current opportunities and needs. We have acted in response to market developments and have not sought to become permanent and regular participants in the market for any currency. Our spot exchange holdings—which, on the latest published figures were about $150 million, built up partly from borrowing and partly from purchases in the easier markets that have prevailed for some currencies so far this year—have mainly been acquired to back up our forward sales. But looking ahead to the future, there may well be good reason for more or less continuous holding by the United States of some moderate amounts of the convertible exchange of various leading countries.

While it is premature to see clearly where we may be heading so far as the currency holdings of the United States are concerned, it may well turn out that some contribution toward resolving a part of our problem may be found in building up, in time of surplus, holdings of other currencies that are not thought of as reserve currencies in the same way that the dollar and the pound sterling are viewed. Should we do that, either with open holdings or through hedged forward positions, our exchange holdings might be able subsequently to handle a considerable part of the normal swings in payment patterns, leaving the gold reserves available to cover more fundamental and lasting adjustments. There would be no commitment to hold any particular currency, of course, and the relative size of any such holdings would presumably be comparatively small. Nor would there be any lessening of the needed balance-of-payments disciplines upon us or upon others. For changes in our combined reserves of gold and foreign exchange, taken together with changes in our short-term liabilities to foreigners, would then become as significant to the determination of our policies as changes in gold alone have been over recent years.

If such a system were bolstered by suitable international arrangements to ensure a steady and orderly distribution of newly-mined gold into monetary reserves, much of the pressure, both psychological and real, that arises from the accident of shifts in reserves among other central banks would be lifted from the U.S. gold stock. With such a system we might perhaps be able to view in better perspective our gold loss of the past five years as a basic and healthy redistribution of available world gold reserves, a redistribution that has added to the strength of the international financial community.

What I am suggesting is that we need to build further the outer defenses around the liquidity of the International Monetary Fund, which will be substantially augmented by the standby agreement on which progress toward ratification is going ahead with gratifying despatch. We need to provide a means of further economizing on gold reserves, while ensuring that the liquidity needs of our expanding world economy will be met in a manner consistent with the sovereignty of individual countries and with heavy reliance on the discipline provided by the balance of payments.

The net effect, if this line of development should be followed, would be to multilateralize a part of the role performed now by the two key currencies, within a framework that would place great stress on still further cooperation among monetary authorities of the type that has been so successfully developed over the past year or so. It is clear that the attributes of a key currency involve many things: its use in international trade, its relationship to gold as the ultimate reserve, the existence of broad and deep capital and money markets. In all these respects the dollar is now unique, although we hope to see further progress in the freeing up of European money and capital markets. But what makes a currency good basically is the way the country manages its economy. Where there are a number of strong countries, as there are today, a plausible case would seem to exist for some sharing of the burdens placed on the key currency.

It may be, too, that a system such as I have outlined would be a sensible way to provide for any large increase in long-run liquidity requirements. Long before there can be any agreement on any of this, however, there are many knotty problems that will have to be resolved by our own policy makers and through international consultations, through the Basle Group, through the Organization for Economic Cooperation and Development, and through the International Monetary Fund. But explorations along these lines are far preferable, it seems to me, to the often proposed types of action (involving still more difficult decisions and negotiations) that basically involve an oath of allegiance by all governments and central banks to a synthetic currency device, created by an extra-national authority bearing neither the responsibilities nor the disciplines of sovereignty.

On the other hand, a system where countries maintain some mutual holdings of foreign exchange has the extreme advantage of using existing institutions and practices. Within such a system the patterns of reference are known to all; no one will be asked to do things that fall outside the realm of his experience. A system erected on established currencies and mores, would surely have a firmer foundation than one based on artificial devices. At the least, I suggest, there is food for thought in such a possibility, and that, along with the excellent cuisine, is what I have understood to be the provocative aim of these meetings.

Exhibit 43.—Statement by Assistant Secretary of the Treasury Leddy, July 31, 1961, before the Senate Foreign Relations Committee on amendment of the articles of agreement of the International Finance Corporation

I am glad to have this opportunity to appear in support of legislation to authorize United States approval of an amendment to the Articles of Agreement of the International Finance Corporation. This amendment would make it possible for the Corporation to make equity investments under limited conditions. It would improve the Corporation's effectiveness in investing in the developing countries and would, therefore, be consistent with the purposes of the United States in participating in the Corporation.

The IFC is an affiliate of the International Bank for Reconstruction and Development, or World Bank, which has had an impressive record under the leadership of its President, Mr. Eugene Black. The Corporation has 59 member countries and an authorized capital of $100 million, of which $96.6 million has been paid in dollars. The U.S. subscription, which we paid when we joined in 1956, is $35.2 million, or 36.4%.

The Corporation provides a multilateral source of capital which directly encourages the private enterprise sectors of the developing countries of the free world. IFC invests in small or medium-sized private enterprise projects, generally those involving light and medium manufacturing or production of basic materials.

Since its inception in 1956, the Corporation has made 40 investment commitments in 18 countries totaling $44 million, of which $24 million has actually been disbursed. Its investments average a little over $1 million each in size. Additional private investment funds, committed alongside the funds of the IFC, have amounted to over $125 million, or roughly $3 of new private investment stimulated by each $1 of IFC investment. Thus, the total investment generated by IFC participation has amounted to nearly $170 million.

The legislation before you today is necessary because of the limitation in article III, section 2(a) in IFC's articles that: ". . . financing [by the Corporation] is not to take the form of investments in capital stock." This provision has sharply restricted IFC's freedom of action in making investments and has forced it to resort to convertible debentures, long-term stock options, and other means of making investments on terms approaching that of equity participation.

These alternative techniques, which have been resorted to in order to avoid direct stock purchase, are often complex, cumbersome, and unfamiliar to businessmen in many of the developing countries. A detailed explanation of these problems and of the need for authority to make equity investments is contained in a memorandum of February 10, 1961, from the President of the Corporation which I would like to submit for the record.

The purpose of the original limitation on the power of the Corporation to invest in common stock, was intended to keep the Corporation out of the business of day-to-day management. The present proposal, while permitting IFC to make investments in the form of stock, would not project the Corporation into a management position in the firms in which it invests. Management responsibilities would continue to lie with the private owners of these firms. This amendment would not alter those basic responsibilities.

The proposed amendment to IFC's articles would eliminate article III, section 2, as presently drafted and substitute a new section which would read:

"The Corporation may make investment of its funds in such form or forms as it may deem appropriate in the circumstances."

In addition, article III, section 3, subsection (iv), which now reads:

"The Corporation shall not assume responsibility for managing any enterprise in which it has invested"

would be amended by adding:

". . . and shall not exercise voting rights for such purpose or for any other purpose which, in its opinion, properly is within the scope of managerial control."

With these changes the Corporation will be in a position to make equity investments and to exercise voting rights when legally required in connection with such matters as Corporate reorganization, increase of capitalization, etc. It would however be enjoined from voting on questions properly within the management's sphere.

It is in the interest of the United States to give the IFC this new flexibility. The need for it has been demonstrated by the course of IFC's operations in the last five years. The Board of Directors of the Corporation has unanimously recommended the adoption of this amendment, and the National Advisory Council on International Monetary and Financial Problems has endorsed the action. On June 19, the House of Representatives approved this measure by a vote of 329 to 18.

This legislation would authorize the Secretary of the Treasury, as United States Governor of the IFC, to vote in favor of the amendment. I recommend that the committee give its support to passage by the Congress of this bill.

Exhibit 44.—Treasury and Federal Reserve foreign exchange operations, March 1961–August 1962

This joint interim report reflects the Treasury–Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.

This report was prepared by Charles A. Coombs, Vice President in charge of the Foreign Department of the New York Reserve Bank. It covers the period March 1961–August 1962.

The resumption of foreign exchange operations by the U.S. Treasury in March 1961 and by the Federal Reserve System in February 1962 has been part of a cooperative effort by treasuries and central banks on both sides of the Atlantic to create a first line of defense against disorderly speculation in the foreign exchange markets. Recognizing that the dollar is the cornerstone of the entire international currency system, this cooperative effort has mainly taken the form of arrangements between the United States and other leading industrial countries adapted to the special needs of the countries involved. Continuous, close consultation among all the treasuries and central banks concerned has avoided any conflicts of policy or operations within the group as a whole.

BACKGROUND TO OPERATIONS

Under fair weather conditions, speculation can and does play a highly useful role in the foreign exchange market by helping to correct temporary deviations of spot and forward rates from the levels appropriate to underlying payment trends. Thus a decline in the spot or forward rate of one currency resulting from a temporary market imbalance may stimulate new demand for that currency by alert traders expecting a rebound in the rates.

On the other hand, when the exchange markets become seriously unsettled by political or economic uncertainties, normally beneficial speculation may quickly become transformed into a perverse, and sometimes even sinister, force. The latter type of speculation may be motivated, on the one hand, either by a natural desire to protect capital values or, on the other hand, by the prospect of a quick capital gain. In such periods of market anxiety, abrupt declines in the spot or forward rate for a given currency may take on a grossly exaggerated significance, the exchange market may become a prey of purely imaginary fears, and selling or buying pressures on the exchanges may quickly acquire cumulative force.

Even minor speculative squalls may have disturbing effects upon the normal flow of trade and payments, while very severe attacks have on occasion forced governments into unwanted changes of currency parities.

Official foreign intervention in markets.—Although foreign central banks have for many years intervened in their foreign exchange markets to protect their currencies against speculative disturbances, the United States had refrained from such operations from the end of World War II until early 1961. This difference of approach goes back to the Bretton Woods Agreements. Under the Articles of Agreement of the International Monetary Fund, member countries agreed to establish par values for their currencies in terms of gold or the U.S. dollar and to limit fluctuations in their exchange rates to no more than 1 percent above or below the par value. In many cases, foreign countries have fulfilled their obligation to the International Monetary Fund by purchasing or selling U.S. dollars against their own currencies in order to keep their exchange rates from rising above the "ceiling" or falling below the "floor." Foreign central banks may also operate in the exchange markets between the margins, and many central banks do so to prevent sharp movements in the rates. As the exchange rate moves upward (or downward) a country may buy (or sell) dollars against its currency to slow the rate movement, or even to halt it completely at some point within the official margins. Such purchases and sales, by ironing out sharp fluctuations in rates, help to maintain orderly conditions in the exchange markets, thereby facilitate the flow of trade and payments, and contribute materially to the maintenance of confidence in currencies.

Foreign official intervention on the exchanges is generally conducted through purchases and sales of U.S. dollars, the principal reserve currency. Such exchange intervention results in changes in official holdings of dollars, increasing them when the demand for the foreign currency is strong and reducing them when demand is weak. Most major countries hold only a part of their reserves in dollars—sometimes a very small part; the rest are held mainly in gold. If exchange intervention is undertaken on a large scale, such countries may acquire more dollars than they wish to hold; if so, they will convert their excess dollars into gold. Conversely they may have to sell gold to acquire the dollars necessary for support operations.

Role of dollar convertibility into gold.—The willingness of foreign central banks to acquire and hold dollars as part of their reserves depends on the assured convertibility of such dollars into gold at a fixed price. As part of the Bretton Woods system, this assurance is provided by the United States, which undertakes to maintain a fixed par value for the dollar by standing ready to buy or sell gold against dollars at a fixed price of $35 per ounce in whatever amounts may be requested by foreign monetary authorities. This system of defining and maintaining the parity of the dollar in terms of gold, while the parities of other currences are maintained by buying and selling dollars, has greatly encouraged the development of an international gold exchange standard. Under this system the United States serves as banker for the dollar exchange reserves, now more than $11 billion, of 82 countries throughout the world.

As banker for the international currency system, the role of the United States until recent years has been largely passive. Although foreign central banks resisted declines in their currency rates toward their floors, they had no obligation or incentive to resist similar declines in the dollar against their own currencies. As the dollar came under pressure from time to time in world exchange markets, the dollar rate therefore tended to slip to the floor. At this point foreign central banks would then fulfill their obligation to take the surplus supply of dollars off the market. If they wished, they would then convert part or all of these dollars into gold.

Currency crisis of 1960.—This passive stance by the United States, in which both the rates for the dollar against foreign currencies and the accumulation of dollar reserves by foreign central banks were left entirely to market forces, and to the unilateral decisions of foreign monetary authorities, gave rise to no serious problems for many years after the war. By 1960, however, successive U.S. balance-of-payments deficits had brought about both heavy gold losses and sizable increases in our dollar liabilities to foreigners. At this point, the dollar became subject to rumors of impending changes in U.S. international financial policy, with widespread doubts developing abroad as to whether the U.S. Government could and would maintain the $35 price for gold.

The resultant wave of speculation against the dollar was effectively stemmed in early 1961 by a Presidential pledge to maintain the gold price, to make our entire gold reserve available to defend the dollar, and, if necessary, to draw upon the IMF as a supplementary source of reserves. Most fundamental of all, of course, was announcement of action to correct the balance-of-payments deficit, and this program has subsequently shown gradual but solid results.

Effects of revaluation of mark and guilder.—Meanwhile, the recovery of confidence in the dollar remained vulnerable to sudden shocks, and these were not long in coming. On the weekend of March 4, 1961, the German Government announced the upward revaluation of the mark by 5 percent. Shortly after that the Netherlands Government announced a similar change in the guilder parity.

However effective these moves may ultimately prove to be as a contribution to international balance-of-payments equilibrium, their immediate effect was a shattering blow to market confidence in the system of fixed currency parities. All major currencies immediately became labeled as candidates for either revaluation, or devaluation and an unparalled flood of speculative funds swept across the exchanges.

Speculation on a revaluation of the Swiss franc became particularly intense, with the result that more than $300 million flowed into that country in 4 days. Most of the dollars acquired by the Swiss National Bank and other continental financial centers were the counterpart of a major speculative attack on sterling, with the Bank of England suffering heavy reserve losses.

At this critical juncture, the central bank Governors attending the monthly meeting of the Bank for International Settlements in Basle announced that their central banks were cooperating in the exchange markets. The scale of this cooperation in credits to the Bank of England reached a total of more than $900 million and played a vital role in providing a breathing space during which more fundamental measures could be taken by the British Government.

TREASURY INTERVENTION IN THE MARKET

Although the dollar emerged relatively unscathed from the first speculative attacks, the massive reshuffling of foreign-owned funds resulted in heavy accumulations of dollars by certain foreign central banks, with the possible consequence of sizable drains upon U.S. gold reserves. Anticipations of a second revaluation of the German mark generated a continuing heavy flow of funds to Frankfurt, with the result that the dollar reserves of the German Federal Bank rose to $4.1 billion by March 31 as compared with its gold reserves of $3.2 billion.

Operations in German marks.—The disruptive effect of such speculation on the normal flow of German trade and payments was reflected in a scramble by non-Germans with contractual liabilities in marks to anticipate their requirements. Meanwhile German residents sought to hedge against contracts payable to them in dollars or other foreign currencies. The forward exchange market could hardly cope with such an abrupt swing in expectations, with the result that the premium on the forward mark or, viewed the other way, the discount on the forward dollar, rose to nearly 4 percent. At that exaggerated level it tended to reinforce expectations of a further revaluation of the mark.

The limited availability of forward cover, even at such expensive rates, diverted commercial hedging demands into foreign purchases of spot marks to cover future mark contracts and German borrowing of dollars, both in New York and in the Euro-dollar market, as a hedge against dollar receivables. The resultant shift of the leads and lags in commercial payments against the dollar and in favor of the mark created a potentially dangerous situation. This situation became the subject of conversations on Friday, March 10, 1961, among officials of the German Federal Bank, Federal Reserve Bank of New York, and U.S. Treasury. There emerged the decision to undertake on the following Monday, March 13, forward sales of marks in the New York market by the New York Federal Reserve Bank as agent of the U.S. Treasury, with the dual objective of providing an ample supply of forward marks as an alternative to anticipatory purchases of spot marks by foreigners and dollar borrowing by Germans, and in the process, of driving down the forward premium on the mark as closely as possible to the 1 percent level.

These forward sales of marks by the U.S. Treasury were undertaken under a "parallel" arrangement, generously suggested by the German Federal Bank, which agreed to supply the U.S. Treasury with marks (should they be needed), at the time the contracts matured, at the same rates as that at which the marks had been sold by the U.S. Treasury. In effect, the U.S. Treasury's forward commitments were entirely protected against any risk of loss. Forward operations undertaken under this arrangement were later supplemented by forward sales by the U.S. Treasury on the basis of $100 million equivalent of German marks obtained by the United States under the $587 million German debt repayment in April 1961.

TABLE I.—TREASURY FORWARD OPERATIONS IN GERMAN MARKS, MARCH–DECEMBER 1961

[Dollar equivalent, in millions]

1961	Future commitments (beginning of month)	New sales (during month)	Maturing contracts not renewed (during month)	Future commitments (end of month)	Premium on 3-month forward mark (percent per annum, end of month)
March		118.7		118.7	1.47
April	118.7	104.4		223.1	1.59
May	223.1	78.4		301.5	1.39
June	301.5	52.8	−86.5	267.8	2.21
July	267.8	32.9	−98.1	202.6	1.45
August	202.6	12.7	−89.3	126.0	1.02
September	126.0	.3	−76.6	49.7	.88
October	49.7		−35.5	14.2	.76
November	14.2		−14.0	.2	.80
December	.2		−.2		1.04

Table I illustrates the scope and pattern of the Treasury's forward mark operations. From March 13 to the end of the month, the Treasury forcefully resisted the speculative inflow to Germany by selling over $118 million equivalent of marks for delivery in 3 months. Market demand for forward marks then gradually declined, perhaps partly owing to the reassuring effect of official operations on so sizable a scale. But by mid-June the outstanding forward mark commitments of the U.S. Treasury had risen to $340 million.

As the first of the forward contracts began to mature, the tide turned and the spot dollar rate gradually rose off the floor to which it had been pinned for many months. The improvement in the spot dollar rate was attributable in part to a market demand for dollars required to pay the U.S. Treasury for the forward mark purchases previously contracted for. Coordinated intervention by the German Federal Bank and the U.S. Treasury in the spot mark market also helped to strengthen the dollar rate.

With the crisis of confidence more or less weathered, it seemed desirable to allow the forward premium on the mark to rise somewhat, thereby increasing the cost of forward cover and further dampening commercial hedging demand. As a consequence, the Treasury's outstanding balance of the forward mark commitments declined rapidly after mid-June as the daily rate of new sales fell far below maturing contracts. In September, in a market also strongly influenced by the Berlin crisis, forward sales were discontinued entirely as a normal flow of forward marks from private sources reappeared. By early December the Treasury's forward mark commitments had been fully liquidated.

By thus offsetting a large-scale flow of speculative funds that proved to be reversible within 9 months, the U.S. Treasury operations in forward marks clearly helped both the United States and Germany. The short-term capital outflow from the United States was held down, and the U.S. payments deficit thereby reduced, while the German Federal Bank could restrain its dollar accumulations from becoming too large and also prevent the German money market from being flooded with a heavy volume of liquid funds. More generally, the forward mark operation apparently calmed a badly shaken exchange market, which needed time and the assurance of intergovernmental cooperation to recover confidence.

As previously mentioned, the U.S. Treasury had acquired, in April 1961, $100 million in marks as part of a German Government debt payment totaling $587 million. While about half of this mark balance was used to settle forward contracts maturing in the fall of 1961, the remainder was converted into dollars in September to make final payment to the U.S. lending agencies concerned.

The experience with the forward mark operation had proved sufficiently encouraging, however, to suggest that the U.S. Treasury might usefully acquire moderate amounts of spot marks when that currency temporarily weakened late in 1961.

These mark acquisitions by the U.S. Treasury reached a total of approximately $55 million equivalent and have been employed in several operations during the first half of 1962 to support the dollar rate during periods of temporary pressure. These operations have not only proved useful in producing the desired firming of the dollar rate but have also proved reversible. Later strengthening of the dollar rate has permitted replenishment of earlier drafts on the Treasury's mark balances.

Operations in Swiss francs.—The second major exchange operation initiated by the U.S. Treasury during 1961 was in forward Swiss francs. The March 1961 revaluations of the German mark and Dutch guilder resulted in a burst of speculation on a similar revaluation of the Swiss franc and a heavy flow of short-term speculative funds to Switzerland. This influx created a serious problem of excessive liquidity on the Swiss money market while also raising the dollar exchange reserves of the Swiss National Bank far above traditional levels.

These dollar acquisitions by the Swiss National Bank could have been converted immediately into gold by purchases from the U.S. Treasury. But in the interests of international financial cooperation, the Swiss National Bank refrained from effecting such conversions in order to loan back to the Bank of England a large proportion of the dollar inflow to Switzerland.

There was in near prospect, however, the likelihood of a massive British Government drawing from the International Monetary Fund which would result in a liquidation of the short-term credits received by the Bank of England from the Swiss National Bank and other European central banks. Accordingly, the Swiss National Bank seemed likely to convert large amounts of surplus dollar holdings into gold unless some means could be found to stimulate an outflow of private funds from Switzerland.

The basic obstacle to such an outflow of private funds from Switzerland came from the lingering fears and hopes of many private individuals that the Swiss franc would somehow or other provide a safer haven than other currencies against a wide range of political, military, and financial risks. But it had become quite clear to both Swiss and U.S. central bank officials that the hot money inflow into Switzerland was disguising a significant deterioration in the basic balance of payments of Switzerland and that, when some recovery of confidence in currency parities reappeared, a cessation of this hot money inflow would result in a strengthening of the dollar against the Swiss franc and in drains on the gold and dollar reserves of the Swiss National Bank. Thus, the piling up of hot money in Swiss commercial banks was essentially a temporary, reversible phenomenon that might properly be dealt with by compensatory action by the two central banks concerned.

After extensive discussions among officials of the U.S. Treasury, the New York Federal Reserve Bank, and the Swiss National Bank, it appeared that a useful start could be made in offsetting such temporary inflows of hot money by providing adequate incentives to the re-export of private investment funds from Switzerland on a hedged, or covered, basis. Partly because of speculative fears or hopes of a revaluation of the Swiss franc, the premium on the forward Swiss franc had risen to roughly 1⅞ percent at which levels it was prohibitively costly to cover short-term placements in New York, London, or other financial markets abroad.

Consequently, in July 1961 the U.S. Treasury agreed to supply through the agency of the Swiss National Bank forward Swiss francs to the market at rates sufficiently attractive to induce the Swiss commercial banks and other short-term investors to move funds into the dollar market. These forward operations were begun in a limited, experimental fashion on the basis of relatively small Swiss franc balances previously acquired by the U.S. Treasury.

With the emergence of the Berlin crisis in August 1961, however, the problem was complicated by a renewed flow of hot money to Switzerland, and the Treasury accordingly enlarged the scope of its forward operations. To provide a broader base for such operations, the Swiss National Bank agreed to provide a sizable line of credit in Swiss francs to the U.S. Treasury which could be drawn upon by issuance of 3-month certificates of indebtedness carrying a rate of 1¼ percent and denominated in Swiss francs. As the Treasury's forward commitments rose rapidly, it availed itself of its drawing rights to the extent of 200 million Swiss francs ($46 million equivalent) in October 1961. By the end of November the Treasury's forward sales had reached $152.5 million equivalent, which meant a roughly corresponding reduction in the dollar reserves of the Swiss National Bank and in Swiss gold purchases from the U.S. Treasury.

During December the Treasury's forward commitments declined somewhat ($15 million of maturing contracts were paid off by the Treasury rather than renewed). This happened largely because Swiss commercial banks wanted to increase their franc assets for yearend window-dressing. New contracts of $9 million equivalent were undertaken at the end of January 1962. And in January and February all contracts were rolled over at maturity, so that by the end of February the Treasury's outstanding forward franc market commitments amounted to $146.5 million equivalent.

In February 1962 the Swiss franc began to weaken, as had been expected with Switzerland's large current-account deficit and the tapering off of the short-term capital inflow. In these circumstances, the Swiss National Bank had to supply dollars to the market and, by the end of May, the New York Federal Reserve Bank as agent of the U.S. Treasury had sold $139 million to the Swiss National Bank.

If the U.S. Treasury had elected to meet these dollar requirements of the Swiss National Bank by accepting Swiss francs in payment, the resultant increase in the Treasury's franc balances would have been adequate to liquidate nearly all of the forward Swiss franc market contracts outstanding. But a rapid liquidation of these forward contracts would have tended to recreate too much liquidity on the Swiss money market. Accordingly, the Swiss National Bank suggested that the U.S. Treasury might accept gold rather than Swiss francs in payment of part of the Swiss dollar requirements. Swiss gold sales to the U.S. Treasury amounted to $74 million. The remaining $65 million required by the Swiss were paid for in Swiss francs.

The Swiss franc balances were gradually used to liquidate $55 million of maturing forward contracts, which by the end of May 1962 were less than $91.5 million equivalent outstanding. The $46 million certificates of indebtedness issued to the Swiss National Bank in the autumn of 1961 were also fully liquidated, as the Treasury found its forward position could be sustained on a smaller cash reserve. In effect, the program of forward sales of Swiss francs, initiated by the U.S. Treasury in July 1961, proved to be a self-liquidating operation, as the swing developing in the Swiss payments position would have permitted nearly complete liquidation of the forward operation within a matter of 10 months. And the forward operations helped both the United States and Switzerland by damping U.S. gold losses from speculative money movements while relieving the Swiss market of too much liquidity.

Unfortunately the pendulum began to swing back. During the latter part of May 1962, capital funds again flowed to Switzerland in response to speculation caused by the Canadian devaluation and by the subsequent sharp decline of the New York stock market. But meanwhile the financial resources and market techniques available to the U.S. Government had been strongly reinforced by the entrance of the Federal Reserve System into the foreign exchange field. As subsequently outlined, a coordinated program involving the U.S. Treasury, the Federal Reserve System, and the Swiss National Bank succeeded in minimizing the impact of potentially dangerous speculative pressures.

Operations in Netherlands guilders.—After the revaluation of the Netherlands guilder on March 7, 1961, the premium on the 3-month forward guilder rose to well over 2 percent and remained there until the end of April. The premium encouraged a further inflow of short-term funds into the Netherlands and deterred any covered outflow.

In this context, early in May the U.S. and Netherlands authorities discussed whether the United States should intervene in the forward guilder market to reduce the guilder premium to levels more consistent with interest rates on dollar and guilder investments. These discussions between the United States and Netherlands authorities produced their first tangible results in July, when the Netherlands Bank, whose dollar reserves were to be depleted by a large British IMF guilder drawing (for conversion into dollars) in August, agreed to sell spot guilders to the United States and to provide for U.S. investment of these guilders in Dutch Treasury bills. It was agreed that it would be useful for the Treasury to acquire modest guilder balances for possible use in exchange operations in the future. Accordingly, the Netherlands Bank sold $15 million equivalent of guilders to the U.S. Treasury during September.

As expectations of another revaluation of the guilder withered away, the forward guilder premium declined to more normal levels. But towards the end of 1961, rumors questioning the stability of exchange parities and the beginning of continental commercial bank repatriations of funds for year-end window-dressing operations induced a renewed rise in both spot and forward guilder rates. By December 20 the premium on the 3-month forward guilder was again over 2 percent (though moving erratically) and was clearly out of line with comparative interest rates.

Although the premium declined somewhat after the turn of the year, the U.S. Treasury concluded that it might usefully test the market by a small offering of forward guilders which might succeed in nudging the rate down to a more normal level. After further negotiations it was agreed that the Netherlands Bank would sell forward guilders in the market for the Treasury's account.

The sales were first made in January 1962 and reached $20.8 million equivalent by early February. As the availability of forward cover stimulated Netherlands investment demand for short-term placements in New York and other financial markets, the spot guilder rate weakened to about par and, in the process, enabled the U.S. Treasury to acquire more spot guilders from the Netherlands Bank against dollars.

The forward operations were terminated on February 13 as the Netherlands money market had become less liquid, and the U.S. Treasury later liquidated each contract at maturity. The remaining guilder balances of the U.S. Treasury were used to intervene occasionally in the market to slow down a strong rise of the guilder spot rate during the spring months as a result of a tightening of liquidity in the Netherlands financial market. Also a sizable foreign exchange inflow was expected as a result of the Philips Lamp stock issue.

Operations in Italian lire.—A continuing surplus in Italy's balance of payments has made the Italian lira one of the strongest continental currencies. From mid-April 1961 until the present the lira has usually remained at its upper limit against the dollar.

In these circumstances, in late 1961 discussions began on the possibility of U.S. Treasury operations in the lira market. In January 1962 it was agreed that the Treasury would take over a substantial block of forward lira contracts from the Italian foreign exchange office and that the Bank of Italy would simultaneously extend to the Treasury a $150 million line of credit in lire to support such spot as well as forward operations in lire as might appear desirable.

The Treasury made the first drawing on this line of credit on January 26, 1962, when it issued a 3-month certificate of indebtedness for the equivalent of $25 million in lire. It made a second drawing of $50 million in March, and a third drawing of $75 million in August.

Both spot and forward operations by the U.S. Treasury in lire are continuing and have lessened the accumulation of dollar reserves during the recent seasonal inflows to Italy.

BEGINNING OF FEDERAL RESERVE OPERATIONS

While the exchange operations undertaken by the Treasury with the limited resources of its Stabilization Fund had yielded encouraging results, Federal Reserve officials—with the full concurrence of the Treasury—considered whether it might not also be desirable to reactivate Federal Reserve exchange operations. After many months study, the Federal Open Market Committee on February 13, 1962, authorized open market transactions in foreign currencies.[1]

Currencies involved.—Under this authorization, the Special Manager of the Open Market Account for foreign currency operations received Committee approval to inaugurate operations by purchasing from the Stabilization Fund at market rates the following foreign currencies in order to open accounts with the central banks responsible for these currencies and develop procedures for future operations (Table II).

TABLE II.—FEDERAL RESERVE PURCHASES OF FOREIGN CURRENCIES FROM THE U.S. TREASURY

Currency	Dollar equivalent (in millions)
German marks	32.0
Swiss francs	.5
Netherlands guilders	.5
Italian lire	.5

[1] The text of the authorization appears in the Appendix to this exhibit.

Accounts had previously been opened, and maintained for some years with more or less nominal balances, with the central banks of Canada, Great Britain, and France.

With the authorization of the Committee, the Special Manager proceeded to negotiate a series of reciprocal credit, or swap, facilities with seven foreign central banks and with the Bank for International Settlements. The amounts and dates of these swap arrangements are shown in Table III.

TABLE III.—FEDERAL RESERVE RECIPROCAL CURRENCY AGREEMENTS

Other party to agreement	Amount (in millions of dollars)	Date (of original agreement)	Term (in months)
		1962	
Bank of France	50	Mar. 1	3
Bank of England	50	May 31	3
Netherlands Bank	50	June 14	3
National Bank of Belgium	50	June 20	6
Bank of Canada	250	June 26[2]	3
Bank for International Settlements[1]	100	July 16	3
Swiss National Bank	100	July 16	3
German Federal Bank	50	Aug. 2	3
Total for all banks	700		

[1] In Swiss francs.
[2] Announced on Sunday, June 24.

Mechanics of swap arrangements.—The details of the swap arrangements varied somewhat from agreement to agreement, reflecting differing institutional arrangements and operational procedures among the central banks. However, certain general principles ran throughout all of the agreements. They may be summarized as follows:

1. A swap constitutes a reciprocal credit facility under which a central bank agrees to exchange on request its own currency for the currency of the other party up to a maximum amount over a limited period of time, such as 3 months or 6 months.

2. If such a standby swap between the Federal Reserve and the Bank of England, for example, were to be drawn upon by the Federal Reserve, the Federal Reserve would credit the dollar account of the Bank of England with $50 million at a rate of, say, $2.80 to the pound while obtaining in exchange a credit on the books of the Bank of England of about £18 million. Both parties would agree to reverse the transaction on a specified date, say, within 3 months, at the same rate of exchange, thus providing each with forward cover against the remote risk of a devaluation of either currency.

3. The foreign currency obtained by each party as a result of such cross credits to each other's accounts would, unless disbursed in exchange operations, be invested in a time deposit or other investment instrument, earning an identical rate of interest of, say, 2 percent and subject to call on 2 days' notice.

4. After consultation with the other, each party would be free to draw upon the foreign currency acquired under the swap to conduct spot transactions or meet forward exchange obligations.

5. Each swap arrangment is renewable upon agreement of both parties.

Use of swaps.—Use of these various swap arrangements has followed a varied pattern. The $250 million swap with the Bank of Canada was immediately drawn upon through a cross-crediting of Canadian and U.S. dollars as part of a Canadian stabilization program. The Canadian Government also received financial assistance from the International Monetary Fund, the Export-Import Bank, and the Bank of England.

In the swaps with the Bank of France, the Bank of England, and the National Bank of Belgium, in amounts of $50 million each, the standby facility was immediately drawn upon by the Federal Reserve in order to test communications, investment procedures, and other operational arrangements. In both the French and British swaps, no occasion has arisen for either party to use the proceeds of the swap in exchange operations. Consequently, after one renewal on June 1, the swap with the Bank of France was liquidated in advance of maturity on

August 2 and placed on a standby basis. The swap with the Bank of England, which matured on August 30, was similarly placed on a standby basis.

The swaps of $100 million each with the Swiss National Bank and the Bank for International Settlements were negotiated as standby facilities but with anticipation of an early necessity for their use to mop up a speculative flow of hot money to Switzerland in June and early July of 1962. Similarly a standby swap with the Netherlands Bank has been actively utilized to mop up temporary flows of funds to the Netherlands. Finally, the $50 million swap with the German Federal Bank was negotiated as a standby facility and no drawings have been effected to date.

Swiss francs.—As previously noted, the standby swap arrangements of $100 million each negotiated in mid-July by the Federal Reserve with the Swiss National Bank and the Bank for International Settlements anticipated an early drawing on these swaps to mop up surplus dollars taken in by the Swiss National Bank. Under these swap arrangements, the Federal Reserve drew, during July and August, $60 million of Swiss francs under its swap arrangement with the Bank for International Settlements and $50 million equivalent in Swiss francs under the swap with the Swiss National Bank. The total proceeds of $110 million in Swiss francs were immediately employed to buy back an equivalent amount of dollars on the books of the Swiss National Bank.

During the same period, the U.S. Treasury enlarged somewhat its forward operations in Swiss francs and thereby absorbed an additional amount of dollars held by the Swiss National Bank. As a result of these operations, the dollar holdings of the Swiss National Bank were substantially reduced, and the Bank purchased no more than $50 million of gold from the United States during a period of intense speculation following the June decline in the New York and other stock exchanges.

Federal Reserve drawings under the Swiss franc swaps also indirectly served to absorb excess liquidity on the Swiss money market since the Swiss francs supplied under the swap by the Bank for International Settlements came from deposits of Swiss commercial banks. The Swiss National Bank similarly absorbed Swiss francs from the market by various forward operations involving investments by Swiss commercial banks in U.S. Treasury bills on a covered basis. Subsequently, the speculative fever subsided, the dollar strengthened significantly against the Swiss franc, and the Federal Reserve has already begun to acquire Swiss franc balances in anticipation of an eventual liquidation of the drawing under these two swaps.

Netherlands guilders and Belgian francs.—Similarly, a heavy influx of funds into the Netherlands following the stock market declines in June was absorbed by drawings upon the Federal Reserve swap with the Netherlands Bank, combined with a resumption of Treasury forward operations in Dutch guilders. Sizable foreign payments for certain special purposes by the Netherlands have since reduced the dollar holdings of the Netherlands Bank and thereby enabled the Federal Reserve to completely repay drawings under the swap, which has now reverted to a standby facility.

Here again, U.S. Government exchange operations have succeeded in dealing with what proved to be a reversible flow of funds and, as a result, the Netherlands Bank refrained entirely from purchases of gold from the United States during this difficult period. Intervention on a small scale in Belgian francs by drafts upon the swap with the National Bank of Belgium has served a similar purpose, with subsequent repurchases of Belgian francs by the Federal Reserve as the dollar strengthened.

Canadian dollars.—The $250 million Federal Reserve swap with the Bank of Canada on June 25, 1962, played an important role in a broad program of international financial cooperation designed to reinforce the Canadian Government's efforts to defend the Canadian dollar. Between January 1 and June 25, about $900 million, or 44 percent of Canada's gold and dollar reserves of $2,056 million were swept away by a mounting balance-of-payments deficit which threatened to force the Canadian dollar off its newly established parity. If this had happened, it would have been an extremely serious setback, not only to Canada but to the entire international financial system of fixed parities, and might easily have touched off a worldwide burst of speculation against other currencies, including the U.S. dollar.

In this atmosphere of emergency, a combined program of $1,050 million was put together within 4 days. This included a $300 million Canadian drawing upon the Fund, a $250 million swap between the Federal Reserve and the Bank of Canada, a $100 million credit to the Bank of Canada from the Bank of England, and a $400 million standby credit to the Canadian Government by the Export-Import Bank. Announcement of financial assistance on this massive scale, coupled with a Canadian Government announcement of fiscal and other measures of restraint, immediately broke the speculative wave. Between June 25 and the end of August, Canada recovered more than $500 million of its earlier reserve losses. Once again, the potentialities of central bank and intergovernmental financial cooperation in defending currency parities against essentially reversible flows of speculative funds was demonstrated.

The great bulk of the exchange operations undertaken by the Federal Reserve for its own account have involved transactions directly with foreign central banks, rather than in the exchange market. The foreign central banks have continued their policy of active direct participation in the market, and their activity has been supplemented from time to time by appropriate Treasury operations. The Federal Reserve has not thus far undertaken any forward operations in the exchange markets for its own account. Spot operations in support of the dollar in the markets have so far been limited to moderate sales of German marks, sometimes accompanied by similar sales of marks by the Treasury. These transactions have proved fully reversible, with both the Federal Reserve and Treasury subsequently replenishing their mark holdings as the dollar strengthened.

COORDINATION OF TREASURY AND FEDERAL RESERVE EXCHANGE OPERATIONS

Treasury and Federal Reserve exchange operations are continuously coordinated by frequent telephone communications each day between Treasury and Federal Reserve officials concerned with market operations. At 2:30 p.m. each day the Foreign Exchange Trading Desk in the Foreign Department of the Federal Reserve Bank of New York provides a full and detailed report over a Treasury and Federal Reserve telephone conference circuit, of exchange rates, market conditions, and operations undertaken during the day by both the Federal Reserve and the Treasury Stabilization Fund. The very fact that the Special Manager of the System Account is an officer of the Federal Reserve Bank of New York which also conducts exchange operations on behalf of the Treasury eliminates, insofar as is humanly possible, any risk of an inadvertent clash of operations by the two agencies and greatly facilitates the task of insuring a coordination of both Federal Reserve and Treasury operations with the foreign central banks concerned.

With both agencies pursuing identical policy objectives and employing a single instrument of operations, it has proved possible during recent months to carry out an effective meshing of Federal Reserve and Treasury operations in several European currencies.

APPENDIX

AUTHORIZATION REGARDING OPEN MARKET TRANSACTIONS IN FOREIGN CURRENCIES

Pursuant to Section 12A of the Federal Reserve Act and in accordance with Section 214.5 of Regulation N (as amended) of the Board of Governors of the Federal Reserve System, the Federal Open Market Committee takes the following action governing open market operations incident to the opening and maintenance by the Federal Reserve Bank of New York (hereafter sometimes referred to as the New York Bank) of accounts with foreign central banks.

I. ROLE OF FEDERAL RESERVE BANK OF NEW YORK

The New York Bank shall execute all transactions pursuant to this authorization (hereafter sometimes referred to as transactions in foreign currencies) for the System Open Market Account, as defined in the Regulation of the Federal Open Market Committee.

II. BASIC PURPOSES OF OPERATIONS

The basic purposes of System operations in and holdings of foreign currencies are:

(1) To help safeguard the value of the dollar in international exchange markets;

(2) To aid in making the existing system of international payments more efficient and in avoiding disorderly conditions in exchange markets;

(3) To further monetary cooperation with central banks of other countries

maintaining convertible currencies, with the International Monetary Fund, and with other international payments institutions;

(4) Together with these banks and institutions, to help moderate temporary imbalances in international payments that may adversely affect monetary reserve positions; and

(5) In the long run, to make possible growth in the liquid assets available to international money markets in accordance with the needs of an expanding world economy.

III. SPECIFIC AIMS OF OPERATIONS

Within the basic purposes set forth in Section II, the transactions shall be conducted with a view to the following specific aims:

(1) To offset or compensate, when appropriate, the effects on U.S. gold reserves or dollar liabilities of those fluctuations in the international flow of payments to or from the United States that are deemed to reflect temporary disequilibrating forces or transitional market unsettlement;

(2) To temper and smooth out abrupt changes in spot exchange rates and moderate forward premiums and discounts judged to be disequilibrating;

(3) To supplement international exchange arrangements such as those made through the International Monetary Fund; and

(4) In the long run, to provide a means whereby reciprocal holdings of foreign currencies may contribute to meeting needs for international liquidity as required in terms of an expanding world economy.

IV. ARRANGEMENTS WITH FOREIGN CENTRAL BANKS

In making operating arrangements with foreign central banks on System holdings of foreign currencies, the New York Bank shall not commit itself to maintain any specific balance, unless authorized by the Federal Open Market Committee.

The Bank shall instruct foreign central banks regarding the investment of such holdings in excess of minimum working balances in accordance with Section 14(e) of the Federal Reserve Act.

The Bank shall consult with foreign central banks on coordination of exchange operations.

Any agreements or understandings concerning the administration of the accounts maintained by the New York Bank with the central banks designated by the Board of Governors under Section 214.5 of Regulation N (as amended) are to be referred for review and approval to the Committee, subject to the provision of Section VIII., paragraph 1, below.

V. AUTHORIZED CURRENCIES

The New York Bank is authorized to conduct transactions for System Account in such currencies and within the limits that the Federal Open Market Committee may from time to time specify.

VI. METHODS OF ACQUIRING AND SELLING FOREIGN CURRENCIES

The New York Bank is authorized to purchase and sell foreign currencies in the form of cable transfers through spot or forward transactions on the open market at home and abroad, including transactions with the Stabilization Fund of the Secretary of the Treasury established by Section 10 of the Gold Reserve Act of 1934 and with foreign monetary authorities.

Unless the Bank is otherwise authorized, all transactions shall be at prevailing market rates.

VII. PARTICIPATION OF FEDERAL RESERVE BANKS

All Federal Reserve Banks shall participate in the foreign currency operations for System Account in accordance with paragraph 3G(1) of the Board of Governors' Statement of Procedure with Respect to Foreign Relationships of Federal Reserve Banks dated January 1, 1944.

VIII. ADMINISTRATIVE PROCEDURES

The Federal Open Market Committee authorizes a Subcommittee consisting of the Chairman and the Vice Chairman of the Committee and the Vice Chairman of the Board of Governors (or in the absence of the Chairman or of the Vice Chairman of the Board of Governors the members of the Board designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee his alternate) to give instructions to the Special Manager, within the guidelines issued by the Committee, in cases in which it is necessary to reach a decision on operations before the Committee can be consulted.

All actions authorized under the preceding paragraph shall be promptly reported to the Committee.

The Committee authorizes the Chairman, and in his absence the Vice Chairman of the Committee, and in the absence of both, the Vice Chairman of the Board of Governors:

(1) With the approval of the Committee, to enter into any needed agreement or understanding with the Secretary of the Treasury about the division of responsibility for foreign currency operations between the System and the Secretary;

(2) To keep the Secretary of the Treasury fully advised concerning System foreign currency operations, and to consult with the Secretary on such policy matters as may relate to the Secretary's responsibilities;

(3) From time to time, to transmit appropriate reports and information to the National Advisory Council on International Monetary and Financial Problems.

IX. SPECIAL MANAGER OF SYSTEM OPEN MARKET ACCOUNT

A Special Manager of the Open Market Account for foreign currency operations shall be selected in accordance with the established procedures of the Federal Open Market Committee for the selection of the Manager of the System Open Market Account.

The Special Manager shall direct that all transactions in foreign currencies and the amounts of all holdings in each authorized foreign currency be reported daily to desiginated staff officials of the Committee, and shall regularly consult with the designated staff officials of the Committee on current tendencies in the flow of international payments and on current developments in foreign exchange markets.

The Special Manager and the designated staff officials of the Committee shall arrange for the prompt transmittal to the Committee of all statistical and other information relating to the transactions in and the amounts of holdings of foreign currencies for review by the Committee as to conformity with its instructions.

The Special Manager shall include in his reports to the Committee a statement of bank balances and investments payable in foreign currencies, a statement of net profit or loss on transactions to date, and a summary of outstanding unmatured contracts in foreign currencies.

X. TRANSMITTAL OF INFORMATION TO TREASURY DEPARTMENT

The staff officials of the Federal Open Market Committee shall transmit all pertinent information on System foreign currency transactions to designated officials of the Treasury Department.

XI. AMENDMENT OF AUTHORIZATION

The Federal Open Market Committee may at any time amend or rescind this authorization.

EXHIBIT 45.—Press release, July 14, 1961, announcing the signing of an exchange agreement between the United States and El Salvador

Secretary of the Treasury Douglas Dillon and Rafael Glower Valdivieso, the Minister of Economy of El Salvador, today signed an exchange agreement in the amount of $6 million.

Under the agreement, which will run for one year, El Salvador may request the U.S. Exchange Stabilization Fund to purchase Salvadoran colones should the occasion for such purchases arise. Any colones so acquired by the U.S. Treasury would subsequently be repurchased by El Salvador for dollars.

This exchange agreement is designed to assist El Salvador to maintain its present unified exchange rate and to restore equilibrium in El Salvador's balance of payments.

The Board of Directors of the Export-Import Bank today authorized a credit of $10,000,000 to the Banco Central de Reserva de El Salvador to maintain essential imports from the United States.

The agreement with the U.S. Treasury supplements the $11,250,000 standby arrangement with the International Monetary Fund which became effective July 13, 1961.

Exhibit 46.—Press release, September 7, 1961, announcing the signing of an exchange agreement between the United States and Costa Rica

The United States and Costa Rica today concluded a six million dollar exchange agreement designed to assist Costa Rica's efforts to simplify its foreign exchange rate structure and to achieve an exchange system free of restrictions.

The agreement was signed by U.S. Treasury Secretary Douglas Dillon, Manuel Escalante, Ambassador of Costa Rica, and Dr. Alvaro Vargas, Assistant Manager of the Central Bank of Costa Rica.

The exchange agreement with the U.S. Treasury will be in effect for one year. It supplements a $15 million standby arrangement with the International Monetary Fund, which was announced yesterday.

Exhibit 47.—Joint announcement, April 3, 1962, by Secretary of the Treasury Dillon and the Minister of Finance of Brazil at the conclusion of financial discussions between the two governments

The Minister of Finance of Brazil, Walther Moreira Salles, and Secretary of the Treasury Douglas Dillon announced today the successful completion of financial discussions between the two governments.

The Government of Brazil recently adopted a new program for financial recovery and has taken steps to put that program into effect. The U.S. Government is prepared to effect releases out of the remaining balance, totaling $129 million, of the funds earmarked for Brazil in May 1961, as the financial program is effectively carried out and as mutually agreed between the two governments.

Exhibit 48.—Press release, June 7, 1962, announcing the signing of an exchange agreement between the United States and Argentina

Douglas Dillon, Secretary of the Treasury, and Roberto Alemann, the appointed Ambassador of Argentina, today signed a $50,000,000 exchange agreement between the U.S. Treasury and the Government and Central Bank of Argentina.

The agreement, which replaces one for a similar amount signed in December 1961, is designed to assist Argentina in its continuing efforts to promote economic stability and freedom in its trade and exchange system. Exchange operations on the part of the Argentine authorities will be for the purpose of maintaining an orderly foreign exchange system.

Under the Treasury exchange agreement, Argentina may request the U.S. Exchange Stabilization Fund to purchase Argentine pesos. Any pesos acquired by the U.S. Treasury would subsequently be repurchased by Argentina with dollars.

On June 6, 1962, the International Monetary Fund entered into a standby agreement with Argentina in the amount of $100 million to assist the Argentine Government in continuing its stabilization efforts.

Exhibit 49.—Press release, June 19, 1962, announcing the signing of an exchange agreement between the United States and the Philippines

Secretary of the Treasury Douglas Dillon and Andres V. Castillo, Governor of the Central Bank of the Philippines, today signed an exchange agreement in the amount of $25 million.

This exchange agreement is designed to assist the Philippines in its continuing efforts to promote economic stability and freedom in its trade and exchange system. Exchange operations on the part of the Philippine authorities will be for the purpose of maintaining an orderly foreign exchange system.

The agreement with the U.S. Treasury supplements the $40,400,000 standby arrangement with the International Monetary Fund which became effective April 11, 1962.

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Exhibit 50.—Cuban import regulations and amendments

UNITED STATES TREASURY DEPARTMENT

Cuban Import Regulations

February 6, 1962

Title 31—MONEY AND FINANCE: TREASURY

Chapter V—Foreign Assets Control, Department of the Treasury

PART 515—CUBAN IMPORT REGULATIONS

Regulations Governing Importations of Cuban Goods

§ 515.201 Prohibitions.

(a) The importation into the United States of all goods of Cuban origin and all goods imported from or through Cuba is prohibited except as authorized by the Secretary of the Treasury (Proclamation 3447).

(b) The effective date of this prohibition is 12:01 a.m., e.s.t., February 7, 1962 (Proclamation 3447).

§ 515.202 Promulgation of regulations.

Pursuant to Proclamation 3447, the Secretary of the Treasury hereby promulgates the following regulations.

§ 515.301 Definitions of licenses.

(a) The definitions of license, general license, and specific license contained in §§ 500.316, 500.317 and 500.318 of this chapter shall apply to this part.

(b) No regulation, ruling, instruction, or license authorizes an importation prohibited under § 515.201 unless the regulation, ruling, instruction, or license is issued by the Treasury Department and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part shall be deemed to authorize any transaction prohibited by § 500.201 of this chapter unless the regulation, ruling, instruction, or license specifically refers to § 500.201.

§ 515.401 Reference to amended sections.

The provisions of § 500.401 of this chapter shall apply to this part.

§ 515.402 Effect of amendment of sections of this chapter or of other orders, etc.

Any amendment, modification, or revocation of any section of this chapter or of any order, regulation, ruling, instruction, or license issued thereunder shall not unless otherwise specifically provided be deemed to affect any act done or omitted to be done, or any suit or proceeding had or commenced in any civil or criminal case, prior to such amendment, modification, or revocation, and all penalties, forfeitures, and liabilities under any such section, order, regulation, ruling, instruction, or license shall continue and may be enforced as if such amendment, modification, or revocation had not been made.

§ 515.501 Effect of subsequent license or authorization.

No license or other authorization contained in this chapter or otherwise issued thereunder shall be deemed to authorize or validate any transaction effected prior to the issuance thereof, unless such license or other authorization specifically so provides.

§ 515.502 Exclusion from licenses and authorizations.

The provisions of § 500.503 shall apply to this part.

§ 515.503 Passengers baggage general license.

The importation of goods otherwise prohibited under this part which are brought into the United States as baggage by any person arriving in the United States is hereby licensed, provided that such goods are not in commercial quantities and are not imported for resale.

§ 515.601 Records and reports.

The provisions of §§ 500.601 and 500.602 of this chapter shall apply to this part.

§ 515.701 Penalties.

Persons violating this part may be subject to the penalties of (a) section 592, 594 and 595a of the Tariff Act of 1930, as amended (19 U.S.C. 1592, 1594 and 1595a); (b) section 545 of the Criminal Code (18 U.S.C. 545); and (c) section

1001 of the Criminal Code (18 U.S.C. 1001) and the penalties of any other applicable laws and regulations.

§ 515.801 Procedures.

(a) General licenses: General licenses are issued authorizing under appropriate terms and conditions certain types of transactions which are subject to the prohibitions set forth in § 515.201. Any such license is set forth in this part. It is the policy of Foreign Assets Control not to grant applications for specific licenses authorizing transactions to which the provisions of an outstanding general license are applicable. Persons availing themselves of general licenses are required to file reports and statements in the form and in accordance with the instructions specified in the licenses, when the licenses so provide.

(b) Specific licenses—general course of procedure. Transactions subject to the prohibitions set forth in § 515.201 which are not authorized by general license may be effected only under specific license. The specific licensing activities of Foreign Assets Control are performed by the Foreign Assets Control Division of the Treasury Department, Washington, D.C., and the Federal Reserve Bank of New York. When an unusual problem is presented, the proposed action is cleared with the Director of Foreign Assets Control or such person as he may designate.

(c) The provisions of § 500.801 (b) (2), (3), (4), (5), and (6) and §§ 500.803, 500.804, 500.805, and 500.806 shall apply to this part, except that Form TFAC–5 shall be used in lieu of Form TFAC–1 when making applications for specific licenses.

(d) Any action which the Secretary of the Treasury is authorized to take pursuant to Proclamation 3447 may be taken by the Director, Foreign Assets Control or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

AUTHORITY: §§ 515.201 to 515.801 issued under § 620(a) Public Law 87–195 and Proclamation 3447.

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

Filed with the FEDERAL REGISTER 10:19 a.m., e.s.t., February 6, 1962.

UNITED STATES TREASURY DEPARTMENT

Amendment of

Cuban Import Regulations

March 23, 1962

Title 31—MONEY AND FINANCE: TREASURY

Chapter V—Foreign Assets Control, Department of the Treasury

PART 515—CUBAN IMPORT REGULATIONS

Amendment of Cuban Import Regulations

The Cuban Import Regulations, 31 CFR 515.201–515.801, are being amended as follows:

Section 515.201 is being amended to prohibit the unlicensed importation or other transactions incidental to the importation of merchandise made or derived in whole or in part of Cuban articles.

Section 515.202 is being revoked.

The authority for the Regulations is being amended to provide that they are additionally issued under the authority of section 5, 40 Stat. 415, as amended, 50 U.S.C. App. 5; E.O. 9193, July 6, 1942, 7 F.R. 5205, 3 CFR 1943 Cum. Supp.; E.O. 9989, August 20, 1948, 13 F.R. 4891, 3 CFR 1948 Supp.

Section 515.201 of the Cuban Import Regulations (31 CFR 515.201) is hereby amended to read as follows:

"§ 515.201 *Prohibitions.* (a) The importation into the United States of all goods of Cuban origin and all goods imported from or through Cuba is prohibited except as authorized by the Secretary of the Treasury.

"(b) The effective date of subsection (a) is 12:01 a.m., e.s.t., February 7, 1962.

"(c) Except as specifically authorized by the Secretary of the Treasury (or any person, agency, or instrumentality designated by him) by means of regulations, rulings, instructions, licenses, or otherwise, no person, partnership, organization, association, or corporation actually within the United States or organized or doing business under the laws of the United States or of any territory, possession, or district thereof, may import, or engage in any transaction in foreign exchange, transfer of credit or payment between, by, through or to any banking institution (as defined in § 500.314 of this chapter), incidental to the importation of, merchandise from outside of the United States made or derived in whole or in part of any article which is the growth, produce, or manufacture of Cuba.

"(d) The effective date of subsection (c) is 12:01 a.m., e.s.t., March 24, 1962."

Section 515.202 is hereby revoked.

AUTHORITY: §§ 515.201 to 515.801 issued under § 620(a) Public Law 87-195; Proclamation 3447; Sec. 5, 40 Stat. 415, as amended, 50 U.S.C., App. 5; E.O. 9193, July 6, 1942, 7 F. R. 5205, 3 CFR 1943 Cum. Supp.; E.O. 9989, August 20, 1948, 13 F.R. 4891, 3 CFR 1948 Supp.

[SEAL] DOUGLAS DILLON,
Secretary of the Treasury.

Filed with the FEDERAL REGISTER 9:52 a.m., e.s.t., March 23, 1962.

DEPARTMENT OF THE TREASURY

Amendment of

Cuban Import Regulations

May 10, 1962

Title 31—MONEY AND FINANCE: TREASURY

Chapter V—Foreign Assets Control Department of the Treasury

PART 515—CUBAN IMPORT REGULATIONS

Amendment of Cuban Import Regulations

The Cuban Import Regulations, 31 CFR 515.201–515.801 are being amended as follows:

Section 515.503 of the Cuban Import Regulations is being amended so that after the effective date of such amendment, to wit, 12:01 a.m., e.s.t., May 21, 1962, this section will no longer authorize the importation of goods otherwise prohibited under this part which are brought into the United States as baggage by any citizen or alien resident of the United States.

Section 515.503 of the Cuban Import Regulations (31 CFR 515.503) is hereby amended to read as follows:

"§ 515.503 *Passengers baggage general license.* The importation of goods otherwise prohibited under this part which are brought into the United States as baggage by any person arriving in the United States other than a citizen or resident of the United States is hereby licensed, provided that such goods are not in commercial quantities and are not imported for resale.

"Effective date 12:01 a.m., e.s.t., May 21, 1962."

AUTHORITY: §§ 515.201 to 515.801 issued under § 620(a) Public Law 87-195; Proclamation 3447; sec. 5, 40 Stat. 415, as amended, 50 U.S.C., App. 5; E.O. 9193, July 6, 1942, 7 F.R. 5205, 3 CFR 1943 Cum. Supp.; E.O. 9989, August 20, 1948, 13 F.R. 4891, 3 CFR 1948 Supp.

[SEAL] DOUGLAS DILLON,
Secretary of the Treasury.

Filed with the FEDERAL REGISTER 4:25 p.m., May 10, 1962.

Exhibit 51.—Treasury Department orders relating to organization and procedure

No. 107, Revision No. 8, April 16, 1962.—Authority to Affix Seal of the Treasury Department

By virtue of the authority vested in me as Secretary of the Treasury, including the authority conferred by section 161 of the Revised Statutes, it is hereby ordered that:

1. Except as provided for in paragraph 2, the following officers are authorized to affix the Seal of the Treasury Department in the authentication of originals and copies of books, records, papers, writings, and documents of the Department, for all purposes, including the purposes authorized by 28 U.S.C. 1733(b):
   (a) In the Office of Administrative Services:
      (1) Director of Administrative Services
      (2) Chief, General Services Division
      (3) Chief, Printing and Procurement Division
      (4) Chief, Directives Control and Distribution Branch
   (b) In the Internal Revenue Service:
      (1) Commissioner of Internal Revenue
      (2) Director, and Assistant Director, Collection Division
      (3) Chief, and Assistant Chief, Operations Branch, Collection Division
      (4) Chief, and Assistant Chief, Miscellaneous Services Section, Operations Branch, Collection Division
   (c) In the Bureau of Customs:
      (1) Commissioner of Customs
      (2) Assistant Commissioner of Customs
      (3) Deputy Commissioner, Division of Management and Controls
      (4) Deputy Commissioner, Division of Investigations and Enforcement
      (5) Deputy Commissioner, Division of Appraisement Administration
   (d) In the Bureau of the Public Debt:
      (1) Commissioner of the Public Debt
      (2) Deputy Commissioner in Charge of the Chicago Office
      (3) Assistant Deputy Commissioner in Charge of the Chicago Office
   (e) In the U.S. Coast Guard:
      (1) Commandant
      (2) Assistant Commandant
      (3) Administrative Aide to the Commandant

2. Copies of documents which are to be published in the Federal Register may be certified only by the officers named in paragraph 1(a) of this Order.

3. The Director of Administrative Services, the Commissioner of Internal Revenue Service, the Commissioner of the Public Debt, and the Commandant of the U.S. Coast Guard are authorized to procure and maintain custody of the dies of the Treasury Seal.

The officers authorized in paragraph 1(c) may make use of such dies.

Henry H. Fowler,
Acting Secretary of the Treasury.

No. 160, Revised, Amendment No. 1, June 27, 1962.—Safeguarding Official Information

Correction in Part I, section 1, seventh line: change 10818 to 10816.

Additional paragraph in Part I, section 8: Under the paragraph captioned Accountability and Dissemination, add the following:

Officials and employees of Federal Reserve Banks, which are authorized to serve as fiscal agents of the United States and perform functions related to the issue and redemption of United States securities, may be granted access to classified defense information by the Under Secretary for Monetary Affairs, or his designee, when (a) the information was classified by a Treasury official under section 5 of this Order, or consent for dissemination to the Federal Reserve Bank was obtained from the classifying agency, under section 7(c) of Executive Order No. 10501, as amended; (b) the Federal Reserve Bank officials or employees need to have knowledge of such information in connection with activities approved by the Under Secretary for Monetary Affairs, or his designee, as being in the interests of the United States; and (c) the Federal Reserve Bank officials and employees were cleared individually by the Security Officer of the Treasury Department under procedures and standards applicable to officials and employees of the Treasury Department.

DOUGLAS DILLON,
Secretary of the Treasury.

No. 165, REVISED, AMENDMENT NO. 5, NOVEMBER 15, 1961.—AMENDMENT OF DELEGATION ORDER RELATING TO FINDINGS OF DUMPING

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 (3 CFR, 1950 Supp. Ch. III), and pursuant to the authorization given to me by Treasury Department Order No. 190 (26 F.R. 7019), it is hereby ordered that subparagraph (c) of the Treasury Department Order No. 165, Revised, issued on November 2, 1954 (T.D. 53654, 19 F.R. 7241), is amended to read as follows:

"(c) Determinations under section 201(a), Antidumping Act, 1921, as amended, that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value shall be made, advice to the United States Tariff Commission of each such determination shall be given, and public notice of his determination and the determination of the said Commission, (the 'finding' contemplated by section 201(a), *supra*) shall be given, by the Secretary of the Treasury."

JAMES POMEROY HENDRICK
Acting Assistant Secretary of the Treasury.

No. 165–12, AUGUST 29, 1961.—DELEGATION TO COMMISSIONER OF CUSTOMS CERTAIN COLLECTION FUNCTIONS RELATING TO IMPORTED TOBACCO MATERIALS, TOBACCO PRODUCTS, AND CIGARETTE PAPERS AND TUBES, HERETOFORE DELEGATED TO COMMISSIONER OF INTERNAL REVENUE

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 (3 CFR, 1950 Supp., Ch. III), and pursuant to authorization given to me by Treasury Department Order No. 190 (26 F.R. 7019), there are transferred from the Commissioner of Internal Revenue and delegated to the Commissioner of Customs the functions of collecting the taxes imposed on tobacco materials, tobacco products, and cigarette papers and tubes imported or brought into the United States on which internal revenue taxes under section 5701 and section 7652 of the Internal Revenue Code, as amended, are due and payable at the time of release from customs custody in accordance with the method prescribed by regulations of the Internal Revenue Service.

It is hereby ordered that the provisions of Treasury Department Order No. 165–2 (18 F.R. 7177) and Amendment 1 thereof (24 F.R. 1991) are applicable to refunds of such collections.

The functions herein delegated to the Commissioner of Customs may be delegated by him to subordinates in such manner as he shall direct.

This order shall be effective October 1, 1961.

HENRY H. FOWLER
Under Secretary of the Treasury.

No. 167–46 (CGFR 61–43), NOVEMBER 6, 1961.—DELEGATION OF FUNCTIONS TO COMMANDANT, U.S. COAST GUARD

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and by 14 U.S.C. 631, there are transferred to the Commandant, U.S. Coast Guard, those functions of the Secretary of the Treasury under Public Law 87–167, the Oil Pollution Act, 1961 (75 Stat. 402–407) which are related to the Coast Guard.

The Commandant may make provision for the performance by subordinates in the Coast Guard of any of the functions transferred except the prescribing of rules and regulations.

DOUGLAS DILLON
Secretary of the Treasury.

No. 170–9, JULY 28, 1961.—TRANSFER OF RESPONSIBILITIES TO THE ADMINISTRATIVE ASSISTANT SECRETARY

By virtue of the authority vested in me as Secretary of the Treasury by Reorganization Plan No. 26 of 1950, there are hereby transferred to the Administrative Assistant Secretary from the Fiscal Assistant Secretary and the Commissioner of Accounts such of their respective responsibilities as relate to the development of regulations to be observed in the several bureaus and the general administration of (1) fiscal internal auditing pursuant to Department Circular No. 924, dated June 24, 1953, and (2) administrative accounting for appropriations and funds.

Such personnel, records, equipment, and funds as are mutually determined by the Commissioner of Accounts and the Administrative Assistant Secretary to be related to the performance of these functions are hereby ordered transferred from the Bureau of Accounts to the Office of the Administrative Assistant Secretary.

The functions herein transferred may be reassigned by the Administrative Assistant Secretary to subordinates in such manner as he shall direct.

This order shall become effective immediately. Any previous orders in conflict with the provisions of this order are hereby amended accordingly, including Treasury Department Order No. 164, dated December 12, 1952.

DOUGLAS DILLON
Secretary of the Treasury.

No. 177–19, REVISION No. 1, DECEMBER 4, 1961.—DELEGATION OF AUTHORITY FOR PERSONNEL ADMINISTRATION

1. Authority is hereby delegated to the Administrative Assistant Secretary to take final action on matters pertaining to the employment, direction, and general administration of personnel under the Treasury Department, except with respect to the selection and discipline of the head and the official next in line to the head of a bureau and officials in the Office of the Secretary who report directly to the Secretary or Under Secretary.

2. With respect to positions in the Internal Revenue Service, authority is hereby delegated to the Commissioner of Internal Revenue to take final personnel actions, within Treasury policies, except for the positions of Deputy Commissioner and Assistant Commissioner; positions subject to the control of the General Counsel; and the classification of positions at or above the GS–16 level.

3. The Administrative Assistant Secretary and the Commissioner of Internal Revenue may redelegate such of their authority under this order as they deem appropriate.

DOUGLAS DILLON
Secretary of the Treasury.

No. 177–20, DECEMBER 22, 1961.—DESIGNATION OF TREASURER OF THE BOARD OF TRUSTEES OF THE POSTAL SAVINGS SYSTEM

Pursuant to the authority contained in 39 U.S. Code, §5203(b), the Treasurer of the United States is designated as Treasurer of the Board of Trustees of the Postal Savings System.

DOUGLAS DILLON
Secretary of the Treasury.

No. 179-3, October 16, 1961.—Transfer of Functions—Sale and Distribution of Sets of Uncirculated Coins

By virtue of the authority vested in me by the Reorganization Plan No. 26 of 1950 there are hereby transferred from the Office of the Treasurer of the United States to the Bureau of the Mint all functions and responsibilities for the sale and distribution of sets of uncirculated coin, other than over the counter sales, beginning with coins minted in calendar year 1962. In effecting this transfer of functions neither funds nor personnel will be transferred.

The Office of the Treasurer of the United States will continue over the counter sales of sets of uncirculated coin and, beginning with coins minted in calendar year 1962, will be provided by the Bureau of the Mint with supplies of proof coins when available for over the counter sales.

Douglas Dillon
Secretary of the Treasury

No. 190, July 28, 1961.—Supervision of Bureaus and Performance of Functions in the Treasury Department

1. The following bureaus, offices, and staff assistants shall be under the direct supervision of the Secretary and the Under Secretary:
   - Internal Revenue Service
   - Assistant to the Secretary (Congressional Relations)
   - Assistant to the Secretary (Public Relations)
   - Special Assistants to the Secretary
   - Director, Executive Secretariat
2. The following bureaus, offices, and other organizational units shall be under the general supervision of the Secretary and the Under Secretary and under the direct supervision of the officials indicated:
   - Under Secretary for Monetary Affairs
     - The Assistant Secretary (International Finance) and the Fiscal Assistant Secretary to the extent of their responsibilities for international and domestic monetary and fiscal policies
     - Assistant to the Secretary (Debt Management) Office of Debt Analysis
     - Assistant to the Secretary (Financial Analysis) Office of Financial Analysis
     - Office of the Comptroller of the Currency
     - United States Savings Bonds Division
   - General Counsel
     - Legal Division
   - Assistant Secretary
     - Bureau of Customs
     - Bureau of Engraving and Printing
     - Bureau of the Mint
     - Bureau of Narcotics
     - Office of Law Enforcement Coordination
     - United States Coast Guard
     - United States Secret Service
   - Assistant Secretary (International Finance)
     - Office of International Finance (including Foreign Assets Control)
   - Assistant Secretary (Tax Policy)
     - Office of Tax Legislation
     - Office of Tax Analysis
     - Office of International Tax Affairs
   - Fiscal Assistant Secretary
     - Bureau of Accounts
     - Bureau of the Public Debt
     - Office of the Treasurer of the United States
     - Office of Defense Lending
   - Administrative Assistant Secretary
     - Office of Administrative Services
     - Office of Budget
     - Office of Management and Organization
     - Office of Personnel
     - Office of Security

3. The Under Secretary, the Under Secretary for Monetary Affairs, the General Counsel, and the Assistant Secretaries are authorized to perform any functions the Secretary is authorized to perform. Each of these officials shall perform functions under this authority in his own capacity and under his own title, and shall be responsible for referring to the Secretary any matter on which action should appropriately be taken by the Secretary. Each of these officials will ordinarily perform under this authority only functions which arise out of, relate to, or concern the activities or functions of or the laws administered by or relating to the bureaus, offices, or other organizational units over which he has supervision. Any action heretofore taken by any of these officials in his own capacity and under his own title is hereby affirmed and ratified as the action of the Secretary.

4. The following officers shall, in the order of succession indicated, act as Secretary of the Treasury in case of the death, resignation, absence, or sickness of the Secretary and other officers succeeding him, until a successor is appointed or until the absence or sickness shall cease:

(1) Under Secretary
(2) Under Secretary for Monetary Affairs
(3) General Counsel
(4) Presidentially appointed Assistant Secretaries in the order in which they took the oath of office as Assistant Secretary.

5. Treasury Department Orders No. 148, 183, and 183-2 are rescinded.

DOUGLAS DILLON
Secretary of the Treasury.

No. 190, REVISION No. 1, DECEMBER 1, 1961.—SUPERVISION OF BUREAUS AND PERFORMANCE OF FUNCTIONS IN THE TREASURY DEPARTMENT

1. The following bureaus, offices, and staff assistants shall be under the direct supervision of the Secretary and the Under Secretary:

Internal Revenue Service
Assistant to the Secretary (Congressional Relations)
Assistant to the Secretary (Public Affairs)
Special Assistants to the Secretary
Director, Executive Secretariat

2. The following bureaus, offices, and other organizational units shall be under the general supervision of the Secretary and the Under Secretary and under the direct supervision of the officials indicated:

A. Under Secretary for Monetary Affairs
  Deputy Under Secretary for Monetary Affairs
    Office of Financial Analysis
    Office of Domestic Gold and Silver Operations
  The Assistant Secretary (International Finance) and the Fiscal Assistant Secretary to the extent of their responsibilities for international and domestic monetary and fiscal policies
  Assistant to the Secretary (Debt Management)
    Office of Debt Analysis
  Office of the Comptroller of the Currency
  United States Savings Bonds Division
B. General Counsel
  Legal Division
C. Assistant Secretary
  Bureau of Customs
  Bureau of Engraving and Printing
  Bureau of Narcotics
  Office of Law Enforcement Coordination
  United States Coast Guard
D. Assistant Secretary (International Finance)
  Office of International Finance (including Foreign Assets Control)
E. Assistant Secretary (Tax Policy)
  Office of Tax Legislation
  Office of Tax Analysis
  Office of International Tax Affairs
F. Fiscal Assistant Secretary
  Bureau of Accounts
  Bureau of the Public Debt

Office of the Treasurer of the United States
Office of Defense Lending
G. Administrative Assistant Secretary
Office of Administrative Services
Office of Budget
Office of Management and Organization
Office of Personnel
Office of Security
H. Assistant to the Secretary
Bureau of the Mint
United States Secret Service

3. The Under Secretary, the Under Secretary for Monetary Affairs, the General Counsel, the Assistant Secretaries, and the Assistant to the Secretary in 2–H above, are authorized to perform any functions the Secretary is authorized to perform. Each of these officials shall perform functions under this authority in his own capacity and under his own title, and shall be responsible for referring to the Secretary any matter on which action should appropriately be taken by the Secretary. Each of these officials will ordinarily perform under this authority only functions which arise out of, relate to, or concern the activities or functions of or the laws administered by or relating to the bureaus, offices, or other organizational units over which he has supervision. Any action heretofore taken by any of these officials in his own capacity and under his own title is hereby affirmed and ratified as the action of the Secretary.

4. The following officers shall, in the order of succession indicated, act as Secretary of the Treasury in case of the death, resignation, absence, or sickness of the Secretary and other officers succeeding him, until a successor is appointed or until the absence or sickness shall cease:

A. Under Secretary
B. Under Secretary for Monetary Affairs
C. General Counsel
D. Presidentially appointed Assistant Secretaries in the order in which they took the oath of office as Assistant Secretary

5. Treasury Department Order No. 190 is rescinded.

Douglas Dillon
Secretary of the Treasury.

No. 191, August 2, 1961.—Designation of Deputies

1. In addition to their other assignments, the following are designated to serve, at the pleasure of the Secretary, as the respective deputies of the principals indicated:

Principal	Deputy
Under Secretary for Monetary Affairs	Assistant to the Secretary (Debt Management).
General Counsel	Senior Assistant General Counsel.
Assistant Secretary	Deputy to the Assistant Secretary.
Assistant Secretary (International Finance).	Deputy Assistant Secretary (International Finance).
Fiscal Assistant Secretary	Assistant to the Fiscal Assistant Secretary.
Administrative Assistant Secretary	Deputy Administrative Assistant Secretary.

2. Each deputy shall have authority to perform, during the absence of his principal, any function his principal is authorized to perform.

Douglas Dillon
Secretary of the Treasury.

No. 191, Revision No. 1, November 17, 1961.—Designation of Deputies

1. In addition to their other assignments, the following are designated to serve, at the pleasure of the Secretary, as the respective deputies of the principals indicated:

Principal	Deputy
Under Secretary for Monetary Affairs	Deputy Under Secretary for Monetary Affairs.
General Counsel	Senior Assistant General Counsel.
Assistant Secretary	Deputy to the Assistant Secretary.
Assistant Secretary (International Finance).	Deputy Assistant Secretary (International Finance).
Fiscal Assistant Secretary	Assistant to the Fiscal Assistant Secretary.
Administrative Assistant Secretary	Deputy Administrative Assistant Secretary.

2. Each deputy shall have authority to perform, during the absence of his principal, any function his principal is authorized to perform.
3. Treasury Department Order No. 191 is rescinded.

DOUGLAS DILLON
Secretary of the Treasury.

No. 191, REVISION NO. 2, MAY 25, 1962.—DESIGNATION OF DEPUTIES

1. In addition to their other assignments, the following are designated to serve, at the pleasure of the Secretary, as the respective deputies of the principals indicated:

Principal	Deputy
Under Secretary for Monetary Affairs	Deputy Under Secretary for Monetary Affairs.
General Counsel	Senior Assistant General Counsel.
Assistant Secretary	Deputy to the Assistant Secretary.
Assistant Secretary (International Finance).	Deputy Assistant Secretary (International Finance).
Assistance Secretary (Tax Policy)	Deputy Assistant Secretary (Tax Policy).
Fiscal Assistant Secretary	Assistant to the Fiscal Assistant Secretary.
Administrative Assistant Secretary	Deputy Administrative Assistant Secretary.

2. Each deputy shall have authority to perform, during the absence of his principal, any function his principal is authorized to perform.
3. Treasury Department Order No. 191 (Revision 1) is rescinded.

DOUGLAS DILLON
Secretary of the Treasury.

No. 191, REVISION NO. 3, JUNE 15, 1962.—DESIGNATION OF DEPUTIES

1. In addition to their other assignments, the following are designated to serve, at the pleasure of the Secretary, as the respective deputies of the principals indicated:

Principal	Deputy
Under Secretary for Monetary Affairs	Deputy Under Secretary for Monetary Affairs.
General Counsel	Deputy General Counsel.
Assistant Secretary (International Finance).	Deputy Assistant Secretary (International Finance).
Assistant Secretary (Tax Policy)	Deputy Assistant Secretary (Tax Policy).
Assistant Secretary	Deputy Assistant Secretary.
Fiscal Assistant Secretary	Deputy Fiscal Assistant Secretary.
Administrative Assistant Secretary	Deputy Administrative Assistant Secretary.

2. Each deputy shall have authority to perform, during the absence of his principal, any function his principal is authorized to perform.
3. Treasury Department Order No. 191 (Revision 2) is rescinded.

DOUGLAS DILLON
Secretary of the Treasury.

No. 192, September 15, 1961.—Assignment of Emergency Planning Responsibilities to the Administrative Assistant Secretary

The Administrative Assistant Secretary is designated to direct and coordinate the preparation of national emergency plans and preparedness programs for the essential emergency functions of the Department of the Treasury consistent with the National Plan for Civil Defense and Defense Mobilization. These plans and programs will be designed to develop a state of readiness by the Department with respect to all conditions of national emergency including an attack upon the United States.

He is authorized and directed to make provision for the necessary personnel and facilities to carry out this responsibility and provide an Executive Secretary for the Secretary's Steering Committee for Emergency Planning.

This function may be reassigned by the Administrative Assistant Secretary to subordinates in such manner as he shall direct.

Henry H. Fowler,
Acting Secretary of the Treasury.

No. 192–1, September 15, 1961.—Establishment of Steering Committee for Emergency Planning

There is established the Secretary's Steering Committee for Emergency Planning, with one member to be designated from each of the following offices:

Office of Administrative Assistant Secretary (Chairman)
Office of the General Counsel
Office of Tax Analysis
Office of the Comptroller of the Currency
Office of International Finance
Office of Debt Analysis
Office of Fiscal Assistant Secretary

The Committee will serve in an advisory capacity to the Secretary and his principal assistants and meet, on call of the Chairman, to review proposed emergency preparedness policies, plans, and programs requiring their attention.

The Administrative Assistant Secretary shall provide an Executive Secretary for the Committee.

Henry H. Fowler,
Acting Secretary of the Treasury.

No. 193, October 9, 1961.—Establishment of Office of Domestic Gold and Silver Operations

There is established in the Office of the Under Secretary for Monetary Affairs an Office of Domestic Gold and Silver Operations. The head of this office shall be known as the Director, Office of Domestic Gold and Silver Operations.

The Under Secretary for Monetary Affairs may from time to time delegate any of the responsibilities imposed upon him by Parts 54, 80, and 92 of Title 31 of the Code of Federal Regulations.

Such personnel, records, equipment, and funds as are determined by the Under Secretary for Monetary Affairs to be related to the performance of the functions transferred to him by the amendments to Parts 54, 80, and 92 of Title 31 of the Code of Federal Regulations issued as of October 10, 1961, are hereby ordered transferred from the Bureau of the Mint to the Office of the Secretary.

Douglas Dillon,
Secretary of the Treasury.

No. 193–1, October 20, 1961.—Authorizing the Director, Office of Domestic Gold and Silver Operations, to Sign and Issue Certain Documents

The Director, Office of Domestic Gold and Silver Operations, is authorized to sign and issue under his official title, any documents, licenses, and other papers which are appropriate to the performance of the responsibilities and functions imposed upon the Under Secretary for Monetary Affairs by Parts 54, 80, and 92 of Title 31 of the Code of Federal Regulations.

ROBERT V. ROOSA,
Under Secretary of the Treasury for Monetary Affairs.

MEMORANDUM, MARCH 23, 1962.—FOREIGN EXCHANGE OPERATIONS

Effective this date there has been established a Foreign Exchange Operations Staff under the supervision of Mr. J. Dewey Daane.

Messrs. Page Nelson of the Office of International Finance and Frank Dietrich of the Fiscal Service have been assigned to this Staff and Mr. Alan Holmes has been designated as Adviser on foreign gold and exchange operations.

The Staff will be engaged in the conduct of daily operations in foreign exchange and of transactions with foreign countries involving the purchase or sale of gold.

There has also been established a committee to study and review Treasury's gold and foreign exchange operations. This committee will be chaired by Mr. Daane.

ROBERT V. ROOSA,
Under Secretary of the Treasury for Monetary Affairs.

Advisory Committees

EXHIBIT 52.—Advisory committees utilized by the Treasury Department under Executive Order 11007

Prior to the end of fiscal year 1962, the Secretary of the Treasury found the formation or use by the Department of the following advisory committees to be in the public interest in accordance with the requirements of Executive Order 11007, dated February 26, 1962. The information concerning these committees is being published in the annual report in compliance with section 10 of the order.

Office of the Secretary

DEBT MANAGEMENT COMMITTEES

The Treasury Department, in connection with debt management duties, uses in an advisory capacity the services of a number of committees representing organizations which form a cross section of the American financial community. The committees meet periodically, at the invitation of the Treasury, to discuss and advise upon current and future Federal financings. The Treasury finds discussions with these advisory groups to be of great value, primarily in assessing the general market sentiment prior to a major refinancing of maturing obligations. Their recommendations are carefully considered by Treasury officials and serve as a part of the background environment for the final financing decisions. These committees are as follows:

- American Bankers Association, Committee on Government Borrowing
- Investment Bankers Association of America, Governmental Securities Committee
- National Association of Mutual Savings Banks, Committee on Government Securities and the Public Debt
- Life Insurance Association of America and American Life Convention, Joint Committee on Economic Policy
- U.S. Savings and Loan League, National League of Insured Savings Associations, Treasury Advisory Committee
- Independent Bankers Association, Government Fiscal Policy Committee

Subsequent to the issuance of Executive Order 11007 on February 26, 1962, the Treasury held meetings with two of its debt management advisory committees during the fiscal year 1962. At the request of the Treasury, the Committee on Government Borrowing of the American Bankers Association and the Governmental Securities Committee of the Investment Bankers Association met with Treasury officials on April 24 and 25, 1962, to present their recommendations on the refinancing of securities coming due on May 15, 1962.

Members of the Committee on Government Borrowing of the American Bankers Association present at the April 1962 meetings with Treasury officials were:

David M. Kennedy (Chairman)	Chairman, Continental Illinois National Bank and Trust Company of Chicago, Chicago 90, Ill.
Kenton R. Cravens	President, Mercantile Trust Company, St. Louis 66, Mo.
Robert V. Fleming	Chairman, The Riggs National Bank of Washington, D.C., Washington 13, D.C.
Charles J. Gable, Jr.	Senior Vice President, The First Pennsylvania Banking and Trust Company, Philadelphia 1, Pa.
John M. Griffith	President, The City National Bank of Taylor, Taylor, Tex.
Frank L. King	Chairman, United California Bank, Los Angeles 54, Calif.
John A. Mayer	President, Mellon National Bank and Trust Company, Pittsburgh 30, Pa.
Reno Odlin	President, The Puget Sound National Bank, Tacoma 1, Wash.
James S. Rockefeller	Chairman, First National City Bank, New York 22, N.Y.
Earl B. Schwulst	President, The Bowery Savings Bank, New York 17, N.Y.
Joseph C. Welman	President, Bank of Kennett, Kennett, Mo.
Paul I. Wren	Executive Vice President, Old Colony Trust Company, Boston 6, Mass.
Charls E. Walker	Executive Vice President and Executive Manager, The American Bankers Association, New York 16, N.Y.
Leslie C. Peacock	Secretary, Committee for Economic Growth Without Inflation, The American Bankers Association, New York 16, N.Y.
William T. Heffelfinger	Federal Administrative Adviser, The American Bankers Association, Washington 5, D.C.
Charles R. McNeill	Director of the Washington Office, The American Bankers Association, Washington, D.C.

Members of the Governmental Securities Committee of the Investment Bankers Association present at the April 1962 meetings with Treasury officials were:

George B. Knease (Chairman)	Senior Vice President, The Philadelphia National Bank, Philadelphia, Pa.
Robert B. Blyth	First Vice President, The National City Bank of Cleveland, Cleveland, Ohio.
Milton S. Bosley	Senior Vice President, National Bank of Detroit, Detroit, Mich.
F. Newell Childs	President, C. F. Childs and Company, Inc., Board of Trade Building, Chicago 4, Ill.
James F. Cranford	Vice President, The Atlantic National Bank of Jacksonville, Jacksonville, Fla.
Stewart A. Dunn	C. J. Devine and Company, 48 Wall Street, New York 5, N.Y.
Lester H. Empey	Senior Vice President, Wells Fargo Bank American Trust Company, San Francisco 20, Calif.
W. Wayne Glover	Senior Vice President, California Bank, Los Angeles 14, Calif.
H. Lyman Greer	Vice President, The Fifth Third Union Trust Company, Cincinnati, Ohio.
Hardin Hawes	Vice President, Harris Trust and Savings Bank, Chicago, Ill.
Russell A. Kent	Vice President, Bank of America National Trust and Savings Association, San Francisco, Calif.
Frederick G. Larkin, Jr.	Senior Vice President, Security 1st National Bank, Los Angeles, Calif.

Ralph L. Leach	Vice President and Treasurer, Morgan Guaranty Trust Company of New York, New York 15, N.Y.
Pat G. Morris	Vice President, The Northern Trust Company, Chicago 90, Ill.
Robert C. Morris	Vice President, Bankers Trust Company, New York 15, N.Y.
Emil J. Pattberg, Jr.	Chairman, Executive Committee, The First Boston Corporation, New York, N.Y.
John H. Perkins	Vice President, Continental Illinois National Bank and Trust Company, Chicago 90, Ill.
Delmont K. Pfeffer	Senior Vice President, First National City Bank, New York, N.Y.
Herbert N. Repp	President, Discount Corporation of New York, 58 Pine Street, New York 5, N.Y.
Robert B. Rivel	Vice President, Chase Manhattan Bank, New York, N.Y.
Lockett Shelton	Vice President, Republic National Bank of Dallas, Dallas 22, Tex.
Girard L. Spencer	Salomon Brothers and Hutzler, 60 Wall Street, New York 5, N.Y.
William J. Wallace	Vice President, Mellon National Bank and Trust Company, Pittsburgh 30, Pa.

THE SECRETARY OF THE TREASURY'S COMMITTEE ON TANKER HAZARDS

This Committee was established by letters of the Secretary of the Treasury dated April 10, 1962, addressed to the Commandant of the U.S. Coast Guard and to certain persons requested to serve as members of the Committee.

The chairman is Professor H. L. Seward, who serves as a Treasury consultant on the days when he acts as chairman, and the other members include representatives of the Coast Guard, and of the Navy, Interior, and Commerce departments, the American Bureau of Shipping, and the National Fire Protection Association. The Coast Guard representative acts as secretary and prepares the agenda and calls the meetings.

The function of the Committee is to collect, study, and make recommendations with respect to the operation and navigation of tank vessels with one or more of their cargo tanks in empty condition. The study is to encompass every aspect of gas freeing or inerting of empty cargo tanks, to evaluate proposals for assuring safety on such vessels, and to recommend a national policy with respect to these objectives.

Three meetings were held by the Committee in fiscal 1962, on May 15, June 11, and June 26.

Membership of the Committee was as follows:

Prof. H. L. Seward (Chairman)	Professor Emeritus, Department of Maritime Economics, Yale University, Old Saybrook, Conn.
Capt. Benjamin D. Shoemaker, Jr., U.S.C.G. (Secretary)	Executive Secretary, Merchant Marine Council, U.S. Coast Guard Headquarters, Washington, D.C.
Arthur R. Gatewood	Vice President, American Bureau of Shipping, New York, N.Y.
Dr. Glen H. Damon	Staff Research Coordinator, Bureau of Mines, Department of Interior, Washington, D.C.
L. C. Hoffman	Chief, Office of Ship Construction, Maritime Administration, Department of Commerce, Washington, D.C.
E. Carroll Creitz	Fire Research Section, National Bureau of Standards, Department of Commerce, Washington, D.C.
Charles Morgan	Assistant General Manager, National Fire Protection Association, Boston 10, Mass.
Dr. Homer Carhart	Naval Research Laboratory, Department of the Navy, Washington, D.C.

Richard Parkhurst	Retired Transportation Officer, Oak Knoll, Winchester, Mass.
Capt. William S. Vaughn, U.S.C.G.	Chief, Testing and Development Division, Office of Engineering, U.S. Coast Guard Headquarters, Washington, D.C.

Comptroller of the Currency

THE ADVISORY COMMITTEE ON BANKING TO THE COMPTROLLER OF THE CURRENCY

The Comptroller of the Currency established an Advisory Committee to conduct "a comprehensive study of the functioning of our National Banking System." The inquiry was to "be centered on those laws, policies, practices and procedures which no longer serve, and indeed may obstruct, attainment of the requirements of today and of the future" to insure that our commercial banking system responds promptly and sensitively to the growing and changing needs of our industry and commerce, and of our Government.

The Committee consisted of 24 members, including 2 State bank officers, 3 attorneys with specialized experience in banking law, and a selection of National Bank officers from all regions of the United States, representing large, medium, and small banks. The Comptroller of the Currency, the Chief Counsel of his office, and the Economist to the Comptroller, served as ex officio members of the Committee. The Chief of Staff of the Senate Banking and Currency Committee and the Clerk and Chief Counsel of the House Banking and Currency Committee were invited to participate as observers at sessions of the Advisory Committee. The Committee served as an independent advisory body to the Comptroller of the Currency, and each nongovernmental member acted in his personal capacity without regard to his affiliation with any association or organization.

The Advisory Committee on Banking met on April 18, 1962.

Membership of the Committee in the fiscal year 1962 was as follows:

Frank E. McKinney, Chairman.	Chairman of the Board, American Fletcher National Bank and Trust Co., Indianapolis, Ind.
Reed H. Albig	President, The National Bank of McKeesport, McKeesport, Pa.
S. Clarke Beise	President, Bank of America, National Trust and Savings Association, San Francisco, Calif.
W. C. Blewster	President, First National Bank of Magnolia, Magnolia, Ark.
H. W. Bourgeois	President, Union National Bank of Lowell, Lowell, Mass.
Frank M. Browning	President, Bank of Utah, and Chairman, Bank of Ben Lomond, Ogden, Utah.
Goodwin Chase	Chairman and President, National Bank of Washington, Tacoma, Wash.
John D. Chisholm	President, Olmsted County Bank and Trust Co., Rochester, Minn.
Frank R. Denton	Vice Chairman, Mellon National Bank & Trust Company, Pittsburgh, Pa.
Manuel Gale	President, The Peoples National Bank of Keyport, Keyport, N.J.
Donald M. Graham	Vice Chairman, Board of Directors, Continental Illinois National Bank and Trust Co., Chicago, Ill.
Sherman Hazeltine	Chairman, First National Bank of Arizona, Phoenix, Ariz.
Joseph F. Hogan	First Vice President, Crocker-Anglo National Bank, San Francisco, Calif.
H. J. Humpert	President, First National Bank & Trust Co. of Covington, Covington, Ky.
Jay. G. Larson	Executive Vice President (Retired), Seattle First National Bank, Seattle, Wash.
Robert E. McKean	Dickinson, Wright McKean, & Cudlip, Detroit, Mich.
Tom Miller, Jr.	Vice President, American National Bank of Austin, Austin, Tex.

George S. Moore	President, First National City Bank, New York, N.Y.
Robert Neill	Thompson, Mitchell, Douglas, & Neill, St. Louis, Mo.
E. H. Ould	President, The First National Exchange Bank of Roanoke, Roanoke, Va.
Edward J. Ruetz	Chairman and President, Kenosha National Bank, Kenosha, Wis.
John A. Seliskar	Vice President, Central National Bank of Cleveland, Cleveland, Ohio
Frank Smathers, Jr.	President, Miami Beach First National Bank, Miami Beach, Fla.
Carroll R. Wetzel	Barnes, Dechert, Price, Myers, & Rhoads, Philadelphia, Pa.
Maurice R. Kirkwood, Secretary	Assistant Vice President, American Fletcher National Bank and Trust Co., Indianapolis, Ind.

Staff assistants to the committee during the fiscal year were:

John J. Downes	Assistant to the Chairman of the Board, Crocker-Anglo National Bank, San Francisco, Calif.
Jac Friedgut	First National City Bank, New York, N.Y.
Robert P. Mayo	Vice President, Continental Illinois National Bank & Trust Co., Chicago, Ill.

Commissioner of Internal Revenue

ADVISORY GROUP TO THE COMMISSIONER OF INTERNAL REVENUE

This Group was established by the Commissioner of Internal Revenue on June 17, 1959.

This Committee which represents professional and other private groups concerned with Federal taxation provides constructive criticism of Internal Revenue policies and procedures and suggests ways in which the Service can improve its operations.

Meetings of the Group were held in the fiscal year 1962 on September 14–16, December 14–16, March 15–17, and June 14–16.

Membership during the fiscal year was as follows:

Hugh F. Culverhouse	Attorney at Law, Jacksonville, Fla.
H. Brian Holland	Attorney at Law, Ropes and Gray, Boston, Mass.
Philip G. Johnson	Certified Public Accountant, Philip G. Johnson and Company, Lincoln, Nebr.
Donald H. Larmee	Assistant Vice President, Taxes, Pullman, Inc., Chicago, Ill.
Dana Latham	Attorney at Law, Latham and Watkins, and former Commissioner of Internal Revenue, Los Angeles, Calif.
Merle H. Miller	Attorney at Law, Ross, McCord, Ice, and Miller, Indianapolis, Ind.
Leslie Mills	Certified Public Accountant, Price Waterhouse and Company, New York, N.Y.
Seymour S. Mintz	Attorney at Law, Hogan and Hartson, Washington, D.C.
Joseph Pechman	Economist, The Brookings Institution, Washington, D.C.
Robert C. Plumb	Certified Public Accountant, Manager, Tax Department, American Cyanamid Company, New York, N.Y.
John Wilks Riehm, Jr.	Dean, School of Law, Southern Methodist University, Dallas, Tex.
L. Hart Wright	Professor of Tax Law, University of Michigan, Ann Arbor, Mich.

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TREASURY-INTERNAL REVENUE SERVICE COMMITTEE ON STATISTICS

The Commissioner of Internal Revenue established this Committee on March 30, 1962.

The Committee is expected to make suggestions concerning appropriate statistical and economic information to be obtained from income tax returns.

The Committee consists of economists and statisticians, representing private associations and universities; and Government representatives, who are the Assistant Commissioner for Planning and Research, Internal Revenue Service, who acts as chairman, the Director of the Statistics Division, Internal Revenue Service, who acts as executive secretary, two members of the Office of Tax Analysis of the Office of the Secretary of the Treasury, and representatives of the Commerce Department and the Bureau of the Budget; and two representatives from congressional committees, the Joint Economic Committee and the Joint Committee on Internal Revenue Taxation.

Meetings of this Committee were held on March 30–31 and on May 25-26. 1962.

Membership in the fiscal year 1962 was as follows:

Harvey E. Brazer (alternate—Douglas H. Eldridge)	Deputy Assistant Secretary and Director Office of Tax Analysis, Treasury Department Washington, D.C.
Warren N. Cordell (alternate—Roye L. Lowry)	Federal Statistics Users' Conference, Washington, D.C.
Raymond W. Goldsmith	Yale University, New Haven, Conn.
Daniel M. Holland	School of Industrial Management, Massachusetts Institute of Technology, Cambridge, Mass.
Hendrik S. Houthakker	Harvard University, Cambridge, Mass.
George Jaszi	Assistant Director, Office of Business Economics, Department of Commerce, Washington, D.C.
James W. Knowles	Joint Economic Committee, Washington, D.C.
Raymond Nassimbene	Office of Statistical Standards, Bureau of the Budget, Washington, D.C.
Guy H. Orcutt	University of Wisconsin, Madison, Wis.
Almarin Phillips	Graduate School of Business Administration, University of Virginia, Charlottesville, Va.
Chester B. Pond (alternate—Leonard F. Requa, Jr.)	Director, Research and Statistics Bureau, N.Y. State Department of Taxation and Finance, Albany, N.Y.
James H. Symons	Joint Committee on Internal Revenue Taxation, Washington, D.C.
Norman B. Ture	Director of Tax Studies, National Bureau of Economic Research, New York, N.Y.

TABLES

NOTE.—In tables where figures have been rounded to a specified unit and where calculations have been made from unrounded figures, the details may not check to the totals shown.

Bases of Tables

The figures in this report are shown on the basis of: (a) The *Daily Statement of the United States Treasury*, (b) the *Monthly Statement of Receipts and Expenditures of the United States Government*, (c) warrants issued, (d) public debt accounts, and (e) administrative accounts and reports. Where no basis is indicated, the figures are derived from administrative reports prepared according to various specifications. Where more than one basis is used in a single table that covers a period of years, the dates of the changes in bases are stated.

Data on the first two bases are derived from the publications indicated by their titles. The monthly statement was first published in February 1954, and reports budget results which previously had been shown in the daily statement. At the same time, the latter became a statement of cash deposits and withdrawals affecting the account of the Treasurer of the United States. (See exhibits 69, 70, and 71 in the 1954 Annual Report.) The sources of data used in these two publications and the bases of tables in this report are hereinafter described.

Daily Statement of the United States Treasury

Until February 1954 the daily Treasury statement (publication of which started on January 2, 1895) covered transactions cleared through the Treasurer's account, certain transactions by Government agencies which were handled through commercial bank accounts, and noncash and interfund transactions. It carried information on the status of the Treasurer's account and public debt issues, retirements, and amounts outstanding. Before October 1, 1915, receipts and expenditures were reported in the statement on the basis of warrants issued and, beginning with that date, the reporting was changed to a clearance basis, that is, on the basis of information shown on bank transcripts received and cleared by the Treasurer's Office. Receipts and expenditures were classified beginning with July 1, 1930, to show the budget results for a given period. Effective July 1, 1946, and through February 16, 1954, expenditures were on the basis of checks issued through the facilities of the Treasury Department's Division of Disbursement while certain others, principally those of the Department of Defense and its predecessor organizations, were on the basis of checks paid or clearance basis.

Since February 1954 the *Daily Statement of the United States Treasury* has covered only transactions which clear through the Treasurer's account. For each business day it reflects cash deposits and withdrawals in that account and the status of the account.

No distinction is made as to type of account (budget, trust, etc.) in reporting deposits and withdrawals, which are divided into a limited number of classifications. The deposits are on the basis of certificates of deposit cleared through the accounts of the Treasurer of the United States. Total withdrawals are on the basis of checks paid or cash disbursements made out of the Treasurer's account. Some of the withdrawal classifications shown are reported on the basis of mailed reports of checks issued, adjusted by means of clearing accounts to the total checks paid. Except for relatively minor amounts, interfund and intragovernmental transactions are excluded. In order to facilitate current reporting and classification, Federal Reserve Banks at the close of each day report by telegraph the balances they carry in the Treasurer's account and certain other information. The public debt figures in the daily Treasury statement are also on the clearance basis, as developed for classification purposes by the Bureau of the Public Debt. During periods when new marketable public debt issues are being sold or when issues mature, reports of transactions are based upon telegrams received from the Federal Reserve Banks. (See the 1953 Annual Report of the Secretary of the Treasury, pages 108 and 321, for more detailed information on the daily Treasury statement.)

Monthly Statement of Receipts and Expenditures of the United States Government

In February 1954 this monthly statement replaced the daily statement as the primary source of budget results (budget surplus or deficit) and other receipt and expenditure data classified by type of account. (See "Description of Accounts Relating to Cash Operations" on p. 504). This statement shows all receipts and expenditures of the Government, including those made from cash accounts held outside the United States Treasury. The information in the monthly statement is compiled from reports of the Treasurer of the United States and of other collecting, disbursing, and administrative agencies, including those agencies which maintain checking accounts in commercial banks. These reports cover transactions recorded in the accounts of collecting, disbursing, and administrative agencies during the reporting period. The net of transactions as compiled from these reports is reconciled in the monthly statement to changes in the cash balances in the Treasurer's account, cash held outside the Treasurer's account, and changes in the public debt outstanding.

The budget receipts and expenditures as reported in this statement are on the following bases.

Receipts.—Receipts of taxes and customs duties are reported on a collection basis, which means that they are reported as of the time that the cash received is placed under accounting control. The various other receipts are reported partially on a collection basis and partially on a deposits confirmed basis, that is, when the deposits are acknowledged by the depositary banks.

Expenditures.—Expenditures, except those for interest on the public debt, are reported on the basis of checks issued by disbursing officers. Certain modifications of this basis are described in the following paragraphs:

(a) Where payment is made in cash rather than by check, the cash payment also is considered as an expenditure; (b) transactions of an interfund or intragovernmental nature are included even though actual issuance of checks or actual receipt of cash may not be involved. Examples of these transactions are: (1) Charges made against budget appropriations representing a part of employees' salaries which are withheld for individual income taxes and for savings bond allotments; (2) public debt securities which are acquired in lieu of other properties, or donated, are considered as a constructive receipt of cash and therefore the par amounts of such securities are included as budget receipts of the acquiring agency; (3) where a debt instrument is issued by a wholly owned Government enterprise to either the public or another wholly owned enterprise, in lieu of a check in payment of a liability, the issuance of the debt instrument is considered to be a budget expenditure, and a corresponding budget receipt of the receiving agency. On the other hand, payments to the Treasury, principally by wholly owned Government corporations, for retirement of capital stock and for disposition of earnings are excluded in reporting both budget receipts and expenditures as these transactions do not affect the budget surplus or deficit. For the same reason, financing transactions such as borrowings from or repayments to the United States Treasury are excluded.

Certain other transactions are excluded from budget expenditures even though the issuance of checks is involved. Examples of these transactions are: (a) Checks issued for cash advances to imprest funds, agent cashiers, and others. These are charged as expenditures when payments are made from such advances (travel advances, however, are treated as expenditures when advanced); (b) checks issued representing transfers between disbursing officers or between checking accounts; (c) transactions representing investments in or sales of public debt securities by Government agencies; and (d) sales or redemptions of obligations of Government agencies in the market.

From February 1954 through May 1955 the public debt interest expenditure figures represented the amount of interest which became due and payable; since June 1955, interest on the public debt has been reported on an accrual basis.

Beginning with the final statement for June 30, 1960, totals shown for net budget receipts and budget expenditures exclude certain interfund transactions which are included in the detail of both budget receipts and budget expenditures. The transactions deducted consist of interest payments and minor amounts of certain other payments made by Government agencies to the Treasury. They do not affect the budget surplus or deficit. The interfund transactions deducted under this procedure do not include the payments to the Treasury by wholly owned Government corporations for retirement of their capital stock and for disposition of earnings. These capital transfers have been excluded from budget receipts and expenditures since July 1, 1948.

Warrants issued

Until 1950 the use of warrants was an integral part of the accounting for receipts and expenditures and the basis for many earlier financial statements.

The Budget and Accounting Procedures Act of 1950 permitted the Secretary of the Treasury and the Comptroller General of the United States jointly to waive the legal requirements with respect to the use of warrants. Under the authority of this act, the following joint regulations were issued: No. 1, effective November 1, 1950, eliminated the necessity for issuance of covering warrants, the requisitioning of funds, and the use of accountable warrants in connection with repayments to appropriations; No. 2, effective May 1, 1951, provided that appropriated funds be made immediately available in the accounts of disbursing officers; No. 3, effective July 1, 1951, provided that certain special fund and trust fund receipts be credited directly to the accounts of disbursing officers; and No. 4, effective July 1, 1955, waived the requirements with regard to the requisitioning and advancing of funds to accountable officers and the issuance and counter-signature of warrants acknowledging receipt of money to be covered into the Treasury. An explanation of the warrant basis for receipts and expenditures follows.

Receipts.—Section 305 of the Revised Statutes as amended (31 U.S.C. 147) provides that the receipts for all moneys received by the Treasurer of the United States "shall be indorsed upon warrants signed by the Secretary of the Treasury, without which warrant, so signed, no acknowledgment for money received into the Public Treasury shall be valid." Covering warrants were prepared from certificates of deposit mailed to the Treasury, principally by Government depositaries, showing deposits received. The figures thus compiled were on a "warrants-issued" basis. Table 2 for the years prior to 1916 shows receipts on this basis. Since these certificates did not reach the Treasury simultaneously, all receipts for a fiscal year could not be covered into the Treasury by warrant of the Secretary immediately upon the close of the fiscal year. Therefore, certain certificates of deposit representing amounts deposited during one fiscal year were reported as the next year's receipts.

Prior to the fiscal year 1954, all collections of internal revenue, customs, and miscellaneous receipts, except repayments to appropriations and certain special and trust fund receipts as provided by the joint regulations previously described, were covered into the Treasury by warrants signed by the Secretary of the Treasury. Beginning with the fiscal year 1954, the recording of receipts by Treasury offices designated for that purpose by the Secretary of the Treasury, in receipt accounts, or appropriation and fund accounts, pursuant to the act of July 31, 1894, as amended (5 U.S.C. 255), and section 114(b) of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 66b(b)), has constituted the official acknowledgment of moneys received and covered into the Treasury.

Expenditures.—The Constitution of the United States provides that "No money shall be drawn from the Treasury, but in consequence of appropriations made by law * * *." Section 305 of the Revised Statutes, as amended (31 U.S.C. 147) requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury. Prior to 1916, reports of expenditures were based on the amount of accountable and settlement warrants issued and charged to the appropriation accounts. Since accountable warrants covered advances to disbursing officers, such expenditure reports necessarily included the balances of funds remaining unexpended to the credit of the disbursing officers at the close of the fiscal year. Effective July 1, 1955, Joint Regulation No. 4 waived the requirements with regard to the requisitioning and advancing of funds to accountable officers by warrant.

Public Debt accounts

The figures reported on this basis represent transactions which have been audited by the Bureau of the Public Debt. It is sometimes several months after a financing operation before all the transactions have been reported and audited. Therefore, the public debt figures on this basis differ from those reported in the daily Treasury statement since the latter consist of transactions cleared through the Treasurer's account during the reporting period (see explanation under "Daily Statement of the United States Treasury," on p. 501). A reconciliation of figures on the two bases is given in table 32.

Administrative accounts and reports

Certain tables in this report are developed from the accounts, records, and reports of the administrative agencies concerned, which may be on various bases. These tables include internal revenue collections, customs, postal receipts, sales of savings bonds by States, prices and yields of securities, customs statistics, foreign currency transactions in the accounts of the Secretary of the Treasury, and balance sheets, statements of income and expense, and source and application of funds of public enterprise funds.

Internal revenue collections (tables 19 and 20) are stated partly on the basis of reports of directors of internal revenue representing collections made by these officers and partly on the basis of reports of deposits made directly to the Federal Reserve Banks under the depositary receipt procedure.

Customs collections (table 22) are based upon reports of collectors of customs representing collections made during the period.

Postal revenues (table 24) are based upon reports of the Post Office Department prepared on a modified accrual basis (revenues earned less deferred box rentals, etc.).

Description of Accounts Relating to Cash Operations

The classes of accounts maintained in connection with the cash operations of the Federal Government, exclusive of public debt operations, include: (1) the accounts of fiscal officers or agents, collectively, who receive money for deposit in the U.S. Treasury or for other authorized disposition or who make expenditures by drawing checks on the Treasurer of the United States or by effecting payments in some other manner; (2) the accounts of administrative agencies which classify receipt and expenditure transactions according to the individual receipt, appropriation, or fund account; and (3) the accounts of the Treasurer of the United States whose office, generally speaking, is responsible for the receipt and custody of money deposited by fiscal officers or agents, for the payment of checks drawn on the Treasurer, and the payment of public debt securities redeemed. A set of central accounts is maintained in the Treasury Department for the purpose of consolidating financial data reported periodically from these three sources in order to present the results of cash operations in central financial reports on a unified basis for the Government as a whole, and as a means of internal control.

The central accounts relating to cash operations disclose monthly and fiscal year information on: (1) The Government's receipts by principal sources, and its expenditures according to the different appropriations and other funds involved; and (2) the cash transactions, classified by types, together with certain directly related assets and liabilities which underlie such receipts and expenditures. The accounting for receipts is substantially on the basis of collections, and that for expenditures is on the basis of checks issued and cash payments made except that interest on the public debt is on an accrual basis. The structure of the accounts provides for a reconciliation, on a firm accounting basis, between the published reports of receipts and expenditures and budget results for the Government as a whole and changes in the Treasurer's cash balance by means of such factors as checks outstanding, deposits in transit, and cash held outside the Treasury. Within the central accounts, receipt and expenditure accounts are classified as described in the following paragraphs.

Budget accounts

Included in the Budget accounts are only those accounts that determine the budget surplus or deficit of the United States Government as follows:

General fund receipt accounts.—The general fund receipt accounts are credited with all receipts which are not earmarked by law for a specific purpose. General fund receipts consist principally of internal revenue collections, which include income taxes, excise taxes, estate, gift, and employment taxes. The remainder consist of customs duties and a large number of miscellaneous receipts, including fees for permits and licenses; fines, penalties, and forfeitures; interest and dividends; rentals; royalties; sale of Government property; and seigniorage.

Special fund receipt accounts.—Special fund receipt accounts are credited with receipts from specific sources, as authorized by law, but which are not generated from a cycle of operations. Such receipts may be expended only for the particular purposes specified by law. The Congress may appropriate these receipts for special purposes on an annual basis or for an indefinite period of time. Although such receipts are not available for general purposes, they are included in the totals of budget receipts. Examples of special fund receipts are those arising from rents and royalties under the Mineral Leasing Act, the revenue from visitors to Yellowstone National Park, the proceeds of the sale of certain timber and reserve lands, and other receipts authorized to be credited to the reclamation fund.

General fund expenditure accounts.—General fund expenditure accounts are established to record amounts appropriated by the Congress to be expended for the general support of the Government. Such accounts are classified according to the limitations that are established by the Congress with respect to the period of availability for obligation of the appropriation, as 1-year, multiple-year, or "no-year" (without a time limit), and with respect to the agency authorized to enter into obligations and approve expenditures.

Special fund expenditure accounts.—Special fund expenditure accounts are established to record appropriated amounts of receipts from specific sources to be expended only for the specific purpose authorized by law. These accounts are generally available without time limit, but may also be subject to fiscal limitations as in the case of general fund accounts.

Revolving fund accounts.—These are funds authorized by specific provisions of law to finance a continuing cycle of operations through: (a) public enterprise funds in which expenditures generate receipts coming primarily from sources outside the Government and available without further action by Congress; and (b) intragovernmental fund operations, with receipts derived primarily from other appropriations or funds. Treasury reports generally show the net effect of operations in the accounts (excess of disbursements or collections and reimbursements for the period) which affect the budget surplus or deficit. These accounts are usually designated as "no-year" accounts and are without limitation as to period of availability for expenditures. Examples of public enterprise revolving funds are those under the Export-Import Bank of Washington and the Commodity Credit Corporation. Examples of intragovernmental revolving funds are the General Supply Fund administered by the General Services Administration and the buildings management fund of the Public Buildings Service.

Management fund accounts.—These are working fund accounts authorized by law to facilitate accounting for and administration of intraagency activities (other than a continuing cycle of operations) which are financed by two or more appropriations. This classification is also often applied to the consolidated working funds for interagency activities described in the following paragraph.

Consolidated working fund accounts.—These are accounts established to receive and disburse advance payments by an agency from other agencies or bureaus pursuant to section 601 of the Economy Act (31 U.S.C. 686) or other provisions of law to be expended for purposes authorized by law. Consolidated working funds may be credited with advances from two or more appropriations for the procurement of goods or services to be furnished by the performing agency, with the use of its own facilities within the same fiscal year. Expenditure transactions recorded in these accounts are stated net of advances credited and are classified under the agencies administering the accounts. The accounts are subject to the fiscal year limitations of the parent appropriations or other accounts from which advanced.

Nonbudget accounts

Trust accounts.—These are accounts maintained to record the receipt and expenditure of moneys held in trust by the Government for use in carrying out the specific purposes or programs in accordance with the terms of a trust agreement or statute. The receipts of many trust funds, especially the major ones, not needed for current benefits and other payments, are invested in United States securities. Generally, trust fund accounts consist of separate receipt and expenditure accounts, but when the trust corpus is established to perform a business-type operation, the fund entity is called a "trust revolving fund" and a combined receipt and expenditure account is used. Unlike the funds in general and special accounts, the trust funds are not available for general or special purposes and do not enter into the budget surplus or deficit. Some of the major trust accounts are the Federal old-age and survivors insurance trust fund, unemployment trust fund, civil service retirement fund, the national service life insurance fund, and the highway trust fund.

Deposit fund accounts.—Deposit funds are combined receipt and expenditure accounts established to account for receipts that are either (a) held in suspense temporarily and later refunded or paid into some other fund of the Government upon administrative or legal determination as to the proper disposition thereof, or (b) held by the Government as banker or agent for others and paid out at the direction of the depositor. Such funds are not available for paying salaries, expenses, grants, or other expenditures of the Government. As in the case of the trust funds, the transactions in these accounts are not included in the budget totals.

Summary of

TABLE 1.—*Summary of fiscal operations,*

[On basis of daily Treasury statements through 1952;[1] thereafter on basis of "Monthly Statement

Fiscal year or month	Budget receipts and expenditures			Trust account and other transactions, net receipts, or expenditures (−)[4]	Clearing account[5]
	Net receipts[2]	Expenditures[3]	Surplus, or deficit (−)		
1932	$1,923,891,824	$4,659,181,532	−$2,735,289,708	−$5,178,050	
1933	1,996,843,833	4,598,495,918	−2,601,652,085	−5,009,989	
1934	3,014,969,799	6,644,601,741	−3,629,631,943	834,880,108	
1935	3,705,955,600	6,497,007,700	−2,791,052,100	402,724,190	
1936	3,997,058,975	8,421,608,205	−4,424,549,230	187,063,025	
1937	4,955,612,556	7,733,033,270	−2,777,420,714	3,314,169	
1938	5,588,011,873	6,764,628,471	−1,176,616,598	98,934,030	
1939	4,979,065,958	8,841,223,998	−3,862,158,040	1,209,673,564	
1940	5,137,249,771	9,055,268,931	−3,918,019,161	442,538,143	
1941	7,095,676,052	13,254,948,411	−6,159,272,358	907,790,781	
1942	12,546,618,755	34,036,861,487	−21,490,242,732	−1,612,785,695	
1943	21,947,283,157	79,367,713,522	−57,420,430,365	−337,796,138	
1944	43,562,609,460	94,986,002,002	−51,423,392,541	−2,221,918,654	
1945	44,362,020,944	98,302,937,069	−53,940,916,126	791,293,666	
1946	39,649,870,986	60,326,041,595	−20,676,170,609	−523,587,210	
1947	39,677,167,024	38,923,379,364	753,787,660	−1,102,524,942	$554,706,981
1948 [8]	41,374,701,989	32,955,232,145	8,419,469,844	−294,342,662	−507,106,039
1949 [8]	37,662,972,939	39,474,412,987	−1,811,440,048	−494,733,365	366,441,900
1950	36,421,934,577	39,544,036,935	−3,122,102,357	99,137,360	482,656,886
1951	47,480,067,075	43,970,284,450	3,509,782,624	679,223,478	−214,140,135
1952	61,286,560,916	65,303,201,294	−4,016,640,378	147,077,201	−401,389,312
1953	64,670,584,424	74,119,797,882	−9,449,213,457	434,671,979	−249,920,729
1954	64,420,034,061	67,537,000,317	−3,116,966,256	327,762,083	−303,126,484
1955	60,208,508,692	64,388,737,614	−4,180,228,921	231,296,942	283,518,269
1956	67,849,951,339	66,224,397,935	1,625,553,403	−193,580,583	521,955,153
1957	70,561,886,113	68,966,314,562	1,595,571,550	194,731,536	−522,892,840
1958	68,549,720,044	71,369,174,086	−2,819,454,041	632,513,036	530,045,771
1959	67,915,348,624	80,342,335,375	−12,426,986,751	−328,663,331	−5,750,464
1960	77,763,460,221	76,539,412,799	1,224,047,422	−49,526,275	−145,025,682
1961	r 77,659,424,906	r 81,515,167,454	−3,855,742,548	−602,403,079	507,346,821
1962	81,409,092,073	87,786,766,581	−6,377,674,508	435,641,579	448,422,413
1961—July	2,982,460,758	6,322,007,069	−3,339,546,312	−66,112,742	−128,809,382
August	6,366,596,327	7,631,408,123	−1,264,811,796	−120,416,698	−497,617,851
September	8,945,216,651	6,771,151,352	2,174,065,299	43,727,013	682,478,054
October	3,140,692,334	7,795,853,717	−4,655,161,384	−154,133,393	139,864,699
November	6,424,372,945	7,484,544,875	−1,060,171,930	316,501,881	−543,038,788
December	7,967,087,264	7,160,180,685	806,906,579	258,159,997	10,461,585
1962—January	5,357,315,202	7,395,389,621	−2,038,074,419	−152,422,006	332,993,335
February	6,728,570,184	6,857,575,044	−129,004,860	381,322,542	−77,974,540
March	9,104,409,769	7,748,676,839	1,355,732,929	−144,597,668	977,596,264
April	5,754,086,287	7,289,433,121	−1,535,346,834	131,884,921	−384,354,994
May	7,023,677,574	7,228,698,753	−205,021,179	258,316,823	−129,973,694
June	11,614,606,779	8,101,847,379	3,512,759,400	−316,589,091	66,797,725

r Revised for reclassification.

[1] With the exceptions that public debt figures are on the basis of daily Treasury statements for all years shown and guaranteed obligations for 1934–39 are on the basis of public debt accounts and thereafter on the basis of daily Treasury statements. Public debt includes debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury. (See table 122.)

[2] Total receipts less refunds of receipts and starting with fiscal 1937, less transfers of tax receipts to certain major trust accounts (as shown in table 3); beginning with 1932 exclusive of certain interfund transactions (also excluded from expenditures). See footnote 3.

[3] Expenditures are "net" after allowance for reimbursements to appropriations, receipts of revolving fund accounts, and receipts credited to disbursing accounts of corporations and agencies having authority to use collections without formal covering into the Treasury. The figures include transfers to trust accounts. Beginning with 1951, the net investments by wholly owned Government corporations and agencies in public debt securities are excluded from budget expenditures and are included in trust account and other transactions. The expenditure figures also exclude public debt retirements chargeable to the sinking fund, etc., under special provisions of law. Effective July 1, 1948, payments to the Treasury, principally by wholly owned Government corporations, for retirement of capital stock and disposition of earnings are excluded from both receipts and expenditures. Prior year adjustments of such payments are shown in the 1958 annual report, p. 396, table 2, footnote 3. Beginning with fiscal 1932, certain interfund transactions are excluded, as from net receipts. For interfund transactions excluded from both net budget receipts and expenditures beginning with 1932, see 1961 annual report pp. 450–457, and table 5, this report.

Fiscal Operations

fiscal years 1932–62 and monthly 1962

of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Public debt, net increase, or decrease (−)	Balance in account of the Treasurer of the U.S., net increase, or decrease (−)	Amount, end of period: Balance in account of the Treasurer of the U.S.	Debt outstanding [1]: Public debt	Debt outstanding [1]: Guaranteed obligations held outside the Treasury	Debt outstanding [1]: Total [1]	Debt outstanding [1]: Subject to limitation [6]
$2, 685, 720, 952	−$54, 746, 805	$417, 197, 178	$19, 487, 002, 444	-------------	$19, 487, 002, 444	(7)
3, 051, 670, 116	445, 008, 042	862, 205, 221	22, 538, 672, 560	-------------	22, 538, 672, 560	(7)
4, 514, 468. 854	1, 719, 717, 020	2, 581, 922, 240	27, 053. 141, 414	$680. 767, 817	27. 733, 909, 231	(7)
1, 647, 751, 210	−740, 576, 701	1, 841, 345, 539	28, 700, 892, 625	4, 122, 684, 692	32, 823, 577, 316	(7)
5, 077, 650, 869	840, 164, 664	2, 681. 510. 204	33, 778, 543, 494	4, 718, 033, 242	38, 496, 576, 735	(7)
2, 646, 070, 239	−128, 036, 307	2, 553, 473, 897	36, 424, 613, 732	4, 664, 604, 533	41, 089, 218, 265	(7)
740, 126, 583	−337, 555, 984	2, 215, 917, 913	37, 164, 740, 315	4, 852. 791, 651	42, 017, 531, 967	$36, 881, 899, 956
3, 274, 792, 096	622. 307, 620	2. 838, 225, 533	40, 439, 532, 411	5, 450. 834, 099	45, 890. 366, 510	40, 371, 110, 606
2, 527, 998. 627	−947, 482, 391	1, 890, 743, 141	42, 967, 531, 038	5, 529, 070, 655	48, 496, 601, 693	43, 219, 123, 375
5, 993, 912. 498	742, 430, 921	2, 633, 174, 062	48, 961, 443, 536	6, 370, 252, 580	55, 331, 696, 116	49, 493, 588, 731
23, 461, 001, 581	357, 973, 154	2, 991, 147, 216	72, 422, 445, 116	4, 568, 259, 630	76, 990, 704, 746	74, 154, 457, 607
64, 273. 645, 214	6, 515. 418, 710	9, 506, 565, 926	136, 696, 090, 330	4, 099, 943, 046	140, 796. 033, 376	140, 469, 083, 742
64. 307, 296, 891	10, 661, 985. 696	20, 168, 551, 622	201, 003, 387, 221	1, 623. 069. 301	202, 626, 456, 522	208, 077, 255, 051
57, 678, 800, 189	4, 529. 177, 729	24, 697. 729, 352	258, 682, 187, 410	433, 158, 392	259, 115, 345, 802	268, 670, 763, 468
10, 739, 911, 763	−10,459,846,056	14, 237. 883, 295	269, 422, 099, 173	476, 384, 859	269, 898, 484, 033	268, 932, 355, 302
−11,135,716,065	−10,929,746,366	3. 308, 136, 929	258, 286, 383, 109	89, 520. 185	258, 375, 903, 294	257, 491, 416, 060
−5, 994, 136, 596	1, 623, 884, 548	4, 932, 021, 477	252, 292, 246, 513	73, 460, 818	252, 365, 707, 331	251, 541, 571, 385
478, 113, 347	−1, 461, 618, 165	3, 470, 403, 312	252, 770, 359, 860	27, 275, 408	252, 797, 635, 268	252, 027, 712, 585
4, 586, 992, 491	2, 046, 684, 380	5. 517, 087. 692	257, 357, 352, 351	19. 503, 034	257, 376, 855. 385	256, 652, 133, 429
−2, 135, 375, 536	1, 839, 490, 432	7, 356, 578. 123	255, 221, 976, 815	29, 227, 169	255. 251, 203, 984	254, 566, 629, 670
3, 883, 201, 970	−387, 750. 519	6, 968. 827, 604	259, 105, 178, 785	45. 565, 346	259, 150, 744, 131	258, 506, 598, 138
6, 965, 882, 853	−2, 298, 579, 356	4. 670, 248, 248	266, 071, 061, 639	52. 072, 761	266, 123. 134, 400	265, 521, 736, 381
5, 188, 537, 469	2, 096, 206, 813	6, 766, 455, 061	271, 259, 599, 108	81. 441, 386	271, 341, 040, 494	270, 790, 304. 616
3, 114, 623, 694	−550, 790. 014	[9] 6,215, 665, 047	274, 374, 222, 802	44, 142, 961	274, 418, 365. 763	273, 914, 849, 696
−1, 623, 409, 153	330, 518, 820	6, 546, 183, 868	272. 750, 813, 649	73, 888, 475	272, 824, 702, 124	272, 361, 216, 449
−2, 223, 641, 752	−956, 231, 505	5, 589, 952, 362	270, 527, 171, 896	107, 137. 950	270, 634, 309, 846	270, 188, 322, 086
5, 816, 045, 849	4, 159, 150 615	9, 749, 102. 977	276, 343, 217, 745	101, 220. 600	276, 444, 438, 345	276. 013, 439. 621
8, 362, 689, 332	−4, 398, 711, 214	5. 350, 391, 763	284, 705, 907, 078	111, 019. 150	284, 816. 926, 228	284, 398, 474, 090
1, 624, 853, 770	2, 654, 349, 235	8, 004, 740, 998	286, 330, 760, 848	139, 841, 775	286, 470, 602, 623	286, 064, 964, 324
2. 640, 177, 762	−1, 310, 621, 045	6, 694, 119, 954	288, 970, 938. 610	240, 215, 450	289, 211, 154, 060	288, 861, 862, 530
9, 229, 884, 111	3, 736, 273, 595	10, 430, 393. 549	298, 200. 822, 721	444, 218, 925	298, 645, 041, 646	298, 211, 767, 263
3, 433, 154, 681	−101, 313, 754	6, 592, 806, 199	292, 404. 093. 291	238, 628, 475	292, 642, 721, 766	292, 198, 629, 821
1, 310, 361, 124	−572, 485, 222	6, 020, 320, 978	293, 714, 454, 415	249, 228, 950	293, 963, 683, 365	293, 521, 239, 380
35, 406, 563	2, 935, 676, 928	8, 955, 997, 906	293, 749, 860, 978	270, 628, 025	294, 020, 489, 003	293. 578, 500, 472
1, 910, 510, 987	−2, 758, 919, 090	6, 197, 078, 815	295. 660, 371, 965	298, 864, 150	295, 959, 236, 115	295, 519, 568, 623
1. 350, 136, 384	63, 427, 547	6, 260, 506. 362	297, 010, 508, 349	314. 519, 875	297, 325, 028, 224	296, 886, 066, 193
−841, 747, 134	233, 781, 027	6, 494. 287, 389	296, 168, 761, 215	330, 159. 525	296, 498, 920, 740	296, 060, 517, 478
344, 715, 104	−1, 512, 787, 986	4, 981, 499, 403	296, 513, 476, 319	346, 538, 600	296, 860. 014, 919	296, 422, 425, 182
469, 745, 029	644, 088, 172	5, 625, 587, 575	296, 983, 221, 348	371, 130, 400	297, 354, 351, 748	296, 917, 313, 846
−895, 596, 885	1, 293, 134, 639	6, 918, 722, 215	296, 087, 624, 463	401, 843, 300	296. 489, 467. 763	296, 053, 758, 410
864, 234. 434	−923, 582. 473	5. 995, 139, 741	296, 951, 858, 897	405, 424. 475	297, 357, 283, 372	296, 922, 290, 725
2, 222, 081, 262	2, 145, 403, 211	8, 140, 542, 952	299, 173, 940, 159	430. 077, 450	299, 604. 017, 609	299, 169. 989, 571
−973, 117, 438	2, 289, 850, 596	10. 430, 393, 549	298, 200, 822, 721	444, 218, 925	298, 645, 041, 646	298, 211, 767, 263

[4] Consists of transactions of trust and deposit fund accounts, net investments by Government agencies in public debt securities, and net redemptions or sales of obligations of Government agencies in the market. (See tables 7-9.) Investments by wholly owned Government corporations in public debt securities are included in budget expenditures before 1951. Retirements of national bank notes chargeable against the increment on gold (fiscal years 1935-39) are excluded.

[5] For checks outstanding and telegraphic reports from Federal Reserve Banks; public debt interest accrued and unpaid beginning with June and the fiscal year 1955 (previously included from November 1949 as interest checks and coupons outstanding); also deposits in transit and changes in cash held outside the Treasury and in certain other accounts beginning with the fiscal year 1954. For 1955, includes adjustment of −$207,183,858 for effect on balance in Treasurer's account of Post Office disbursing accounts reclassified in November 1954.

[6] A summary of legislation on debt limitation under the Second Liberty Bond Act from Sept. 24, 1917, through June 30, 1962, is shown in table 37. Guaranteed securities held outside the Treasury are included in the limitation beginning Apr. 3, 1945. In computing statutory debt limitation, savings bonds are carried at maturity value from their origin in 1935 until June 26, 1946; from that date, as in the public debt outstanding, they are carried at current redemption value.

[7] Prior to May 26, 1938, the limitation applied to particular segments of the debt, not to the total.

[8] Excludes transfer of $3,000,000,000 in 1948 and includes transfer of a like amount in 1949 to the Foreign Economic Cooperation Trust Fund. (See table 2, footnote 9.)

[9] Includes adjustment of −$207,183,858 for reclassification in November 1954 of Post Office Department and postmaster's disbursing accounts (formerly treated as liability accounts of the Treasurer of the United States) to net expenditures on the basis of cash receipts and expenditures as reported by the Post Office Department.

Receipts and

TABLE 2.—*Receipts and expendi-*

On basis of warrants issued from 1789 to 1915, and on basis of daily Treasury statements for 1916 through of the United States Government." General, special, emergency, and trust accounts combined from see "Bases of Tables"]

Year [1]	Receipts					
	Customs (including tonnage tax)	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts
		Income and profits taxes	Other			
1789-91	$4,399,473			$19,440	$4,418,913	
1792	3,443,071		$208,943	17,946	3,669,960	
1793	4,255,307		337,706	59,910	4,652,923	
1794	4,801,065		274,090	356,750	5,431,905	
1795	5,588,461		337,755	188,318	6,114,534	
1796	6,567,988		475,290	1,334,252	8,377,530	
1797	7,549,650		575,491	563,640	8,688,781	
1798	7,106,062		644,358	150,076	7,900,496	
1799	6,610,449		779,136	157,228	7,546,813	
1800	9,080,933		809,396	958,420	10,848,749	
1801	10,750,779		1,048,033	1,136,519	12,935,331	
1802	12,438,236		621,899	1,935,659	14,995,794	
1803	10,479,418		215,180	369,500	11,064,098	
1804	11,098,565		50,941	676,801	11,826,307	
1805	12,936,487		21,747	602,459	13,560,693	
1806	14,667,698		20,101	872,132	15,559,931	
1807	15,845,522		13,051	539,446	16,398,019	
1808	16,363,551		8,211	688,900	17,060,662	
1809	7,296,021		4,044	473,408	7,773,473	
1810	8,583,309		7,431	793,475	9,384,215	
1811	13,313,223		2,296	1,108,010	14,423,529	
1812	8,958,778		4,903	837,452	9,801,133	
1813	13,224,623		4,755	1,111,032	14,340,410	
1814	5,998,772		1,662,985	3,519,868	11,181,625	
1815	7,282,942		4,678,059	3,768,023	15,729,024	
1816	36,306,875		5,124,708	6,246,088	47,677,671	
1817	26,283,348		2,678,101	4,137,601	33,099,050	
1818	17,176,385		955,270	3,453,516	21,585,171	
1819	20,283,609		229,594	4,090,172	24,603,375	
1820	15,005,612		106,261	2,768,797	17,880,670	
1821	13,004,447		69,028	1,499,905	14,573,380	
1822	17,589,762		67,666	2,575,000	20,232,428	
1823	19,088,433		34,242	1,417,991	20,540,666	
1824	17,878,326		34,663	1,468,224	19,381,213	
1825	20,098,713		25,771	1,716,374	21,840,858	
1826	23,341,332		21,590	1,897,512	25,260,434	
1827	19,712,283		19,886	3,234,195	22,966,364	
1828	23,205,524		17,452	1,540,654	24,763,630	
1829	22,681,966		14,503	2,131,158	24,827,627	
1830	21,922,391		12,161	2,909,564	24,844,116	
1831	24,224,442		6,934	4,295,445	28,526,821	
1832	28,465,237		11,631	3,388,693	31,865,561	
1833	29,032,509		2,759	4,913,159	33,948,427	
1834	16,214,957		4,196	5,572,783	21,791,936	
1835	19,391,311		10,459	16,028,317	35,430,087	
1836	23,409,941		370	27,416,485	50,826,796	
1837	11,169,290		5,494	13,779,369	24,954,153	
1838	16,158,800		2,467	10,141,295	26,302,562	
1839	23,137,925		2,553	8,342,271	31,482,749	
1840	13,499,502		1,682	5,978,931	19,480,115	
1841	14,487,217		3,261	2,369,682	16,860,160	
1942	18,187,909		495	1,787,794	19,976,198	
1843 [1]	7,046,844		103	1,255,755	8,302,702	
1844	26,183,571		1,777	3,136,026	29,321,374	
1845	27,528,113		3,517	2,438,476	29,970,106	
1846	26,712,668		2,897	2,984,402	29,699,967	
1847	23,747,865		375	2,747,529	26,495,769	
1848	31,757,071		375	3,978,333	35,735,779	
1849	28,346,739			2,861,404	31,208,143	
1850	39,668,686			3,934,753	43,603,439	
1851	49,017,568			3,541,736	52,559,304	
1852	47,339,327			2,507,489	49,846,816	
1853	58,931,866			2,655,188	61,587,054	
1854	64,224,190			9,576,151	73,800,341	
1855	53,025,794			12,324,781	65,350,575	
1856	64,022,863			10,033,836	74,056,699	

Footnotes at end of table.

Expenditures

tures, fiscal years 1789–1962

1952. Beginning with fiscal year 1953 on basis of the "Monthly Statement of Receipts and Expenditures
1789 through 1930. Trust accounts excluded for 1931 and subsequent years. For explanation of accounts

Expenditures					Surplus, or deficit (−)
Department of the Army (formerly War Department) [4]	Department of the Navy [4]	Interest on the public debt	Other [3]	Total expenditures [3]	
$632, 804	$570	$2, 349, 437	$1, 286, 216	$4, 269, 027	$149, 886
1, 100, 702	53	3, 201, 628	777, 149	5, 079, 532	−1, 409, 572
1, 130, 249	------------	2, 772, 242	579, 822	4, 482, 313	170, 610
2, 639, 098	61, 409	3, 490, 293	800, 039	6, 990, 839	−1, 558, 934
2, 480, 910	410, 562	3, 189, 151	1, 459, 186	7, 539, 809	−1, 425, 275
1, 260, 264	274, 784	3, 195, 055	996, 883	5, 726, 986	2, 650, 544
1, 039, 403	382, 632	3, 300, 043	1, 411, 556	6, 133, 634	2, 555, 147
2, 009, 522	1, 381, 348	3, 053, 281	1, 232, 353	7, 676, 504	223, 992
2, 466, 947	2, 858, 082	3, 186, 288	1, 155, 138	9, 666, 455	−2, 119, 642
2, 560, 879	3, 448, 716	3, 374, 705	1, 401, 775	10, 786, 075	62, 674
1, 672, 944	2, 111, 424	4, 412, 913	1, 197, 301	9, 394, 582	3, 540, 749
1, 179, 148	915, 562	4, 125, 039	1, 642, 369	7, 862, 118	7, 133, 676
822, 056	1, 215, 231	3, 848, 828	1, 965, 538	7, 851, 653	3, 212, 445
875, 424	1, 189, 833	4, 266, 583	2, 387, 602	8, 719, 442	3, 106, 865
712, 781	1, 597, 500	4, 148, 999	4, 046, 954	10, 506, 234	3, 054, 459
1, 224, 355	1, 649, 641	3, 723, 408	3, 206, 213	9, 803, 617	5, 756, 314
1, 288, 686	1, 722, 064	3, 369, 578	1, 973, 823	8, 354, 151	8, 043, 868
2, 900, 834	1, 884, 068	3, 428, 153	1, 719, 437	9, 932, 492	7, 128, 170
3, 345, 772	2, 427, 759	2, 866, 075	1, 641, 142	10, 280, 748	−2, 507, 275
2, 294, 324	1, 654, 244	2, 845, 428	1, 362, 514	8, 156, 510	1, 227, 705
2, 032, 828	1, 965, 566	2, 465, 733	1, 594, 210	8, 058, 337	6, 365, 192
11, 817, 798	3, 959, 365	2, 451, 273	2, 052, 335	20, 280, 771	−10, 479, 638
19, 652, 013	6, 446, 600	3, 599, 455	1, 983, 784	31, 681, 852	−17, 341, 442
20, 350, 807	7, 311, 291	4, 593, 239	2, 465, 589	34, 720, 926	−23, 539, 301
14, 794, 294	8, 660, 000	5, 754, 569	3, 499, 276	32, 708, 139	−16, 979, 115
16, 012, 097	3, 908, 278	7, 213, 259	3, 453, 057	30, 586, 691	17, 090, 980
8, 004, 237	3, 314, 598	6, 389, 210	4, 135, 775	21, 843, 820	11, 255, 230
5, 622, 715	2, 953, 695	6, 016, 447	5, 232, 264	19, 825, 121	1, 760, 050
6, 506, 300	3, 847, 640	5, 163, 538	5, 946, 332	21, 463, 810	3, 139, 565
2, 630, 392	4, 387, 990	5, 126, 097	6, 116, 148	18, 260, 627	−379, 957
4, 461, 292	3, 319, 243	5, 087, 274	2, 942, 944	15, 810, 753	−1, 237, 373
3, 111, 981	2, 224, 459	5, 172, 578	4, 491, 202	15, 000, 220	5, 232, 208
3, 096, 924	2, 503, 766	4, 922, 685	4, 183, 465	14, 706, 840	5, 833, 826
3, 340, 940	2, 904, 582	4, 996, 562	9, 084, 624	20, 326, 708	−945, 495
3, 659, 914	3, 049, 084	4, 366, 769	4, 781, 462	15, 857, 229	5, 983, 629
3, 943, 194	4, 218, 902	3, 973, 481	4, 900, 220	17, 035, 797	8, 224, 637
3, 938, 978	4, 263, 877	3, 486, 072	4, 450, 241	16, 139, 168	6, 827, 196
4, 145, 545	3, 918, 786	3, 098, 801	5, 231, 711	16, 394, 843	8, 368, 787
4, 724, 291	3, 308, 745	2, 542, 843	4, 627, 454	15, 203, 333	9, 624, 294
4, 767, 129	3, 239, 429	1, 913, 533	5, 222, 975	15, 143, 066	9, 701, 050
4, 841, 836	3, 856, 183	1, 383, 583	5, 166, 049	15, 247, 651	13, 279, 170
5, 446, 035	3, 956, 370	772, 562	7, 113, 983	17, 288, 950	14, 576, 611
6, 704, 019	3, 901, 357	303, 797	12, 108, 379	23, 017, 552	10, 930, 875
5, 696, 189	3, 956, 260	202, 153	8, 772, 967	18, 627, 569	3, 164, 367
5, 759, 157	3, 864, 939	57, 863	7, 890, 854	17, 572, 813	17, 857, 274
12, 169, 227	5, 807, 718	------------	12, 891, 219	30, 868, 164	19, 958, 632
13, 682, 734	6, 646, 915	------------	16, 913, 847	37, 243, 496	−12, 289, 343
12, 897, 224	6, 131, 596	14, 997	14, 821, 242	33, 865, 059	−7, 562, 497
8, 916, 996	6, 182, 294	399, 834	11, 400, 004	26, 899, 128	4, 583, 621
7, 097, 070	6, 113, 897	174, 598	10, 932, 014	24, 317, 579	−4, 837, 464
8, 805, 565	6, 001, 077	284, 978	11, 474, 253	26, 565, 873	−9, 705, 713
6, 611, 887	8, 397, 243	773, 550	9, 423, 081	25, 205, 761	−5, 229, 563
2, 957, 300	3, 727, 711	523, 595	4, 649, 469	11, 858, 075	−3, 555, 373
5, 179, 220	6, 498, 199	1, 833, 867	8, 826, 285	22, 337, 571	6, 983, 803
5, 752, 644	6, 297, 245	1, 040, 032	9, 847, 487	22, 937, 408	7, 032, 698
10, 792, 867	6, 454, 947	842, 723	9, 676, 388	27, 766, 925	1, 933, 042
38, 305, 520	7, 900, 636	1, 119, 215	9, 956, 041	57, 281, 412	−30, 785, 643
25, 501, 963	9, 408, 476	2, 390, 825	8, 075, 962	45, 377, 226	−9, 641, 447
14, 852, 966	9, 786, 706	3, 565, 578	16, 846, 407	45, 051, 657	−13, 843, 514
9, 400, 239	7, 904, 709	3, 782, 331	18, 456, 213	39, 543, 492	4, 059, 947
11, 811, 793	9, 005, 931	3, 696, 721	23, 194, 572	47, 709, 017	4, 850, 287
8, 225, 247	8, 952, 801	4, 000, 298	23, 016, 573	44, 194, 919	5, 651, 897
9, 947, 291	10, 918, 781	3, 665, 833	23, 652, 206	48, 184, 111	13, 402, 943
11, 733, 629	10, 798, 586	3, 071, 017	32, 441, 630	58, 044, 862	15, 755, 479
14, 773, 826	13, 312, 024	2, 314, 375	29, 342, 443	59, 742, 668	5, 607, 907
16, 948, 197	14, 091, 781	1, 953, 822	36, 577, 226	69, 571, 026	4, 485, 672

TABLE 2.—*Receipts and expenditures,*

Year [1]	Receipts					
	Customs (including tonnage tax)	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts
		Income and profits taxes	Other			
1857	$63,875,905			$5,089,408	$68,965,313	
1858	41,789,621			4,865,745	46,655,366	
1859	49,565,824			3,920,641	53,486,465	
1860	53,187,512			2,877,096	56,064,608	
1861	39,582,126			1,927,805	41,509,931	
1862	49,056,398			2,931,058	51,987,456	
1863	69,059,642	$2,741,858	$34,898,930	5,996,861	112,697,291	
1864	102,316,153	20,294,732	89,446,402	52,569,484	264,626,771	
1865	84,928,261	60,979,329	148,484,886	39,322,129	333,714,605	
1866	179,046,652	72,982,159	236,244,654	69,759,155	558,032,620	
1867	176,417,811	66,014,429	200,013,108	48,188,662	490,634,010	
1868	164,464,600	41,455,598	149,631,991	50,085,894	405,638,083	
1869	180,048,427	34,791,856	123,564,605	32,538,859	370,943,747	
1870	194,538,374	37,775,874	147,123,882	31,817,347	411,255,477	
1871	206,270,408	19,162,651	123,935,503	33,955,383	383,323,945	
1872	216,370,287	14,436,862	116,205,316	27,094,403	374,106,868	
1873	188,089,523	5,062,312	108,667,002	31,919,368	333,738,205	
1874	163,103,834	139,472	102,270,313	39,465,137	304,978,756	
1875	157,167,722	233	110,007,261	20,824,835	288,000,051	
1876	148,071,985	588	116,700,144	29,323,148	294,095,865	
1877	130,956,493	98	118,630,310	31,819,518	281,406,419	
1878	130,170,680		110,581,625	17,011,574	257,763,879	
1879	137,250,048		113,561,611	23,015,526	273,827,185	
1880	186,522,064		124,009,374	22,995,173	333,526,611	
1881	198,159,676	3,022	135,261,364	27,358,231	360,782,293	
1882	220,410,730		146,497,596	36,616,924	403,525,250	
1883	214,706,497		144,720,369	38,860,716	398,287,582	
1884	195,067,490	55,628	121,530,445	31,866,307	348,519,870	
1885	181,471,939		112,498,726	29,720,041	323,690,706	
1886	192,905,023		116,805,936	26,728,767	336,439,726	
1887	217,286,893		118,823,391	35,292,993	371,403,277	
1888	219,091,174		124,296,872	35,878,029	379,266,075	
1889	223,832,742		130,881,514	32,335,803	387,050,059	
1890	229,668,585		142,606,706	30,805,693	403,080,984	
1891	219,522,205		145,686,250	27,403,992	392,612,447	
1892	177,452,964		153,971,072	23,513,748	354,937,784	
1893	203,355,017		161,027,624	21,436,988	385,819,629	
1894	131,818,531		147,111,233	27,425,552	306,355,316	
1895	152,158,617	77,131	143,344,541	29,149,130	324,729,419	
1896	160,021,752		146,762,865	31,357,830	338,142,447	
1897	176,554,127		146,688,574	24,479,004	347,721,705	
1898	149,575,062		170,900,642	84,845,631	405,321,335	
1899	206,128,482		273,437,162	36,394,977	515,960,621	
1900	233,164,871		295,327,927	38,748,054	567,240,852	
1901	238,585,456		307,180,664	41,919,218	587,685,338	
1902	254,444,708		271,880,122	36,153,403	562,478,233	
1903	284,479,582		230,810,124	46,591,016	561,880,722	
1904	261,274,565		232,904,119	46,908,401	541,087,085	
1905	261,798,857		234,095,741	48,380,087	544,274,685	
1906	300,251,878		249,150,213	45,582,355	594,984,446	
1907	332,233,363		269,666,773	63,960,250	665,860,386	
1908	286,113,130		251,711,127	64,037,650	601,861,907	
1909	300,711,934		246,212,644	57,395,920	604,320,498	
1910	333,683,445	20,951,781	268,981,738	51,894,751	675,511,715	
1911	314,497,071	33,516,977	289,012,224	64,806,639	701,832,911	
1912	311,321,672	28,583,304	293,028,896	59,675,332	692,609,204	
1913	318,891,396	35,006,300	309,410,666	60,802,868	724,111,230	
1914	292,320,014	71,381,275	308,659,733	62,312,145	734,673,167	
1915	209,786,672	80,201,759	335,467,887	72,454,509	697,910,827	
1916	213,185,846	124,937,253	387,764,776	56,646,673	782,534,548	
1917	225,962,393	359,681,228	449,684,980	88,996,194	1,124,324,795	
1918	179,998,385	2,314,006,292	872,028,020	298,550,168	3,664,582,865	
1919	184,457,867	3,018,783,687	1,296,501,292	652,514,290	5,152,257,136	
1920	322,902,650	3,944,949,288	1,460,082,287	966,631,164	6,694,565,389	
1921	308,564,391	3,206,046,158	1,390,379,823	719,942,589	5,624,932,961	
1922	356,443,387	2,068,128,193	1,145,125,064	539,407,507	4,109,104,151	
1923	561,928,867	1,678,607,428	945,865,333	820,733,853	4,007,135,481	
1924	545,637,504	1,842,144,418	953,012,618	671,250,162	4,012,044,702	

Footnotes at end of table.

fiscal years 1789–1962—Continued

Expenditures					
Department of the Army (formerly War Department)[1]	Department of the Navy[4]	Interest on the public debt	Other[2 5]	Total expenditures[3]	Surplus, or deficit (—)[5]
$19, 261, 774	$12, 747, 977	$1, 678, 265	$34, 107, 692	$67, 795, 708	$1, 169, 605
25, 485, 383	13, 984, 551	1, 567, 056	33, 148, 280	74, 185, 270	—27, 529, 904
23, 243, 823	14, 642, 990	2, 638, 464	28, 545, 700	69, 070, 977	—15, 584, 512
16, 409, 767	11, 514, 965	3, 177, 315	32, 028, 551	63, 130, 598	—7, 065, 990
22, 981, 150	12, 420, 888	4, 000, 174	27, 144, 433	66, 546, 645	—25, 036, 714
394, 368, 407	42, 668, 277	13, 190, 325	24, 534, 810	474, 761, 819	—422, 774, 363
599, 298, 601	63, 221, 964	24, 729, 847	27, 490, 313	714, 740, 725	—602, 043, 434
690, 791, 843	85, 725, 995	53, 685, 422	35, 119, 382	865, 322, 642	—600, 695, 871
1, 031, 323, 361	122, 612, 945	77, 397, 712	66, 221, 206	1, 297, 555, 224	—963, 840, 619
284, 449, 702	43, 324, 118	133, 067, 742	59, 967, 855	520, 809, 417	37, 223, 203
95, 224, 415	31, 034, 011	143, 781, 592	87, 502, 657	357, 542, 675	133, 091, 335
123, 246, 648	25, 775, 503	140, 424, 046	87, 894, 088	377, 340, 285	28, 297, 798
78, 501, 991	20, 000, 758	130, 694, 243	93, 668, 286	322, 865, 278	48, 078, 469
57, 655, 676	21, 780, 230	129, 235, 498	100, 982, 157	309, 653, 561	101, 601, 916
35, 799, 992	19, 431, 027	125, 576, 566	111, 369, 603	292, 177, 188	91, 146, 757
35, 372, 157	21, 249, 810	117, 357, 840	103, 538, 156	277, 517, 963	96, 588, 905
46, 323, 138	23, 526, 257	104, 750, 688	115, 745, 162	290, 345, 245	43, 392, 960
42, 313, 927	30, 932, 587	107, 119, 815	122, 267, 544	302, 633, 873	2, 344, 883
41, 120, 646	21, 497, 626	103, 093, 545	108, 911, 576	274, 623, 393	13, 376, 658
38, 070, 889	18, 963, 310	100, 243, 271	107, 823, 615	265, 101, 085	28, 994, 780
37, 082, 736	14, 959, 935	97, 124, 512	92, 167, 292	241, 334, 475	40, 071, 944
32, 154, 148	17, 365, 301	102, 500, 875	84, 944, 003	236, 964, 327	20, 799, 552
40, 425, 661	15, 125, 127	105, 327, 949	106, 069, 147	266, 947, 884	6, 879, 301
38, 116, 916	13, 536, 985	95, 757, 575	120, 231, 482	267, 642, 958	65, 883, 653
40, 466, 461	15, 686, 672	82, 508, 741	122, 051, 014	260, 712, 888	100, 069, 405
43, 570, 494	15, 032, 046	71, 077, 207	128, 301, 693	257, 981, 440	145, 543, 810
48, 911, 383	15, 283, 437	59, 160, 131	142, 053, 187	265, 408, 138	132, 879, 444
39, 429, 603	17, 292, 601	54, 578, 379	132, 825, 661	244, 126, 244	104, 393, 626
42, 670, 578	16, 021, 080	51, 386, 256	150, 149, 021	260, 226, 935	63, 463, 771
34, 324, 153	13, 907, 888	50, 580, 146	143, 670, 952	242, 483, 139	93, 956, 587
38, 561, 026	15, 141, 127	47, 741, 577	166, 488, 451	267, 932, 181	103, 471, 096
38, 522, 436	16, 926, 438	44, 715, 007	167, 760, 920	267, 924, 801	111, 341, 274
44, 435, 271	21, 378, 809	41, 001, 484	192, 473, 414	299, 288, 978	87, 761, 081
44, 582, 838	22, 006, 206	36, 099, 284	215, 352, 383	318, 040, 711	85, 040, 273
48, 720, 065	26, 113, 896	37, 547, 135	253, 392, 808	365, 773, 904	26, 838, 543
46, 895, 456	29, 174, 139	23, 378, 116	245, 575, 620	345, 023, 331	9, 914, 453
49, 641, 773	30, 136, 084	27, 264, 392	276, 435, 704	383, 477, 953	2, 341, 676
54, 567, 930	31, 701, 294	27, 841, 406	253, 414, 651	367, 525, 281	—61, 169, 965
51, 804, 759	28, 797, 796	30, 978, 030	244, 614, 713	356, 195, 298	—31, 465, 879
50, 830, 921	27, 147, 732	35, 385, 029	238, 815, 764	352, 179, 446	—14, 036, 999
48, 950, 268	34, 561, 546	37, 791, 110	244, 471, 235	365, 774, 159	—18, 052, 454
91, 992, 000	58, 823, 985	37, 585, 056	254, 967, 542	443, 368, 583	—38, 047, 248
229, 841, 254	63, 942, 104	39, 896, 925	271, 391, 896	605, 072, 179	—89, 111, 558
134, 774, 768	55, 953, 078	40, 160, 333	289, 972, 668	520, 860, 847	46, 380, 005
144, 615, 697	60, 506, 978	32, 342, 979	287, 151, 271	524, 616, 925	63, 068, 413
112, 272, 216	67, 803, 128	29, 108, 045	276, 050, 860	485, 234, 249	77, 243, 984
118, 629, 505	82, 618, 034	28, 556, 349	287, 202, 239	517, 006, 127	44, 874, 595
165, 199, 911	102, 956, 102	24, 646, 490	290, 857, 397	583, 659, 900	—42, 572, 815
126, 093, 894	117, 550, 308	24, 590, 944	299, 043, 768	567, 278, 914	—23, 004, 229
137, 326, 066	110, 474, 264	24, 308, 576	298, 093, 372	570, 202, 278	24, 782, 168
149, 775, 084	97, 128, 469	24, 481, 158	307, 744, 131	579, 128, 842	86, 731, 544
175, 840, 453	118, 037, 097	21, 426, 138	343, 892, 632	659, 196, 320	—57, 334, 413
192, 486, 904	115, 546, 011	21, 803, 836	363, 907, 134	693, 743, 885	—89, 423, 387
189, 823, 379	123, 173, 717	21, 342, 979	359, 276, 990	693, 617, 065	—18, 105, 350
197, 199, 491	119, 937, 644	21, 311, 334	352, 753, 043	691, 201, 512	10, 631, 399
184, 122, 793	135, 591, 956	22, 616, 300	347, 550, 285	689, 881, 334	2, 727, 870
202, 128, 711	133, 262, 862	22, 899, 108	366, 221, 282	724, 511, 963	—400, 733
208, 349, 746	139, 682, 186	22, 863, 957	364, 185, 542	735, 081, 431	—408, 264
202, 160, 134	141, 835, 654	22, 902, 897	393, 688, 117	760, 586, 802	—62, 675, 975
183, 176, 439	153, 853, 567	22, 900, 869	374, 125, 327	734, 056, 202	48, 478, 346
377, 940, 870	239, 632, 757	24, 742, 702	1, 335, 365, 422	1, 977, 681, 751	—853, 356, 956
4, 869, 955, 286	1, 278, 840, 487	189, 743, 277	6, 358, 163, 421	12, 696, 702, 471	—9, 032, 119, 606
9, 009, 075, 789	2, 002, 310, 785	619, 215, 569	6, 884, 277, 812	18, 514, 879, 955	—13, 362, 622, 819
1, 621, 953, 095	736, 021, 456	1, 020, 251, 622	3, 025, 117, 668	6, 403, 343, 841	291, 221, 548
1, 118, 076, 423	650, 373, 836	999, 144, 731	2, 348, 332, 700	5, 115, 927, 690	509, 005, 271
457, 756, 139	476, 775, 194	991, 000, 759	1, 447, 075, 808	3, 372, 607, 900	736, 496, 251
397, 050, 596	333, 201, 362	1, 055, 923, 690	1, 508, 451, 881	3, 294, 627, 529	712, 507, 952
357, 016, 878	332, 249, 137	940, 602, 913	1, 418, 809, 037	3, 048, 677, 965	963, 366, 737

TABLE 2.—*Receipts and expenditures, fiscal years 1789–1962*—Continued

Year [1]	Receipts								
	Customs [6]	Internal revenue		Other receipts [2]	Total receipts by major sources [3]	Transfers and refunds [7]	Receipts, less transfers and refunds	Interfund transactions [8] (deduct)	Net receipts
		Income and profits taxes	Other						
1925	$547, 561, 226	$1, 760, 537, 824	$828, 638, 068	$643, 411, 567	$3, 780, 148, 685		$3, 780, 148, 685		$3, 780, 148, 685
1926	579, 430, 093	1, 982, 040, 088	855, 599, 289	545, 686, 220	3, 962, 755, 690		3, 962, 755, 690		3, 962, 755, 690
1927	605, 499, 983	2, 224, 992, 800	644, 421, 542	654, 480, 116	4, 129, 394, 441		4, 129, 394, 441		4, 129. 394, 441
1928	568. 986, 188	2, 173, 952, 557	621, 018, 666	678, 390, 745	4, 042, 348, 156		4, 042, 348, 156		4, 042, 348, 156
1929	602, 262, 786	2, 330, 711, 823	607, 307, 549	492, 968, 067	4, 033, 250, 225		4, 033, 250. 225		4, 033, 250, 225
1930	587, 000, 903	2, 410, 986, 978	628, 308, 036	551, 645. 785	4, 177, 941, 702		4, 177, 941, 702		4, 177, 941, 702
1931	378. 354. 005	1, 860, 394. 295	569, 386, 721	381, 503, 611	3, 189, 638, 632	$74, 081, 709	3, 115, 556, 923		3, 115, 556, 923
1932	327, 754, 969	1, 057, 335, 853	503, 670, 481	116, 964, 134	2, 005, 725, 437	81, 812, 320	1, 923, 913, 117	$21, 294	1, 923, 891, 824
1933	250, 750, 251	746, 206, 445	858. 217, 512	224, 522. 534	2, 079, 696, 742	58, 483, 799	2, 021. 212, 943	24, 369, 110	1, 996, 843, 833
1934	313, 434, 302	817, 961, 481	1, 822, 642, 347	161, 515, 919	3, 115, 554, 050	51, 286, 138	3, 064, 267, 912	49, 298, 113	3, 014, 969, 799
1935	343, 353, 034	1, 099, 118. 638	2, 178, 571, 390	179, 424, 141	3, 800, 467. 202	70, 553, 357	3, 729, 913, 845	23, 958, 245	3. 705, 955, 600
1936	386. 811, 594	1, 426, 575. 434	2, 086, 276, 174	216, 293, 413	4, 115, 956, 615	47, 019, 926	4, 068, 936, 689	71, 877, 714	3, 997, 058, 975
1937	486, 356, 599	2. 163, 413, 817	2, 433, 726, 286	210, 093. 535	5. 293, 590, 237	314, 989, 542	4, 978, 600, 695	22, 988, 139	4, 955, 612, 556
1938	359, 187, 249	2, 640, 284, 711	3, 034, 033, 726	208, 155, 541	6. 241, 661, 227	626, 440, 065	5, 615, 221, 162	27, 209, 289	5, 588, 011, 873
1939	318, 837, 311	2, 188, 757, 289	2, 972, 463, 558	187, 765, 468	5, 667, 823, 626	671, 524, 096	4, 996, 299, 530	17, 233, 572	4, 979, 065, 958
1940	348, 590, 636	2, 125, 324, 635	3, 177, 809, 353	241, 643, 315	5, 893, 367, 939	749, 354, 895	5, 144, 013, 044	6. 763, 273	5, 137, 249, 771
1941	391, 870, 013	3, 469, 637, 849	3, 892, 037, 133	242, 066, 585	7, 995, 611, 580	892, 680, 197	7, 102, 931, 383	7. 255, 331	7, 095, 676, 052
1942	388, 948, 427	7, 960, 464, 973	5, 032, 652, 915	294, 614, 145	13, 676, 680, 460	1, 121, 244, 376	12, 555, 436, 084	8, 817, 329	12, 546, 618, 755
1943	324, 290, 778	16, 093, 668, 781	6, 050, 300. 218	934, 062, 619	23, 402, 322, 396	1, 415, 621, 609	21, 986, 700, 787	39. 417, 630	21, 947, 283, 157
1944	431, 252, 168	34, 654, 851, 852	7, 030, 135, 478	3, 324, 809, 903	45, 441, 049, 402	1, 805, 734, 046	43, 635, 315, 356	72, 705. 896	43, 562. 609, 460
1945	354, 775, 542	35, 173, 051, 373	8, 728, 950, 555	3, 493, 528, 901	47, 750, 306, 371	3, 275, 002, 706	44, 475, 303, 665	113, 282, 721	44, 362, 020, 944
1946	435, 475, 072	30, 884, 796, 016	9, 425, 537, 282	3, 492, 326, 920	44, 238, 135, 290	4, 466, 731, 580	39, 771, 403, 710	121, 532, 724	39, 649, 870, 986
1947	494, 078, 260	29, 305, 568, 454	10, 073, 840, 241	4, 634, 701, 652	44, 508, 188. 607	4, 722, 007, 571	39, 786, 181, 036	109, 014, 012	39, 677, 167, 024
1948 [9]	421, 723, 028	31, 170, 968, 403	10, 682, 516, 849	3, 823, 599, 033	46, 098, 807, 314	4, 610, 628, 472	41, 488, 178, 842	113, 476, 853	41, 374, 701, 989
1949 [9]	384, 484, 796	29, 482, 283, 759	10, 825, 001, 116	2, 081, 735, 850	42, 773, 505, 520	5, 077, 956, 071	37, 695, 549, 449	32, 576, 510	37, 662, 972, 939
1950	422, 650, 329	28, 262, 671, 097	11, 185, 936, 012	1, 439, 370, 414	41, 310, 627, 852	4, 815, 727, 015	36, 494, 900, 837	72, 966, 260	36, 421, 934, 577
1951	624, 008. 052	37. 752, 553, 688	13, 353, 541, 306	1, 638, 568, 845	53, 368, 671, 892	5, 801, 058, 408	47, 567, 613, 484	87, 546, 409	47, 480, 067, 075
1952	550, 696, 379	51, 346, 525, 736	14, 288, 368, 522	1, 813. 778, 921	67, 999, 369, 558	6, 608, 425, 006	61, 390, 944, 552	104, 383, 636	61, 286, 560, 916
1953	613, 419, 582	54, 362, 967, 793	15, 808, 006, 083	1, 864, 741, 185	72, 649, 134, 647	7, 824, 090, 621	64, 825, 044, 026	154, 459, 602	64, 670, 584, 424
1954	562, 020, 618	53, 905, 570, 964	16, 394, 080, 537	2, 311, 263, 612	73, 172, 935, 738	8, 517, 548, 748	64, 655, 386, 989	235, 352, 928	64, 420, 034, 061

61496—63—34

Year [1]	Expenditures								Surplus, or deficit (—) [6]
	Department of the Army (formerly War Department) [4]	Department of the Navy [4]	Department of the Air Force [4]	Interest on the public debt	Other [2, 5]	Total expenditures by major purposes [3, 5]	Interfund transactions (deduct) [8]	Total expenditures [3, 5]	
1925	$370, 980, 708	$346, 142, 001		$881, 806, 662	$1, 464, 175, 961	$3, 063, 105, 332		$3, 063, 105, 332	$717, 043, 353
1926	364, 089, 945	312, 743, 410		831, 937, 700	1, 588, 840, 768	3, 097, 611, 823		3, 097, 611, 823	865, 143, 867
1927	369, 114, 122	318, 909, 096		787, 019, 578	1, 498, 986, 878	2, 974, 029, 674		2, 974, 029, 674	1, 155, 364, 766
1928	400, 989, 683	331, 335, 492		731, 764, 476	1, 639, 175, 204	3, 103, 264, 855		3, 103, 264, 855	939, 083, 301
1929	425, 947, 194	364, 561, 544		678, 330, 400	1, 830, 020, 348	3, 298, 859, 486		3, 298, 859, 486	734, 390, 739
1930	464, 853, 515	374, 165, 639		659, 347, 613	1, 941, 902, 117	3, 440, 268, 884		3, 440, 268, 884	737, 672, 818
1931	486, 141, 754	353, 768, 185		611, 559, 704	2, 125, 964, 360	3, 577, 434, 003		3, 577, 434, 003	—461, 877, 080
1932	476, 305, 311	357, 517, 834		599, 276, 631	3, 226, 103, 049	4, 659, 202, 825	$21, 294	4, 659, 181, 532	—2, 735, 289, 708
1933	434, 620, 860	349, 372, 794		689, 365, 106	3, 149, 506, 267	4, 622, 865, 028	24, 369, 110	4, 598, 495, 918	—2, 601, 652, 085
1934	408, 586, 783	296, 927, 490		756, 617, 127	5, 231, 768, 454	6, 693, 899, 854	49, 298, 113	6, 644, 601, 741	—3, 629, 631, 943
1935	487, 995, 220	436, 265, 532		820, 926, 353	4, 775, 778, 841	6, 520, 965, 945	23, 958, 245	6, 497, 007, 700	—2, 791, 052, 100
1936	618, 587, 184	528, 882, 143		749, 396, 802	6, 596, 619, 790	8, 493, 485, 919	71, 877, 714	8, 421, 608, 205	—4, 424, 549, 230
1937	628, 104, 285	556, 674, 066		866, 384, 331	5, 704, 858, 728	7, 756, 021, 409	22, 988, 139	7, 733, 033, 270	—2, 777, 420, 714
1938	644, 263, 842	596, 129, 739		926, 280, 714	4, 625, 163, 465	6, 791, 837, 760	27, 209, 289	6, 764, 628, 471	—1, 176, 616, 598
1939	695, 256, 481	672, 722, 327		940, 539, 764	6, 549, 938, 998	8, 858, 457, 570	17, 233, 572	8, 841, 223, 998	—3, 862, 158, 040
1940	907, 160, 151	891, 484, 523		1, 040, 935, 697	6, 222, 451, 833	9, 062, 032, 204	6, 763, 273	9, 055, 268, 931	—3, 918, 019, 161
1941	3, 938, 943, 048	2, 313, 057, 956		1, 110, 692, 812	5, 899, 509, 926	13, 262, 203, 742	7, 255, 331	13, 254, 948, 411	—6, 159, 272, 358
1942	14, 325, 508, 098	8, 579, 588, 976		1, 260, 085, 336	9, 880, 496, 406	34, 045, 678, 816	8, 817, 329	34, 036, 861, 487	—21, 490, 242, 732
1943	42, 525, 562, 523	20, 888, 349, 026		1, 808, 160, 396	14, 185, 059, 207	79, 407, 131, 152	39, 417, 630	79, 367, 713, 522	—57, 420, 430, 365
1944	49, 438, 330, 158	26, 537, 633, 877		2, 608, 979, 806	16, 473, 764, 057	95, 058, 707, 898	72, 705, 896	94, 986, 002, 002	—51, 423, 392, 541
1945	50, 490, 101, 935	30, 047, 152, 135		3, 616, 686, 048	14, 262, 279, 670	98, 416, 219, 790	113, 282, 721	98, 302, 937, 069	—53, 940, 916, 126
1946	27, 986, 769, 041	15, 164, 412, 379		4, 721, 957, 683	12, 574, 435, 216	60, 447, 574, 319	121, 532, 724	60, 326, 041, 595	—20, 676, 170, 609
1947	9, 172, 138, 869	5, 597, 203, 036		4, 957, 922, 484	19, 305, 128, 987	39, 032, 393, 376	109, 014, 012	38, 923, 379, 364	753, 787, 660
1948 [9]	7, 698, 556, 403	4, 284, 619, 125		5, 211, 101, 865	15, 874, 431, 605	33, 068, 708, 998	113, 476, 853	32, 955, 232, 145	8, 419, 469, 844
1949 [9]	7, 862, 397, 097	4, 434, 705, 920	$1, 690, 460, 724	5, 339, 396, 336	20, 180, 029, 420	39, 506, 989, 497	32, 576, 510	39, 474, 412, 987	—1, 811, 440, 048
1950	5, 789, 467, 599	4, 129, 545, 653	3, 520, 632, 580	5, 749, 913, 064	20, 427, 444, 299	39, 617, 003, 195	72, 966, 260	39, 544, 036, 935	—3, 122, 102, 357
1951 [10]	8, 635, 938, 754	5, 862, 548, 845	6, 358, 603, 828	5, 612, 654, 812	17, 588, 084, 620	44, 057, 830, 859	87, 546, 409	43, 970, 284, 450	3, 509, 782, 624
1952	17, 452, 710, 349	10, 231, 264, 765	12, 851, 619, 343	5, 859, 263, 437	19, 012, 727, 036	65, 407, 584, 930	104, 383, 636	65, 303, 201, 294	—4, 016, 640, 378
1953	17, 054, 333, 370	11, 874, 830, 152	15, 085, 227, 952	6, 503, 580, 030	23, 756, 285, 980	74, 274, 257, 484	154, 459, 602	74, 119, 797, 882	—9, 449, 213, 457
1954	13, 515, 388, 452	11, 292, 803, 940	15, 668, 473, 393	6, 382, 485, 640	20, 913, 201, 820	67, 772, 353, 245	235, 352, 928	67, 537, 000, 317	—3, 116, 966, 256

Footnotes on following pages.

TABLE 2.—*Receipts and expenditures, fiscal years 1789–1962*—Continued

Year [1]	Receipts								Net receipts
	Customs [6]	Internal revenue		Other receipts [2]	Total receipts by major sources [3]	Transfers and refunds [7]	Receipts, less transfers and refunds	Interfund transactions [8] (deduct)	
		Income and profits taxes	Other						
1955	606,396,634	49,914,825,888	16,373,865,694	2,559,107,420	69,454,195,640	9,064,451,745	60,389,743,895	181,235,203	60,208,508,692
1956	704,897,516	56,632,598,140	18,476,485,054	3,006,445,461	78,820,426,174	10,655,096,592	68,165,329,582	315,378,243	67,849,951,339
1957	754,461,446	60,560,424,638	19,611,546,168	2,748,872,386	83,675,304,639	12,646,654,662	71,028,649,978	466,763,865	70,561,886,113
1958	799,504,808	59,101,874,167	20,876,602,316	3,195,519,017	83,973,500,309	14,856,782,998	69,116,717,311	566,997,267	68,549,720,044
1959	948,412,215	58,826,253,507	20,971,719,301	3,157,881,036	83,904,266,060	15,634,013,346	68,270,252,715	354,904,091	67,915,348,624
1960	1,123,037,579	67,125,125,683	24,649,677,141	4,064,357,669	96,962,198,071	18,504,765,198	78,457,432,873	693,972,652	77,763,460,221
1961	1,007,755,214	67,917,940,793	26,483,145,605	4,082,499,734	99,491,341,346	r 21,177,963,732	r 78,313,377,614	653,952,709	r 77,659,424,906
1962	1,171,205,974	71,945,304,905	27,495,534,340	3,205,528,779	103,817,573,998	21,775,825,509	82,041,748,489	632,656,417	81,409,092,073

r Revised for reclassification.

[1] From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

[2] For postal receipts and expenditures, see table 24.

[3] Effective Jan. 3, 1949, amounts refunded by the Government, principally for overpayment of taxes, are reported as deductions from total receipts rather than as expenditures. Also, effective July 1, 1948, payments to the Treasury, principally by wholly owned Government corporations for retirement of capital stock and for disposition of earnings, are excluded in reporting both budget receipts and expenditures. Neither change affects the size of the budget surplus or deficit. Prior year figures, beginning with fiscal 1931, have been adjusted accordingly for comparability. For adjustments for refunds of receipts see table 3. For capital transfers for fiscal 1931 through 1948, see 1958 annual report, p. 396, footnote 3.

[4] Includes all military and civil expenditures of the Departments of the Army (including the Panama Canal), the Navy, and beginning with fiscal 1949 the Air Force, except civil expenditures of War and Navy at Washington through fiscal 1915. Department of the Army expenditures include those of the Department of the Air Force (established Sept. 18, 1947) from funds made available before fiscal 1949. Beginning with fiscal 1952 expenditures of the Department of Defense not classified among its three departments are included under "Other." Beginning with fiscal 1960 military assistance expenditures for Government reporting purposes were shifted from "Funds Appropriated to the President" to the various parts of the Department of Defense, but continued to be included under "Other."

[5] The practice of including statutory debt retirements in budget expenditures was discontinued effective with fiscal 1948. Such expenditures are not included in this table, nor does the "Surplus or deficit" take into account such expenditures. Table 43 shows details of statutory debt retirements.

Year [1]	Expenditures								Surplus, or deficit (−) [9]
	Department of the Army (formerly War Department) [4]	Department of the Navy [4]	Department of the Air Force [4]	Interest on the public debt	Other [2,5]	Total expenditures by major purposes [2,5]	Interfund transactions (deduct) [8]	Total expenditures [3,5]	
1955	9, 450, 383, 082	9, 731, 611, 019	16, 405, 038, 348	6, 370, 361, 774	22, 612, 578, 594	64, 569, 972, 817	181, 235, 203	64, 388, 737, 614	−4, 180, 228, 921
1956	9, 274, 300, 874	9, 743, 715, 334	16, 749, 647, 622	6, 786, 598, 862	23, 985, 513, 486	66, 539, 776, 178	315, 378, 243	66, 224, 397, 935	1, 625, 553, 403
1957	9, 704, 788, 331	10, 397, 223, 998	18, 360, 926, 051	7, 244, 193, 486	23, 725, 946, 561	69, 433, 078, 427	466, 763, 865	68, 966, 314, 562	1, 595, 571, 550
1958	9, 775, 877, 444	10, 913, 287, 404	18, 436, 830, 585	7, 606, 774, 062	25, 203, 401, 856	71, 936, 171, 353	566, 997, 267	71, 369, 174, 086	−2, 819, 454, 041
1959	10, 284, 059, 445	11, 720, 053, 749	19, 083, 326, 404	7, 592, 769, 102	32, 017, 030, 764	80, 697, 239, 466	354, 904, 091	80, 342, 335, 375	−12, 426, 986, 751
1960	10, 293, 993, 401	11, 642, 486, 702	19, 065, 244, 298	9, 179, 588, 857	27, 052, 072, 193	77, 233, 385, 451	693, 972, 652	76, 539, 412, 799	1, 224, 047, 422
1961	11, 102, 620, 707	12, 214, 297, 075	19, 777, 722, 554	8, 957, 241, 615	[r]30, 117, 238, 211	[r]82, 169, 120, 163	653, 952, 709	[r]81, 515, 167, 454	−3, 855, 742, 548
1962	12, 425, 939, 098	13, 260, 183, 267	20, 839, 825, 719	9, 119, 759, 808	32, 773, 715, 105	88, 419, 422, 997	632, 656, 417	87, 786, 766, 581	−6, 377, 674, 508

[6] Includes the tonnage tax through 1931. Beginning with 1932 the tonnage tax has been covered into the general fund as miscellaneous receipts and is included in this table in "Other receipts."

[7] Transfers to trust funds and refunds of receipts. For content see table 3.

[8] For content see 1961 annual report, pp. 450-457, and table 5, this report. See also "Bases of Tables."

[9] Sec. 114(f) of the Economic Cooperation Act of 1948, approved Apr. 3, 1948, required that the sum of $3,000,000,000 be transferred to a trust fund entitled "Foreign Economic Cooperation Trust Fund" and "considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures." The effect of this was to charge the budget in fiscal 1948 for expenditures made in fiscal 1949, with consequent effect on the budget surplus or deficit of those years. This bookkeeping transaction had no effect on the actual timing of either receipts or expenditures. In order to simplify comparison of figures between years, the transactions shown in this table do not take into account the transfer of $3,000,000,000 in fiscal 1948 to the Foreign Economic Cooperation trust fund; expenditures of $3,000,000,000 during fiscal 1949 from the Foreign Economic Cooperation trust fund are treated as budget expenditures in this table. If effect is given to sec. 114(f) of the Economic Cooperation Act of 1948, the budget results for the fiscal years 1948 and 1949 would be as follows:

	Fiscal year 1948	*Fiscal year 1949*
Budget receipts	$41, 374, 701, 989	$37, 662, 972, 939
Budget expenditures	35, 955, 232, 145	36, 474, 412, 987
Budget surplus	5, 419, 469, 844	1, 188, 559, 952

[10] Beginning with fiscal 1951, investments of wholly owned Government corporations in public debt securities are excluded from budget expenditures and included in "Trust account and other transactions." See tables 8 and 15.

TABLE 3.—*Refunds of receipts and transfers*

[On basis of daily Treasury statements through 1952; thereafter on basis of "Monthly Statement of

Fiscal year	Refunds of receipts [1] [2]				
	Internal revenue applicable to— [3]		Customs	Other	Total refunds of receipts
	Budget accounts	Trust accounts			
1931	$52, 561, 657		$21, 369, 007	$151, 045	$74, 081, 709
1932	64, 528, 539		17, 202, 969	80, 813	81, 812, 320
1933	45, 814, 734		12, 576, 842	92, 224	58, 483, 799
1934	37, 195, 935		14, 046, 350	43, 853	51, 286, 138
1935	49, 747, 858		20, 715, 688	89, 811	70, 553, 357
1936	32, 914, 628		14, 085, 195	20, 103	47, 019, 926
1937	33, 405, 891		16, 549, 408	34, 242	49, 989, 542
1938	76, 842, 701		16, 156, 340	38, 437	93, 037, 478
1939	44, 684, 686		16, 678, 803	63, 194	61, 426, 683
1940	61, 154, 655		17, 500, 945	49, 295	78, 704, 894
1941	52, 802, 242		27, 331, 472	55, 755	80, 189, 469
1942	65, 192, 248		19, 495, 861	87, 429	84, 775, 537
1943	53, 834, 008		16, 404, 512	86, 888	70, 325, 408
1944	242, 856, 877		14, 200, 774	196, 617	257, 254, 269
1945	1, 664, 545, 567		13, 843, 208	389, 150	1, 678, 777, 924
1946	2, 957, 114, 348		11, 224, 891	4, 688, 639	2, 973, 027, 879
1947	2, 982, 487, 490		17, 480, 263	6, 122, 643	3, 006, 090, 396
1948	2, 250, 391, 383		19, 050, 115	2, 433, 279	2, 271, 874, 777
1949	2, 817, 005, 313		17, 173, 186	3, 363, 506	2, 837, 542, 006
1950	2, 135, 455, 950		16, 091, 134	7, 959, 405	2, 159, 506, 489
1951	2, 082, 431, 536		15, 324, 391	8, 774, 689	2, 106, 530, 616
1952	2, 275, 188, 203		17, 520, 381	9, 497, 810	2, 302, 206, 394
1953	3, 094, 798, 198	$33, 000, 000	16, 949, 065	6, 091, 123	r 3, 150, 838, 386
1954	3, 345, 495, 593	40, 500, 000	20, 481, 971	11, 259, 809	r 3, 417, 737, 374
1955	3, 399, 978, 359	51, 000, 000	21, 619, 848	4, 389, 417	r 3, 476, 987, 625
1956	3, 652, 611, 883	66, 000, 000	23, 176, 262	8, 241, 988	r 3, 750, 030, 132
1957	3, 894, 119, 614	58, 206 830	19, 907, 757	3, 315, 117	r 3, 975, 549, 317
1958	4, 412, 603, 597	165, 378, 009	17, 837, 948	2, 191, 001	r 4, 598, 010, 555
1959	4, 907, 159, 180	180, 329, 743	23, 220, 638	3, 043, 107	r 5, 113, 752, 669
1960	5, 024, 470, 807	192, 662, 543	18, 483, 391	1, 897, 066	r 5, 237, 513, 807
1961	5, 724, 571, 444	223, 737, 682	25, 439, 532	2, 260, 573	r 5, 976, 009, 231
1962	5, 957, 115, 953	278, 008, 196	29, 319, 402	1, 225, 761	6, 265, 669, 311

r Revised for reclassification.
1 Refunds of principal only; interest is included in expenditures.
2 Internal revenue refunds by States for fiscal 1962 are shown in table 20.
3 Beginning fiscal 1953, the principal amounts for refunds of employment taxes and certain excise taxes

to trust funds, fiscal years 1931–62

Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Transfers to trust funds [3] [4]						Total refunds and transfers
Federal old-age and survivors insurance trust fund	Federal disability insurance trust fund	Highway trust fund	Railroad retirement account	Unemployment trust fund	Total transfers to trust accounts	
....	....	....	....	....	....	$74,081,709
....	....	....	....	....	....	81,812,320
....	....	....	....	....	....	58,483,799
....	....	....	....	....	....	51,286,138
....	....	....	....	....	....	70,553,357
....	....	....	....	....	....	47,019,926
$265,000,000	....	....	....	....	$265,000,000	314,989,542
387,000,000	....	....	$146,402,587	....	533,402,587	626,440,065
503,000,000	....	....	107,097,413	....	610,097,413	671,524,096
550,000,000	....	....	120,650,000	....	670,650,000	749,354,895
688,140,728	....	....	124,350,000	....	812,490,728	892,680,197
895,618,839	....	....	140,850,000	....	1,036,468,839	1,121,244,376
1,130,495,201	....	....	214,801,000	....	1,345,296,201	1,415,621,609
1,292,122,434	....	....	256,357,343	....	1,548,479,777	1,805,734,046
1,309,919,400	....	....	286,305,382	....	1,596,224,782	3,275,002,706
1,238,218,447	....	....	255,485,254	....	1,493,703,701	4,466,731,580
1,459,491,921	....	....	256,425,254	....	1,715,917,175	4,722,007,571
1,616,162,044	....	....	722,591,651	....	2,338,753,695	4,610,628,472
1,690,295,705	....	....	550,118,361	....	2,240,414,065	5,077,956,071
2,106,387,806	....	....	549,832,720	....	2,656,220,526	4,815,727,015
3,119,536,744	....	....	574,991,049	....	3,694,527,792	5,801,058,408
3,568,556,584	....	....	737,662,028	....	4,306,218,612	6,608,425,006
4,053,293,392	....	....	619,958,843	....	r 4,673,252,235	7,824,090,622
4,496,769,800	....	....	603,041,575	....	r 5,099,811,375	8,517,548,749
4,988,572,594	....	....	598,891,526	....	r 5,587,464,120	9,064,451,745
6,270,804,603	....	....	634,261,857	....	r 6,905,066,460	10,655,096,592
6,243,000,673	$333,276,575	$1,478,908,221	615,919,876	....	r 8,671,105,345	12,646,654,662
6,794,896,660	862,861,610	2,026,115,202	574,898,971	....	r 10,258,772,443	14,856,782,998
7,083,993,756	836,931,036	2,074,116,121	525,219,764	....	r 10,520,260,677	15,634,013,346
9,192,428,378	928,931,781	2,539,026,576	606,864,657	....	r 13,267,251,392	18,504,765,198
10,537,230,762	953,312,408	2,797,537,781	r 570,712,994	$343,160,557	r 15,201,954,501	r 21,177,963,732
10,600,021,548	944,542,132	2,948,690,128	564,264,483	452,637,906	15,510,156,198	21,775,825,509

(highway) are excluded from the transfers and are included with refunds of internal revenue receipts, applicable to trust accounts.

[4] Tax receipts transferred and appropriated to the respective trust accounts. Details of these trust funds may be found in the table for each fund, beginning with table 68 of this annual report.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," See "Bases of Tables"]

Receipts [1]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Internal revenue:							
Individual income taxes:							
Withheld [2]	1,235,317	4,653,626	2,662,010	[3] 1,398,938	4,767,418	2,934,905	[3] 1,245,270
Other [2]	245,119	160,611	2,017,145	[3] 214,606	123,253	428,497	[3] 2,324,651
Total individual income taxes	1,480,436	4,814,237	4,679,154	1,613,545	4,890,671	3,363,402	3,569,921
Corporation income taxes	519,563	382,280	3,250,550	407,784	377,163	3,322,058	466,316
Excise taxes	975,497	1,197,316	983,448	1,102,284	1,123,156	1,012,520	1,008,967
Employment taxes:							
Federal Insurance Contributions Act and Self-Employment Contributions Act [3]	290,553	1,736,318	828,492	[3] 239,032	1,189,337	457,925	[3] 294,103
Railroad Retirement Tax Act	14,261	84,163	55,296	1,306	75,893	46,716	11,235
Federal Unemployment Tax Act	710	865	635	775	851	567	47,803
Total employment taxes	305,525	1,821,347	884,423	241,113	1,266,082	505,208	353.141
Estate and gift taxes	146,726	158,216	147,784	142,194	126,117	151,870	192,229
Total internal revenue	3,427,747	8,373,396	9,945,359	3,506,919	7,783,190	8,355,057	5,590,573
Customs: duty collections	91,015	97,932	90,411	105,494	105,798	88,187	99,525
Miscellaneous receipts:							
Interest	69,767	50,724	7,102	7,096	4,132	315,214	86,840
Dividends and other earnings [4]	63,057	59,986	62,749	57,900	77,210	60,283	48,876
Realization upon loans and investments	58,120	33,225	93,178	37,426	[5] −43,266	55,787	25,487
Recoveries and refunds	9,511	11,519	6,094	6,068	7,832	18,179	9,743
Royalties	8,235	[6] −16,902	8,867	9,186	8,440	9,317	[6] −5,967
Sales of Government property and products	30,630	75,462	46,918	46,743	42,081	46,094	72,848
Seigniorage	3,196	7,758	6,732	8,718	3,371	6,728	6,199
Other	17,314	20,158	17,401	25,203	18,613	25,319	24,649
Total miscellaneous receipts	259,828	241,931	249,042	198,339	118,412	536,920	268,675
Gross budget receipts	3,778,590	8,713,258	10,284,812	3,810,752	8,007,401	8,980,165	5,958,773

Receipts [1]	Fiscal year 1962: February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961 [7]
Internal revenue:							
Individual income taxes:							
Withheld [2]	5, 124, 056	2, 895, 786	[3] 1, 017, 305	5, 287, 336	[3] 3, 024, 144	36, 246, 109	32, 977, 654
Other [2]	786, 118	832, 332	[3] 4, 330, 380	955, 346	[3] 1, 985, 428	14, 403, 485	13, 175, 346
Total individual income taxes	5, 910, 173	3, 728, 117	5, 347, 684	6, 242, 682	5, 009, 572	50, 649, 594	46, 153, 001
Corporation income taxes	399, 836	5, 878, 722	445, 232	469, 144	5, 377, 063	21, 295, 711	21, 764, 940
Excise taxes	966, 842	1, 139, 549	959, 039	1, 157, 135	1, 126, 424	12, 752, 176	12, 064, 302
Employment taxes:							
Federal Insurance Contributions Act and Self-Employment Contributions Act [2]	1, 620, 000	1, 119, 000	[3] 729, 179	2, 181, 000	[3] 1, 001, 291	11, 686, 231	11, 586, 283
Railroad Retirement Tax Act	80, 574	49, 639	12, 568	81, 789	50, 870	564, 311	570, 812
Federal Unemployment Tax Act	378, 936	18, 881	3, 158	2, 975	1, 473	457, 629	345, 356
Total employment taxes	2, 079, 509	1, 187, 521	744, 905	2, 265, 763	1, 053, 635	12, 708, 171	12, 502, 452
Estate and gift taxes	133, 115	155, 040	313, 300	202, 888	165, 707	2, 035, 187	1, 916, 392
Total internal revenue	9, 489, 476	12, 088, 950	7, 810, 160	10, 337, 612	12, 732, 401	99, 440, 839	94, 401, 086
Customs: duty collections	85, 409	103, 935	99, 425	104, 348	99, 726	1, 171, 206	1, 007, 755
Miscellaneous receipts:							
Interest	21, 795	2, 879	19, 466	14, 690	276, 890	876, 596	942, 308
Dividends and other earnings [4]	55, 759	55, 569	65, 027	66, 537	70, 360	743, 313	804, 789
Realization upon loans and investments	24, 368	24, 118	22, 715	32, 741	7, 215	371, 113	1, 012, 277
Recoveries and refunds	16, 445	5, 508	27, 893	16, 589	18, 137	153, 517	181, 632
Royalties	9, 109	12, 075	10, 813	9, 847	58, 113	121, 132	114, 176
Sales of Government property and products	45, 443	36, 088	71, 113	45, 067	46, 694	605, 181	673, 066
Seigniorage	2, 658	2, 131	2, 623	3, 888	3, 543	57, 544	55, 379
Other	22, 736	22, 959	23, 530	26, 281	32, 970	277, 134	298, 872
Total miscellaneous receipts	198, 312	161, 328	243, 180	215, 639	513, 923	3, 205, 529	4, 082, 500
Gross budget receipts	9, 773, 196	12, 354, 213	8, 152, 764	10, 657, 599	13, 346, 050	103, 817, 574	99, 491, 341

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Receipts and Expenditures	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
RECEIPTS [1]							
Deduct:							
Refunds of receipts: [9]							
Applicable to budget accounts:							
Internal revenue	175,659	200,304	182,636	159,337	8,094	64,279	[9] −72,012
Customs	2,158	2,881	2,556	2,532	2,128	2,629	2,747
Other	74	84	119	76	42	26	119
Applicable to trust accounts:							
Federal old-age and survivors insurance trust fund							129,760
Federal disability insurance trust fund							11,908
Highway trust fund		4,036			75,348		
Railroad retirement account		(*)	(*)	(*)	(*)	1	1
Unemployment trust fund	200	261	259	258	260	302	206
Total refunds of receipts	178,090	207,565	185,569	162,202	85,872	67,237	72,727
Transfers to trust accounts: [10]							
Federal old-age and survivors insurance trust fund [2]	265,984	1,589,291	759,970	[3] 211,902	1,093,936	418,351	[3] 141,121
Federal disability insurance trust fund [2]	24,569	147,027	68,522	[3] 27,130	95,401	39,574	[3] 11,314
Highway trust fund	253,300	268,816	267,100	258,300	230,561	255,000	233,100
Railroad retirement account	14,261	84,163	55,296	1,305	75,893	46,715	11,234
Unemployment trust fund	511	604	376	517	591	265	47,597
Total transfers to trust accounts	558,625	2,089,902	1,151,264	499,155	1,496,383	759,905	444,367
Total deductions	736,716	2,297,466	1,336,833	661,357	1,582,255	827,142	517,094
Subtotal receipts	3,041,874	6,415,792	8,947,979	3,149,395	6,425,146	8,153,023	5,441,679
Deduct: Certain interfund transactions [11]	59,414	49,196	2,762	8,703	773	185,935	84,364
Net budget receipts	2,982,461	6,366,596	8,945,217	3,140,692	6,424,373	7,967,087	5,357,315
EXPENDITURES [12]							
Legislative branch:							
Senate	2,222	2,278	2,150	2,439	2,005	2,198	2,282
House of Representatives	3,912	7,515	3,856	3,803	3,776	3,797	4,182
Architect of the Capitol	2,759	3,890	1,395	5,380	3,286	2,224	5,576
Botanic Garden	28	61	40	27	28	27	44
Library of Congress	485	2,197	1,481	639	1,161	1,566	1,811
Government Printing Office:							
General fund appropriations	1,379	1,614	1,922	1,759	1,503	1,225	1,011
Revolving fund (net)	1,125	−1,459	−742	−1,085	1,881	903	787
Total legislative branch	11,910	16,096	10,102	12,963	13,640	11,939	15,693

Receipts and Expenditures	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
RECEIPTS [1]							
Deduct:							
Refunds of receipts: [8]							
Applicable to budget accounts:							
Internal revenue	692,973	1,810,093	1,414,438	1,091,235	230,081	[13] 5,957,116	[13] 5,724,571
Customs	1,855	2,150	2,368	2,781	2,535	29,319	25,440
Other	148	121	227	116	76	1,226	2,261
Applicable to trust accounts:							
Federal old-age and survivors insurance trust fund						129,760	86,240
Federal disability insurance trust fund						11,908	9,500
Highway trust fund	47,673			4,246		131,303	125,703
Railroad retirement account	2	(*)	16	2	24	47	99
Unemployment trust fund	192	164	151	2,189	551	4,991	2,196
Total refunds of receipts	742,843	1,812,528	1,417,199	1,100,569	233,266	6,265,669	5,976,009
Transfers to trust accounts: [10]							
Federal old-age and survivors insurance trust fund [2]	1,489,000	1,031,000	[3] 671,622	2,012,000	[3] 915,843	10,600,022	10,537,231
Federal disability insurance trust fund [2]	131,000	88,000	[3] 57,557	169,000	[3] 85,449	944,542	953,312
Highway trust fund	206,933	248,000	230,000	264,380	233,200	2,948,690	2,797,538
Railroad retirement account	80,571	49,639	12,553	81,787	50,846	564,264	570,713
Unemployment trust fund	378,744	18,718	3,007	785	922	452,638	343,161
Total transfers to trust accounts	2,286,248	1,435,357	974,739	2,527,953	1,286,259	15,510,156	15,201,954
Total deductions	3,029,091	3,247,885	2,391,938	3,628,522	1,519,526	21,775,826	21,177,964
Subtotal receipts	6,744,105	9,106,329	5,760,826	7,029,077	11,826,524	82,041,748	78,313,378
Deduct: Certain interfund transactions [11]	15,535	1,919	6,740	5,399	211,917	632,656	653,953
Net budget receipts	6,728,570	9,104,410	5,754,086	7,023,678	11,614,607	81,409,092	77,659,425
EXPENDITURES [12]							
Legislative branch:							
Senate	2,288	2,179	2,311	2,250	2,297	26,899	26,877
House of Representatives	3,857	3,971	3,941	3,840	3,874	50,322	47,324
Architect of the Capitol	3,019	3,321	3,060	3,129	5,227	42,265	31,434
Botanic Garden	39	36	30	53	38	450	834
Library of Congress	1,021	1,636	739	1,783	2,068	16,587	15,360
Government Printing Office:							
General fund appropriations	1,200	1,701	2,882	1,917	1,290	19,401	15,850
Revolving fund (net)	−86	−1,337	−2,238	−149	−202	−2,600	−4,205
Total legislative branch	11,336	11,509	10,726	12,821	14,592	153,325	133,474

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
The judiciary:							
Supreme Court of the United States	154	155	163	151	147	201	174
Court of Customs and Patent Appeals	25	24	23	34	21	29	31
Customs Court	72	67	59	74	56	85	84
Court of Claims	72	69	86	79	55	73	96
Courts of appeals, district courts, and other judicial services	3, 939	3, 635	3, 465	5, 058	3, 681	4, 581	4, 961
Total the judiciary	4, 263	3, 950	3, 795	5, 397	3, 960	4, 968	5, 345
Executive Office of the President:							
Compensation of the President	12	12	12	12	12	12	12
The White House Office	207	292	153	198	188	195	271
Special projects	91	145	119	81	105	130	152
Executive mansion and grounds	41	58	44	70	45	74	45
Bureau of the Budget	611	419	390	111	406	576	366
Council of Economic Advisers	54	39	36	48	34	52	47
National Aeronautics and Space Council	2	4	13	19	13	17	18
National Security Council	71	45	44	56	53	31	-----
Office of Emergency Planning:							
Civil defense procurement fund (net)	7	—4	13	—8	-----	-----	-----
Other	4, 846	5, 809	2, 535	—2, 068	1, 321	378	904
President's Advisory Committee on Government Organization	-----	-----	-----	-----	-----	-----	-----
President's Advisory Committee on Labor-Management Policy	2	9	6	10	9	6	5
Miscellaneous	(*)	(*)	—16	—3	—6	1	(*)
Total Executive Office of the President	5, 944	6, 829	3, 349	—1, 473	2, 180	1, 473	1, 820
Funds appropriated to the President:							
Disaster relief	304	195	811	748	3, 767	(*)	1, 910
Emergency fund for the President	114	159	170	77	77	45	4
Expansion of defense production (net)	13, 447	2, 491	1, 106	—1, 991	—2, 948	—6, 442	—4, 024
Expenses of management improvement	2	16	1	18	2	22	—38
Peace Corps	-----	-----	-----	930	921	973	1, 238
International financial institutions:							
Subscription to the International Development Association	-----	-----	-----	-----	61, 656	-----	-----
Investment in Inter-American Development Bank	-----	-----	-----	110, 000	-----	-----	-----
Transitional grants to Alaska	18	5, 374	110	32	68	62	25
Other	14	25	84	20	42	11	65
Foreign assistance-economic:							
Defense Department	1, 112	1, 670	681	1, 010	970	538	548
Agency for International Development [14]	83, 594	93, 567	87, 965	75, 829	106, 508	85, 163	101, 952
Inter-American cooperation	-----	2, 000	30, 000	1, 033	5, 628	1, 037	1, 678

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
The judiciary:							
The Supreme Court of the United States	147	160	154	155	201	1,962	1,975
Court of Customs and Patent Appeals	19	28	31	29	30	324	330
Customs Court	57	79	84	59	110	888	851
Court of Claims	53	92	97	60	101	933	897
Courts of appeals, district courts, and other judicial services	3,244	4,916	5,765	3,911	5,485	52,641	47,950
Total the judiciary	3,519	5,277	6,130	4,214	5,928	56,747	52,003
Executive Office of the President:							
Compensation of the President	12	12	12	12	12	150	150
The White House Office	200	188	185	206	171	2,454	2,332
Special projects	106	127	120	78	150	1,403	1,382
Executive mansion and grounds	76	56	63	69	76	717	640
Bureau of the Budget	399	456	596	501	474	5,304	5,260
Council of Economic Advisers	41	75	42	−28	66	506	421
National Aeronautics and Space Council	19	24	31	20	23	203	------------
National Security Council	30	81	30	38	24	503	794
Office of Emergency Planning:							
Civil defense procurement fund (net)	------------	------------	------------	------------	------------	7	−64
Other	1,021	699	727	654	945	17,770	58,694
President's Advisory Committee on Government Organization	------------	------------	------------	------------	------------	------------	31
President's Advisory Committee on Labor-Management Policy	4	15	11	9	21	108	6
Miscellaneous	(*)	2	−9	2	11	−17	−29
Total Executive Office of the President	1,909	1,737	1,807	1,561	1,973	29,108	69,618
Funds appropriated to the President:							
Disaster relief	1,150	1,239	233	1,469	2,767	14,592	7,456
Emergency fund for the President	24	13	14	20	5	723	490
Expansion of defense production (net)	41	4,313	6,342	−279	−843	11,212	−12,396
Expenses of management improvement	13	72	15	1	30	154	232
Peace Corps	1,016	1,184	1,126	1,501	2,519	11,409	------------
International financial institutions:							
Subscription to the International Development Association	------------	------------	------------	------------	------------	61,656	73,667
Investment in Inter-American Development Bank	------------	------------	------------	------------	------------	110,000	------------
Transitional grants to Alaska	26	86	26	84	33	5,944	6,033
Other	30	86	81	37	100	595	1,124
Foreign assistance-economic:							
Defense Department	5	846	−320	195	136	7,391	33,512
Agency for International Development [14]	75,871	136,627	101,886	63,323	114,112	1,126,397	1,320,188
Inter-American cooperation	1,089	7,328	3,335	2,053	25,375	80,555	------------

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Funds appropriated to the President—Continued							
Foreign assistance-economic—Continued							
Public enterprise funds (net):							
Development loan funds	17,066	26,744	17,072	28,253	27,935	67,495	41,967
Foreign investment guarantee fund	−71	−115	−538	−42	−82	−181	−33
All other agencies	5,892	20,684	19,552	7,900	18,476	11,346	16,958
Total foreign assistance-economic	107,592	144,551	154,732	113,982	159,436	165,397	163,070
Total funds appropriated to the President	121,491	152,812	157,013	223,817	223,020	160,067	162,251
Agriculture Department:							
Agricultural Research Service:							
Intragovernmental funds (net)	77	−49	39	−136	138	−188	−108
Other	25,225	19,690	19,487	12,821	12,096	18,832	14,515
Extension Service	28,847	2,641	749	1,468	671	727	30,724
Farmer Cooperative Service	60	−183	81	−9	80	80	93
Soil Conservation Service:							
Conservation operations	7,115	10,430	6,815	6,318	6,546	6,763	7,097
Flood prevention, watershed protection, and other	3,892	6,107	5,329	5,624	6,085	4,694	4,136
Great Plains conservation program	936	1,114	855	825	694	824	677
Economic Research Service	182	1,169	607	702	664	661	696
Statistical Reporting Service	136	889	599	816	587	614	811
Agricultural Marketing Service:							
Marketing research and service	3,470	4,337	2,891	3,388	3,250	3,143	3,253
Payments to States and possessions	643	91	14	15	----------	47	381
School lunch program	392	10,571	14,683	21,567	20,447	21,489	22,892
Removal of surplus agricultural commodities	14,934	21,561	16,069	17,027	31,674	21,417	21,990
Intragovernmental funds (net)	−11	9	−16	4	10	1	16
Other	59	89	58	60	51	18	101
Total Agricultural Marketing Service	19,488	36,657	33,700	42,062	55,432	46,115	48,631
Foreign Agricultural Service	688	1,137	1,188	1,049	1,182	1,199	998
Commodity Exchange Authority	85	108	75	79	74	74	77
Agricultural Stabilization and Conservation Service:							
Acreage allotments and marketing quotas	11,694	5	472	1,549	15	9,886	10,060
Agricultural conservation program	65,421	46,310	18,233	24,993	28,597	30,221	−4,747
Soil bank program	6,809	182	359	236,232	70,392	20,508	8,991
Emergency conservation measures	92	388	726	1,807	1,964	2,117	958
Sugar act program	2,088	411	925	8,940	9,746	8,811	23,363
Intragovernmental funds (net)	−34,749	−8,345	−807	10,160	6,578	8,442	921
Special export programs	----------	79,309	233,283	97	110,692	124,443	238,617

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Funds appropriated to the President—Continued							
Foreign assistance-economic—Continued							
Public enterprise funds (net):							
Development loan funds	27,528	25,794	52,451	33,080	55,710	421,096	258,414
Foreign investment guarantee fund	−309	−295	441	−100	−324	−1,650	−1,673
All other agencies	32,475	17,294	24,821	9,850	17,259	202,508	194,943
Total foreign assistance-economic	136,658	187,594	182,613	108,403	212,268	1,836,297	1,805,384
Total funds appropriated to the President	138,957	194,587	190,450	111,235	216,881	2,052,582	1,881,990
Agriculture Department:							
Agricultural Research Service:							
Intragovernmental funds (net)	128	55	5	7	−84	−117	81
Other	11,766	21,850	12,791	12,765	13,554	195,392	185,435
Extension Service	695	843	1,364	746	777	70,254	67,341
Farmer Cooperative Service	80	109	89	78	82	641	637
Soil Conservation Service:							
Conservation operations	7,048	9,760	6,771	7,093	7,252	89,008	86,887
Flood prevention, watershed protection, and other	3,720	5,480	3,594	4,462	5,896	59,019	50,157
Great Plains conservation program	465	465	522	835	830	9,042	8,635
Economic Research Service	591	791	657	650	821	8,190	------------
Statistical Reporting Service	618	985	280	650	697	7,681	−7
Agricultural Marketing Service:							
Marketing research and service	2,849	3,982	2,941	2,701	1,677	37,882	45,820
Payments to States and possessions	68	24	10	15	17	1,325	1,195
School lunch program	25,282	15,846	13,354	2,182	407	169,112	154,359
Removal of surplus agricultural commodities	18,071	16,413	9,392	11,082	15,203	[15] 214,833	203,287
Intragovernmental funds (net)	2	2	1	−11	17	23	56
Other	51	85	52	54	59	736	795
Total Agricultural Marketing Service	46,324	36,352	25,748	16,023	17,379	423,911	405,510
Foreign Agricultural Service	1,076	1,319	1,044	2,199	1,919	14,998	13,530
Commodity Exchange Authority	75	118	83	79	79	1,006	964
Agricultural Stabilization and Conservation Service:							
Acreage allotments and marketing quotas	18	3	10,365	8	−80	43,995	43,532
Agricultural conservation program	18,052	6,056	11,392	8,824	10,846	264,198	249,744
Soil bank prgram	−523	515	570	−50	4	343,989	363,212
Emergency conservation measures	233	225	62	94	129	8,797	549
Sugar act program	12,467	6,804	3,432	581	2,620	80,188	72,220
Intragovernmental funds (net)	−24,319	26,536	−10,486	9,016	11,037	−6,017	−3,238
Special export programs	168,486	161,017	136,722	163,183	178,149	1,594,000	------------

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [13]	Fiscal year 1962 July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Agriculture Department—Continued							
Commodity Credit Corporation:							
Public enterprise funds (net):							
Price support, supply, and related programs and special milk [16]	340,052	467,213	18,490	542,288	242,879	260,885	−37,155
Special activities financed by Commodity Credit Corporation [17]	−33,575	3,605	55,867	731	2,652	−685	35,494
Total Commodity Credit Corporation	306,477	470,818	74,357	543,019	245,532	260,200	−1,661
Federal Crop Insurance Corporation:							
Administrative expenses	598	753	481	527	455	500	612
Federal Crop Insurance Corporation fund (net)	−1,648	599	1,944	1,728	−89	−1,835	43
Rural Electrification Administration:							
Loans	27,910	21,852	20,095	33,132	25,083	23,608	20,573
Salaries and expenses	772	1,147	759	776	774	716	758
Farmers Home Administration:							
Regular loans	26,480	34,276	30,985	17,174	10,043	−40,891	----------
Rural housing grants and loans	----------	----------	----------	----------	----------	51,079	11,626
Public enterprise funds (net):							
Direct loan account	----------	----------	----------	−4,266	[5] −73,786	4,854	6,612
Emergency credit revolving fund	−1,222	−389	−1,270	−612	−1,414	−739	2,800
Agricultural credit insurance fund [18]	−2,130	−3,171	−888	−604	−3,015	2,634	1,176
Salaries and expenses	2,661	3,713	2,585	2,752	2,714	2,804	2,798
Total Farmers Home Administration	25,789	34,428	31,412	14,444	−65,458	19,740	25,011
Office of General Counsel	287	401	276	291	272	268	275
Office of Information	80	706	−485	113	293	107	89
Centennial observance of Agriculture	----------	(*)	2	3	3	2	3
National Agricultural Library	86	85	85	82	63	83	91
General administration:							
Intragovernmental funds (net)	−18	28	−54	−36	−218	14	−261
Other	230	341	249	236	228	213	332
Forest Service:							
Acquisition of lands, Klamath Indians	----------	----------	----------	----------	----------	----------	----------
Intragovernmental funds (net)	127	1,147	−1,062	605	−523	37	−477
Other	20,817	32,678	31,706	38,359	20,566	16,582	15,402
Total Agriculture Department	519,593	762,955	482,482	988,675	539,212	605,057	447,303

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Agriculture Department—Continued							
Commodity Credit Corporation:							
Public enterprise funds (net):							
Price support, supply, and related programs and special milk [16]	88,127	170,395	123,965	60,436	−134,443	2,143,133	1,417,529
Special activities financed by Commodity Credit Corporation [17]	−7,451	4,295	7,155	1,979	422,585	492,652	1,989,081
Total Commodity Credit Corporation	80,676	174,690	131,120	62,415	288,142	2,635,784	3,406,610
Federal Crop Insurance Corporation:							
Administrative expenses	857	882	814	758	−1,118	6,120	6,636
Federal Crop Insurance Corporation fund (net)	82	54	−190	−224	649	1,114	−6,801
Rural Electrification Administration:							
Loans	20,097	23,837	23,551	31,179	22,128	293,044	291,478
Salaries and expenses	734	1,099	777	830	778	9,920	9,901
Farmers Home Administration:							
Regular loans	----------	----------	----------	----------	----------	78,066	267,199
Rural housing grants and loans	8,813	8,031	12,628	10,432	3,604	106,214	57,651
Public enterprise funds (net):							
Direct loan account	34,253	19,588	4,045	−3,150	5,405	−6,445	----------
Emergency credit revolving fund	12,335	12,199	8,695	3,239	1,820	35,441	1,475
Agricultural credit insurance fund [18]	3,501	207	−143	−1,027	−3,755	−7,216	−6,144
Salaries and expenses	2,721	3,922	2,999	1,821	2,652	34,140	32,642
Total Farmers Home Administration	61,623	43,946	28,223	11,315	9,726	240,200	352,823
Office of General Counsel	251	405	295	291	298	3,611	3,409
Office of Information	164	165	114	126	123	1,595	1,574
Centennial observance of Agriculture	5	5	10	4	4	41	----------
National Agricultural Library	54	128	79	89	83	1,010	946
General administration:							
Intragovernmental funds (net)	32	103	−55	−1	−3	−468	77
Other	133	344	234	235	227	3,003	3,029
Forest Service:							
Acquisition of lands, Klamath Indians	----------	----------	----------	----------	----------	----------	68,717
Intragovernmental funds (net)	375	646	219	−182	−587	324	−560
Other	13,542	16,578	13,055	15,778	30,148	265,212	246,385
Total Agriculture Department	425,625	542,164	403,253	349,857	602,510	6,668,684	5,929,416

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Commerce Department:							
General administration:							
Public enterprise funds (net)			−8	(*)	(*)	(*)	1
Other	622	1,310	520	1,006	679	647	489
Area Redevelopment Administration:							
Public enterprise funds (net)							
Other	58	138	191	491	687	244	980
Business activities:							
Salaries and expenses:							
Office of Field Services	220	259	328	233	243	238	251
Business and Defense Services Administration	497	93	658	308	−257	427	585
Bureau of Foreign Commerce	425	279	497	231	321	316	383
Promotion of international travel	2	12	19	17	26	33	55
Export control	144	165	173	1,452	163	159	167
Intragovernmental funds (net)	(*)						
Office of Business Economics	132	124	172	126	35	139	130
Bureau of the Census	1,585	2,038	2,766	1,094	1,389	1,400	−118
Coast and Geodetic Survey	1,317	1,383	2,221	2,299	2,200	643	1,794
Inland Waterways Corporation (net)	−850	(*)				−3	−1
Maritime Administration:							
Public enterprise funds (net)	67	−498	−177	110	−1,183	−172	−498
Other	48,095	22,031	19,001	38,440	29,600	27,316	29,364
Patent Office	1,880	1,926	2,551	1,865	2,076	1,941	1,970
Bureau of Public Roads: [19]							
Other	4,212	6,347	4,877	5,550	4,188	2,961	2,153
National Bureau of Standards:							
Intragovernmental funds (net)	−392	2,318	−1,410	145	−1,519	−858	−1,694
Other	2,228	611	3,994	2,037	2,330	2,946	3,933
Weather Bureau	5,273	4,639	6,644	5,832	4,608	4,208	5,251
Total Commerce Department	65,516	43,177	43,016	61,237	45,586	42,586	45,195
Defense Department:							
Military functions:							
Military personnel:							
Office of Secretary of Defense	44,756	97,774	73,139	73,848	74,299	74,537	74,863
Department of the Army	253,540	351,454	352,988	324,941	367,487	369,843	342,661
Department of the Navy	256,733	286,137	266,515	306,456	280,492	279,446	272,839
Department of the Air Force	304,445	385,455	337,060	362,815	351,126	350,019	358,263
Total military personnel	859,473	1,120,819	1,029,702	1,068,059	1,073,405	1,073,844	1,048,626

Expenditures [12]	Fiscal year 1962: February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961 [7]
Commerce Department:							
General administration:							
Public enterprise funds (net)	1	(*)	−1	(*)	1	−7	−7
Other	510	1,128	938	1,295	797	9,942	3,738
Area Redevelopment Administration:							
Public enterprise funds (net)	----------	----------	−1	(*)	----------	−1	----------
Other	234	464	910	1,084	1,858	7,340	----------
Business activities:							
Salaries and expenses:							
Office of Field Services	241	341	257	240	248	3,099	2,605
Business and Defense Services Administration	481	211	479	718	−73	4,129	4,602
Bureau of Foreign Commerce	329	502	424	428	332	4,466	2,996
Promotion of international travel	142	290	202	321	360	1,481	----------
Export control	163	322	168	184	113	3,375	2,933
Intragovernmental funds (net)	----------	----------	----------	----------	----------	(*)	−1
Office of Business Economics	112	213	136	131	98	1,549	1,483
Bureau of the Census	1,565	2,150	1,552	1,888	1,826	19,133	33,624
Coast and Geodetic Survey	1,203	2,461	1,963	1,827	2,320	21,631	18,059
Inland Waterways Corporation (net)	----------	----------	----------	----------	1	−853	(*)
Maritime Administration:							
Public enterprise funds (net)	−21	−13	−242	286	−361	−2,700	−2,260
Other	34,878	21,796	44,181	29,506	16,619	360,828	284,077
Patent Office	1,892	2,690	2,160	1,946	1,964	24,861	23,137
Bureau of Public Roads: [19]							
Other	1,407	1,291	2,040	2,619	4,056	41,701	45,733
National Bureau of Standards:							
Intragovernmental funds (net)	615	1,124	−496	463	910	−795	−119
Other	2,403	2,171	2,336	2,631	2,877	30,497	22,299
Weather Bureau	5,206	6,205	5,502	5,427	5,538	64,334	55,592
Total Commerce Department	51,359	43,348	62,508	50,996	39,485	594,010	498,489
Defense Department:							
Military functions:							
Military personnel:							
Office of Secretary of Defense	75,242	75,598	76,209	76,804	77,372	894,441	786,067
Department of the Army	374,417	370,349	363,080	474,996	469,168	4,414,923	4,036,564
Department of the Navy	281,639	296,013	290,215	287,874	312,497	3,416,856	2,252,282
Department of the Air Force	345,227	350,908	353,510	432,856	374,231	4,305,915	4,009,915
Total military personnel	1,076,525	1,092,868	1,083,014	1,272,531	1,233,268	13,032,135	12,084,828

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [19]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Defense Department—Continued							
Military functions—Continued							
Operation and maintenance:							
Office of Secretary of Defense	3,156	3,921	6,000	2,257	2,455	5,338	3,852
Department of the Army	287,980	309,764	319,611	306,489	331,549	341,026	351,530
Department of the Navy	243,361	212,270	252,649	272,513	297,654	269,835	255,979
Department of the Air Force	341,639	387,675	353,837	387,074	403,991	371,441	387,550
Subtotal	876,136	913,631	932,097	968,333	1,035,650	987,640	998,911
Classification adjustment [20]	−3,800	−3,800	−3,800	−2,818	−3,800	−3,800	−3,800
Total operation and maintenance	872,336	909,831	928,297	965,515	1,031,850	983,840	995,111
Procurement:							
Office of Secretary of Defense	---	---	---	---	---	---	---
Department of the Army	92,179	144,323	124,083	120,413	144,903	142,539	153,834
Department of the Navy	355,301	357,143	397,830	383,617	469,172	455,810	432,320
Department of the Air Force	657,561	679,653	706,921	700,021	702,730	792,395	720,949
Subtotal	1,105,040	1,181,119	1,228,835	1,204,051	1,316,805	1,390,744	1,307,103
Classification adjustment [20]	−6,100	2,900	−1,600	−33,284	−1,600	−1,600	−1,600
Total procurement	1,098,940	1,184,019	1,227,235	1,170,767	1,315,205	1,389,144	1,305,503
Research, development, test, and evaluation:							
Office of Secretary of Defense	13,059	16,823	12,727	13,794	15,915	12,882	11,563
Department of the Army	52,218	91,309	104,926	96,221	103,816	111,032	97,302
Department of the Navy	104,774	101,520	103,459	107,954	108,208	102,593	107,287
Department of the Air Force	117,128	172,221	158,370	153,231	167,268	157,740	184,855
Subtotal	287,178	381,873	379,481	371,200	395,207	384,246	401,008
Classification adjustment [20]	9,900	900	5,400	36,102	5,400	5,400	5,400
Total research, development, test, and evaluation	297,078	382,773	384,881	407,302	400,607	389,646	406,408
Military construction:							
Office of Secretary of Defense	204	2,592	4,474	3,994	11,525	1,306	6,228
Department of the Army	10,768	18,783	19,847	20,482	27,463	25,196	21,603
Department of the Navy	14,816	18,720	19,784	15,251	14,090	18,333	14,152
Department of the Air Force	65,253	69,929	74,863	87,846	83,431	79,045	70,099
Total military construction	91,040	110,025	118,968	127,573	136,509	123,880	112,082
Civil Defense	---	---	1,167	7,670	4,720	3,067	7,172

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Defense Department—Continued							
Military functions—Continued							
Operation and maintenance:							
Office of Secretary of Defense	4, 040	4, 884	3, 256	5, 539	13, 617	58, 314	45, 518
Department of the Army	309, 264	319, 611	317, 699	342, 180	336, 323	3, 873, 028	3, 411, 975
Department of the Navy	237, 007	234, 767	242, 043	266, 184	268, 733	3, 052, 995	2, 868, 018
Department of the Air Force	343, 498	420, 661	388, 046	408, 712	460, 381	4, 654, 506	4, 440, 473
Subtotal	893, 809	979, 923	951, 044	1, 022, 615	1, 079, 054	11, 638, 843	10, 765, 984
Classification adjustment [20]	−3, 800	−3, 800	−3, 800	−3, 800	−4, 096	−44, 914	−154, 521
Total operation and maintenance	890, 009	976, 123	947, 244	1, 018, 815	1, 074, 958	11, 593, 929	10, 611, 463
Procurement:							
Office of Secretary of Defense	----------	----------	----------	----------	----------	----------	----------
Department of the Army	172, 808	187, 158	177, 516	194, 166	161, 304	1, 815, 226	1, 526, 180
Department of the Navy	411, 026	462, 600	448, 374	504, 905	556, 599	5, 234, 698	4, 724, 970
Department of the Air Force	702, 960	824, 585	718, 718	756, 936	887, 893	8, 851, 320	8, 691, 243
Subtotal	1, 286, 794	1, 474, 343	1, 344, 608	1, 456, 008	1, 605, 796	15, 901, 244	14, 942, 393
Classification adjustment [20]	−1, 600	−1, 600	−1, 600	−1, 600	−1, 304, 610	−1, 353, 894	−213, 818
Total procurement	1, 285, 194	1, 472, 743	1, 343, 008	1, 454, 408	301, 186	14, 547, 350	14, 728, 575
Research, development, test, and evaluation:							
Office of Secretary of Defense	14, 037	14, 768	12, 864	21, 643	21, 382	181, 457	195, 576
Department of the Army	91, 099	121, 476	106, 359	131, 117	142, 780	1, 249, 655	1, 081, 729
Department of the Navy	97, 942	111, 006	104, 548	121, 108	128, 349	1, 298, 749	1, 191, 813
Department of the Air Force	193, 238	228, 047	192, 137	225, 407	224, 986	2, 174, 626	1, 659, 464
Subtotal	396, 315	475, 297	415, 909	499, 276	517, 496	4, 904, 487	4, 128, 581
Classification adjustment [20]	5, 400	5, 400	5, 400	5, 400	1, 308, 706	1, 398, 808	368, 339
Total research, development, test, and evaluation	401, 715	480, 697	421, 309	504, 676	1, 826, 202	6, 303, 295	4, 496, 920
Military construction:							
Office of Secretary of Defense	10, 394	−18, 793	31, 460	88	1, 200	54, 674	38, 817
Department of the Army	11, 884	19, 826	7, 990	9, 588	12, 727	206, 157	275, 524
Department of the Navy	15, 385	15, 338	10, 672	16, 262	16, 478	189, 280	276, 227
Department of the Air Force	62, 990	60, 571	68, 353	87, 578	87, 060	897, 018	1, 014, 645
Total military construction	100, 653	76, 942	118, 475	113, 516	117, 466	1, 347, 129	1, 605, 213
Civil Defense	5, 684	5, 371	8, 031	33, 802	13, 750	90, 435	----------

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [13]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Defense Department—Continued							
Military functions—Continued							
Revolving and management funds (net):							
Public enterprise funds:							
Office of Secretary of Defense	4,540	3,599	2,104	1,775	1,835	2,822	2,973
Department of the Army:							
Defense housing	−11	−34	19	−18	7	11	----------
Defense production guarantees	32	−6	−8	−15	−10	−6	−17
Department of the Navy:							
Defense production guarantees	−52	220	−262	−59	−12	−21	−65
Other	−91	4	45	−121	22	49	−19
Department of the Air Force, defense production guarantees	−7	48	−248	−10	−60	329	−69
Civil defense procurement fund	----------	----------	----------	−2	−13	13	(*)
Intragovernmental funds:							
Office of Secretary of Defense	----------	----------	----------	----------	----------	----------	−6,123
Department of the Army	−3,798	−2,522	−32,493	11,965	−10,602	3,047	−18,266
Department of the Navy	−28,505	44,456	−73,274	10,539	−6,853	13,191	22,798
Department of the Air Force	−12,467	3,190	−2,061	4,860	−19,317	1,401	5,619
Total revolving and management funds	−40,359	48,954	−106,177	28,913	−35,003	20,837	6,831
Total military functions	3,178,509	3,756,421	3,584,073	3,775,799	3,927,293	3,984,258	3,881,734
Military assistance:							
Office of Secretary of Defense:							
Repayment of credit sales [21]	−1,332	−1,553	−535	−906	−2,013	−4,312	−1,117
Other	1,889	6,139	3,294	4,852	1,077	1,308	3,893
Department of the Army	12,798	22,459	14,620	19,542	21,930	55,219	85,280
Department of the Navy	3,138	5,370	20,127	20,675	7,418	15,768	10,500
Department of the Air Force	9,548	17,189	24,228	16,622	78,535	18,931	62,566
Agency for International Development [14]	100	1,156	46	293	206	357	149
All other agencies	162	1,064	236	447	285	332	591
Total military assistance	26,303	51,824	62,016	61,524	107,438	87,603	161,862
Total military	3,204,812	3,808,245	3,646,089	3,837,323	4,034,731	4,071,861	4,043,595
Civil functions:							
Army:							
Corps of Engineers:							
Rivers and harbors and flood control	62,306	93,296	92,815	94,763	92,037	75,311	65,191
Intragovernmental funds (net)	574	1,039	−1,944	−2,738	−3,160	1,983	3,616

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Defense Department—Continued							
Military functions—Continued							
Revolving and management funds (net):							
Public enterprise funds:							
Office of Secretary of Defense	514	2,931	2,531	1,259	1,496	28,378	38,738
Department of the Army:							
Defense housing	----	----	----	----	----	−25	−25
Defense production guarantees	−20	−12	−33	−27	−12	−133	−243
Department of the Navy:							
Defense production guarantees	2,727	180	−59	−8	440	3,028	−480
Other	−42	38	−78	57	50	−87	−137
Department of the Air Force, defense production guarantees	28	80	−3,830	−5	−10	−3,754	−544
Civil defense procurement fund	2	−6	12	20	−10	17	----
Intragovernmental funds:							
Office of Secretary of Defense	18,141	−5,153	−20,856	8,717	−13,698	−18,973	----
Department of the Army	−12,866	−2,239	17,509	−15,436	−66,499	−132,199	−201,413
Department of the Navy	−5,365	68,181	19,811	−10,346	10,032	64,664	−98,396
Department of the Air Force	6,314	−366	−18,440	23,709	−32,275	−39,835	−37,502
Total revolving and management funds	9,433	63,634	−3,434	7,940	−100,487	−98,918	−300,002
Total military functions	3,769,214	4,168,377	3,917,648	4,405,687	4,466,343	46,815,355	43,226,997
Military assistance:							
Office of Secretary of Defense:							
Repayment of credit sales [21]	−1,403	−511	−1	−740	−150	−14,572	−17,567
Other	1,628	5,926	2,062	4,565	2,539	39,172	141,946
Department of the Army	28,638	83,859	57,816	37,859	171,120	611,139	643,943
Department of the Navy	18,748	10,148	11,760	18,179	40,650	182,480	168,426
Department of the Air Force	50,280	69,905	54,461	62,155	97,034	561,453	501,344
Agency for International Development [14]	75	72	106	23	391	2,975	4,019
All other agencies	456	379	2,574	319	519	7,363	6,520
Total military assistance	98,424	169,778	128,778	122,359	312,103	1,390,011	1,448,630
Total military	3,867,638	4,338,156	4,046,426	4,528,045	4,778,446	48,205,366	44,675,627
Civil functions:							
Army:							
Corps of Engineers:							
Rivers and harbors and flood control	54,811	71,073	67,160	74,399	103,002	946,164	931,639
Intragovernmental funds (net)	2,740	−2,538	1,759	−708	266	890	−5,502

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [13]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Defense Department—Continued							
Civil functions—Continued							
Army—Continued							
The Panama Canal:							
Canal Zone Government	(*)	3,441	1,932	1,626	2,004	1,880	1,808
Panama Canal Company:							
Public enterprise funds (net)	−88	−1,428	−1,782	3,924	−327	−4,403	2,900
Thatcher Ferry Bridge [22]	-----------	471	931	824	991	1,687	922
Total the Panama Canal	−88	2,484	1,081	6,374	2,668	−836	5,629
Payment of Texas City claims	21	14	−14	2	−1	(*)	11
Other	1,309	1,269	1,038	996	1,706	1,200	789
Air Force, wildlife conservation, etc	1	2	1	1	4	2	2
Total civil functions	64,122	98,105	92,978	99,399	93,254	77,660	75,239
Total Defense Department	3,268,934	3,906,350	3,739,068	3,936,722	4,127,984	4,149,520	4,118,834
Health, Education, and Welfare Department:							
Food and Drug Administration	1,714	2,313	1,736	1,535	1,599	1,441	2,519
Office of Education:							
Assistance for school construction	5,368	5,277	5,265	4,710	5,742	2,229	3,480
Defense educational activities	804	61,110	6,359	10,641	4,370	4,559	42,188
Payments to school districts	6,955	11,441	13,906	15,117	14,209	20,929	22,923
Other	21,166	4,429	2,748	8,315	−304	3,112	4,999
Office of Vocational Rehabilitation	15,333	4,645	3,363	18,075	1,007	1,965	17,538
Public Health Service:							
Hospital construction activities	8,805	15,429	12,528	12,682	14,752	13,078	14,551
Emergency health activities	-----------	-----------	-----------	1,255	390	240	132
National Institutes of Health	29,857	48,589	61,473	35,073	51,612	49,242	61,946
Operation of commissaries, narcotic hospitals (net)	9	(*)	1	1	(*)	−3	−6
Other	18,311	29,353	19,256	19,347	27,054	24,055	9,036
Total Public Health Service	56,983	93,371	93,258	68,359	93,809	86,612	85,659
Saint Elizabeths Hospital	1,480	2,551	−1,802	572	440	559	586
Social Security Administration:							
Grants to States for public assistance	205,287	225,716	184,047	220,691	212,813	186,991	230,757
Grants for maternal and child welfare	7,751	3,538	1,093	13,376	2,844	9,625	6,960
Operating funds, Bureau of Federal Credit Unions (net)	74	71	123	−43	94	−58	−386
Other	470	699	484	200	541	735	758

Expenditures [13]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Defense Department—Continued							
Civil functions—Continued							
Army—Continued							
The Panama Canal:							
Canal Zone Government	2,290	2,160	2,148	2,122	2,113	23,524	22,627
Panama Canal Company:							
Public enterprise funds (net)	−45	−1,961	3,782	−2,316	3,469	1,724	5,902
Thatcher Ferry Bridge [22]	1,783	908	752	659	876	10,806	2,256
Total the Panama Canal	4,029	1,107	6,682	466	6,458	36,054	30,786
Payment of Texas City claims	−11		1			23	160
Other	2,907	1,078	1,069	834	1,982	16,179	15,246
Air Force, wildlife conservation, etc	2	1	9	2	2	30	30
Total civil functions	64,477	70,721	76,679	74,994	111,711	999,337	972,358
Total Defense Department	3,932,115	4,408,877	4,123,105	4,603,039	4,890,157	49,204,704	45,647,985
Health, Education, and Welfare Department:							
Food and Drug Administration	1,621	1,746	1,799	1,676	1,788	21,487	18,737
Office of Education:							
Assistance for school construction	4,131	4,865	4,820	5,481	5,123	56,490	71,042
Defense educational activities	6,955	20,584	4,361	7,380	12,047	181,359	143,139
Payments to school districts	28,159	26,423	17,240	23,014	26,103	226,419	207,749
Other	6,797	19,138	3,249	3,125	1,727	78,502	68,845
Office of Vocational Rehabilitation	2,015	2,198	14,814	1,755	2,004	84,713	70,489
Public Health Service:							
Hospital construction activities	15,144	17,528	13,192	13,124	15,220	166,034	158,185
Emergency health activities	666	85	142	186	215	3,311	
National Institutes of Health	53,949	50,072	33,016	60,850	45,072	580,751	442,448
Operation of commissaries, narcotic hospitals (net)	5	−3	−4	8	−6	2	−9
Other	30,265	25,249	18,611	32,049	25,400	277,987	255,662
Total Public Health Service	100,028	92,931	64,957	106,218	85,901	1,028,085	856,286
Saint Elizabeths Hospital	855	484	720	400	686	7,531	5,216
Social Security Administration:							
Grants to States for public assistance	211,792	189,613	230,330	143,275	190,828	2,432,141	2,166,986
Grants for maternal and child welfare	3,439	9,028	6,115	2,971	1,512	68,251	51,522
Operating funds, Bureau of Federal Credit Unions (net)	−95	−9	37	8	22	−162	−139
Other	549	540	712	699	801	7,186	5,819

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Health, Education, and Welfare Department—Continued							
Special institutions:							
American Printing House for the Blind	----------	400	----------	270	----------	----------	----------
Freedmen's Hospital	270	475	300	228	115	316	454
Gallaudet College	170	394	426	123	528	292	143
Howard University	455	337	571	551	732	688	805
Office of the Secretary:							
Intragovernmental funds (net)	−92	11	−31	−98	−147	−370	225
Other	713	1,084	709	−1,745	743	761	1,231
Total Health, Education, and Welfare Department	324,902	417,862	312,555	360,877	339,134	320,385	420,839
Interior Department:							
Public Land Management:							
Bureau of Land Management	3,927	20,109	25,495	3,952	3,247	2,959	3,247
Bureau of Indian Affairs:							
Public enterprise funds (net):							
Revolving fund for loans	133	96	−85	37	−342	−71	−116
Other	(*)	(*)	−1	(*)	(*)	(*)	(*)
Other	10,572	14,251	12,429	12,962	13,184	11,168	12,847
National Park Service	7,276	11,530	10,684	10,930	8,141	7,340	6,291
Bureau of Outdoor Recreation	----------	----------	----------	----------	----------	----------	----------
Office of Territories:							
Public enterprise funds (net)	----------	−4	−6	7	−3	−4	−6
Other	93	4,842	307	5,740	2,994	2,128	285
The Alaska Railroad (net)	49	72	−295	−394	−306	−11	−232
Mineral resources:							
Geological Survey	4,779	7,784	3,981	3,514	2,916	4,161	3,156
Bureau of Mines:							
Public enterprise funds (net)	277	594	−2,200	341	493	27	−485
Other	2,674	3,753	2,829	2,619	2,386	2,639	2,534
Office of Coal Research	12	18	17	20	14	62	15
Office of Minerals Exploration	21	46	28	33	30	23	41
Office of Oil and Gas	38	56	36	39	38	40	40
Office of Minerals Mobilization	----------	----------	----------	----------	----------	----------	----------
Fish and Wildlife Service:							
Office of Commissioner of Fish and Wildlife	27	42	24	31	25	26	32
Bureau of Commercial Fisheries:							
Public enterprise funds (net)	−98	−61	236	39	547	31	386
Other	1,121	2,342	1,746	2,893	1,792	1,634	2,587
Bureau of Sport Fisheries and Wildlife	3,201	5,064	3,618	5,375	4,853	5,044	3,951

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Health, Education, and Welfare Department—Continued							
Special institutions:							
American Printing House for the Blind	-----	-----	-----	-----	-----	670	400
Freedmen's Hospital	344	91	385	165	349	3,493	3,416
Gallaudet College	412	248	240	92	101	3,169	1,678
Howard University	787	727	710	744	684	7,792	6,294
Office of the Secretary:							
Intragovernmental funds (net)	90	103	−343	150	151	−350	34
Other	791	806	782	1,585	1,216	8,676	7,192
Total Health, Education, and Welfare Department	368,672	369,515	350,927	298,736	331,044	4,215,450	3,684,705
Interior Department:							
Public Land Management:							
Bureau of Land Management	21,351	3,681	2,758	3,214	3,770	97,709	91,741
Bureau of Indian Affairs:							
Public enterprise funds (net):							
Revolving fund for loans	89	456	456	745	388	1,786	266
Other	(*)	(*)	(*)	(*)	−1	−3	1
Other	9,680	13,629	10,812	13,297	13,028	147,859	131,009
National Park Service	5,390	6,452	5,347	5,767	8,325	93,472	89,551
Bureau of Outdoor Recreation	-----	-----	-----	2	17	19	-----
Office of Territories:							
Public enterprise funds (net)	−5	−6	25	(*)	8	6	−34
Other	3,289	115	76	2,986	123	22,977	17,404
The Alaska Railroad (net)	6	−45	-----	−126	−200	−1,483	−109
Mineral resources:							
Geological Survey	3,795	5,470	2,883	4,534	2,936	49,909	44,332
Bureau of Mines:							
Public enterprise funds (net)	−44	2,054	−1,469	299	1,068	955	941
Other	2,502	3,838	2,526	2,717	2,807	33,824	31,828
Office of Coal Research	51	44	26	52	41	373	47
Office of Minerals Exploration	37	24	35	17	46	380	392
Office of Oil and Gas	40	58	40	45	40	510	504
Office of Minerals Mobilization	-----	-----	-----	-----	-----	-----	(*)
Fish and Wildlife Service:							
Office of Commissioner of Fish and Wildlife	24	38	22	28	29	349	342
Bureau of Commercial Fisheries:							
Public enterprise funds (net)	−92	−127	38	4	51	956	1,172
Other	1,581	1,934	2,036	1,948	2,000	23,614	15,953
Bureau of Sport Fisheries and Wildlife	4,283	4,716	4,714	4,470	5,224	54,514	53,682

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [13]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Interior Department—Continued							
Water and Power Development:							
Bureau of Reclamation:							
Public enterprise funds (net):							
Continuing fund for emergency expenses, Fort Peck project, Montana	36	53	89	−616	123	79	74
Upper Colorado River Basin fund	7,135	7,888	8,242	9,111	10,485	6,842	6,060
Other	20,289	21,844	20,905	27,512	19,263	21,505	19,650
Total Bureau of Reclamation	27,461	29,785	29,235	36,007	29,872	28,426	25,784
Bonneville Power Administration	2,992	3,122	2,631	2,575	2,399	2,330	2,083
Southeastern Power Administration	22	34	24	20	47	34	37
Southwestern Power Administration	501	677	321	502	511	344	442
Office of Saline Water	623	648	299	315	379	480	250
Secretarial offices:							
Office of the Solicitor	268	401	284	281	265	267	213
Office of the Secretary	276	339	360	7	269	285	19
Virgin Islands Corporation (net)	([23])	98	228	387	590	−1,247	70
Total Interior Department	66,247	105,640	92,227	88,230	74,339	68,115	63,470
Justice Department:							
Legal activities and general administration	3,496	4,023	4,787	3,972	4,059	4,649	4,212
Federal Bureau of Investigation	9,468	10,291	14,020	9,004	9,891	9,611	9,963
Immigration and Naturalization Service	5,152	5,679	5,956	4,911	4,757	5,065	4,783
Federal Prison System:							
Federal Prison Industries, Inc. (net)	70	−806	67	−730	−1,038	539	−887
Other	4,434	6,224	4,148	5,054	4,025	4,665	5,478
Total Justice Department	22,620	25,410	28,978	22,211	21,693	24,529	23,548
Labor Department:							
Office of the Secretary	419	[24] −83	−362	1,311	300	596	645
Bureau of Labor-Management Reports	527	382	427	362	412	553	368
Bureau of International Labor Affairs	26	36	23	69	43	61	49
Office of the Solicitor	374	281	329	279	270	447	281
Bureau of Labor Standards	258	194	305	188	196	316	223
Bureau of Veterans' Reemployment Rights	65	49	53	41	45	68	42
Bureau of Apprenticeship and Training	476	337	374	341	339	503	328
Bureau of Employment Security:							
Grants to States for unemployment compensation and employment service administration [25]							34

Expenditures [13]	Fiscal year 1962 February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961 [7]
Interior Department—Continued							
Water and Power Development:							
Bureau of Reclamation:							
Public enterprise funds (net):							
Continuing fund for emergency expenses, Fort Peck project, Montana	56	59	75	−2,690	176	−2,485	−1,547
Upper Colorado River Basin fund	5,352	5,002	8,880	8,280	9,193	92,471	56,979
Other	16,341	20,023	17,812	18,693	18,447	242,284	210,639
Total Bureau of Reclamation	21,749	25,085	26,767	24,283	27,817	332,270	266,070
Bonneville Power Administration	2,096	2,365	1,931	2,718	2,211	29,453	36,632
Southeastern Power Administration	22	35	31	31	26	362	423
Southwestern Power Administration	611	498	374	452	405	5,640	5,715
Office of Saline Water	−117	319	139	380	399	4,113	3,346
Secretarial offices:							
Office of the Solicitor	272	401	269	285	286	3,493	3,356
Office of the Secretary	284	363	294	284	360	3,141	2,759
Virgin Islands Corporation (net)	51	389	410	510	132	1,617	3,484
Total Interior Department	76,944	71,787	60,541	68,941	71,335	907,816	800,809
Justice Department:							
Legal activities and general administration	4,154	4,985	4,239	4,641	4,988	52,203	48,144
Federal Bureau of Investigation	9,835	14,231	9,969	9,946	10,254	126,483	125,048
Immigration and Naturalization Service	4,790	7,122	4,900	4,985	5,116	63,216	61,985
Federal Prison System:							
Federal Prison Industries, Inc. (net)	−902	3,955	−4,380	−66	−122	−4,302	−2,871
Other	4,680	4,308	4,550	4,805	4,471	56,841	51,920
Total Justice Department	22,556	34,600	19,278	24,310	24,708	294,441	284,226
Labor Department:							
Office of the Secretary	1,265	2,350	783	587	872	8,683	1,938
Bureau of Labor-Management Reports	427	382	418	432	452	5,144	5,656
Bureau of International Labor Affairs	62	3	46	46	−246	217	----------
Office of the Solicitor	358	282	315	287	320	3,825	2,825
Bureau of Labor Standards	344	227	248	236	239	2,973	2,638
Bureau of Veterans' Reemployment Rights	56	44	46	47	48	606	639
Bureau of Apprenticeship and Training	417	358	407	401	414	4,694	4,310
Bureau of Employment Security:							
Grants to States for unemployment compensation and employment service administration [25]	9	----------	----------	----------	----------	43	2,164

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [13]	Fiscal year 1962: July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Labor Department—Continued							
Bureau of Employment Security—Continued							
Advances to employment security administration account, unemployment trust fund (net)	30,550	30,300	34,000	----------	63,600	40,600	34,850
Payment to the Federal extended compensation account	----------	29,833	----------	50,000	40,000	41,331	[26] 42,556
Unemployment compensation for Federal employees and ex-servicemen	9,096	9,490	11,323	12,105	10,482	9,817	11,200
Farm labor supply revolving fund (net)	13	−184	−985	337	132	466	113
Temporary unemployment compensation	−17	−17	−26	−39	−6	(*)	----------
Other	276	246	83	363	227	237	189
Total Bureau of Employment Security	39,919	69,667	44,395	62,767	114,434	92,451	88,942
Bureau of Employees' Compensation	5,339	5,594	5,295	5,548	6,778	5,367	5,582
Bureau of Labor Statistics	1,186	869	972	852	1,252	1,406	1,628
Women's Bureau	59	43	55	48	40	54	42
Wage and Hour Division	1,317	999	1,220	1,814	1,088	1,491	1,045
Total Labor Department	49,964	78,368	53,086	73,620	125,197	103,312	99,176
Post Office Department:							
Payment for public services	----------	6,112	3,710	4,094	5,125	6,294	6,333
Public enterprise funds (net)-postal fund	6,543	87,229	82,955	25,135	41,245	25,743	23,659
Total Post Office Department [27]	6,543	93,341	86,665	29,229	46,370	32,037	29,992
State Department:							
Administration of foreign affairs:							
Salaries and expenses	487	14,831	15,678	18,568	9,325	18,324	18,760
Acquisition, operation, and maintenance of buildings abroad	438	1,940	955	1,322	4,722	−1,275	1,131
Payment to foreign service retirement and disability fund	----------	----------	----------	----------	----------	----------	----------
Intragovernmental funds (net)	187	−218	120	−65	23	−51	75
Other	763	249	220	465	356	347	246
Total administration of foreign affairs	1,875	16,801	16,973	20,290	14,427	17,346	20,211
International organizations and conferences:							
Contributions to international organizations	71,664	2,756	49	14,710	10	471	2,685
Other	193	403	311	333	312	368	334
International commissions	1,647	444	1,176	973	629	736	1,239
Educational exchange	4,742	4,698	1,552	1,721	2,490	1,353	4,136
Other	71	36	283	1,106	10	26	1,935
Total State Department	80,192	25,140	20,343	39,133	17,878	20,299	30,540

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Labor Department—Continued							
Bureau of Employment Security—Continued							
Advances to employment security administration account, unemployment trust fund (net)	−288,871				86,412	31,440	48,590
Payment to the Federal extended compensation account	41,250	32,287	28,989	19,060	7,615	332,922	498,139
Unemployment compensation for Federal employees and ex-servicemen	15,374	9,477	11,006	8,781	11,210	129,359	171,043
Farm labor supply revolving fund (net)	38	−38	−220	−227	188	−366	−788
Temporary unemployment compensation	−72		−1			−178	−399
Other	203	195	188	203	203	2,613	3,124
Total Bureau of Employment Security	−232,069	41,922	39,962	27,818	105,626	495,833	721,871
Bureau of Employees' Compensation	5,489	5,688	5,655	6,018	5,346	67,698	65,585
Bureau of Labor Statistics	1,141	1,282	1,477	1,037	1,228	14,329	12,299
Women's Bureau	50	49	51	84	1	575	541
Wage and Hour Division	1,208	1,093	1,405	1,302	1,236	15,218	12,230
Total Labor Department	−221,252	53,681	50.813	38,295	115,536	619,796	830,532
Post Office Department:							
Payment for public services	4,798	9,662	5,323	5,049	6,200	62,700	49,000
Public enterprise funds (net)-postal fund	82,229	131,596	39,848	69,260	118,735	734,176	864,985
Total Post Office Department [27]	87,027	[28] 141,258	45,171	74,309	124,935	796,876	913,985
State Department:							
Administration of foreign affairs:							
Salaries and expenses	15,303	3,666	3,216	15,950	−11,994	[29] 122,114	126,201
Acquisition, operation, and maintenance of buildings abroad	1,152	975	3,251	1,328	1,109	17,048	15,442
Payment to foreign service retirement and disability fund							2,540
Intragovernmental funds (net)	−15	−35	3	24	165	214	101
Other	369	318	148	246	293	4,021	7,600
Total administration of foreign affairs	16,810	4,925	6,618	17,548	−10,426	143,398	151,884
International organizations and conferences:							
Contributions to international organizations	20	762	348	17	328	93,820	48,271
Other	288	449	458	300	589	4,338	4,399
International commissions	1,101	1,002	1,335	1,219	1,022	12,524	6,940
Educational exchange	7,444	5,015	3,280	3,659	8,221	48,312	37,337
Other	15	111	222	213	146	4,173	9,086
Total State Department	25,678	12,265	12,260	22,955	−119	306,564	257,916

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962: July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Treasury Department:							
Office of the Secretary:							
Public enterprise funds (net):							
Reconstruction Finance Corporation liquidation fund	−14	−128	−73	−95	−116	−80	−50
Federal Farm Mortgage Corporation liquidation fund					(*)	(*)	(*)
Civil defense program fund	6	−9	−8	−6	−6	−74	−6
Intragovernmental funds (net)			−14		1	(*)	(*)
Other	284	440	304	279	395	324	477
Bureau of Accounts:							
Interest on uninvested funds	101		4,150	5	26	798	130
Payment to unemployment trust fund							
Claims, judgments, and relief acts	535	569	334	38,034	464	329	770
Government losses in shipment fund (net)	6	26	12	2	5	15	(*)
Salaries and expenses	4,512	1,855	1,413	3,919	1,043	1,477	4,283
Other							
Bureau of the Public Debt	2,060	3,748	5,179	3,657	5,234	2,766	3,715
Office of the Treasurer:							
Check forgery insurance fund (net)	1	−10	−5	4	4	5	−3
Other	413	1,744	849	2,170	1,337	1,227	1,758
Bureau of Customs:							
Intragovernmental funds (net)		−1,212	126	−912	225	441	236
Other	4,803	7,240	4,932	4,787	4,624	4,819	7,041
Internal Revenue Service:							
Interest on refunds of taxes	7,893	9,413	8,740	5,372	3,950	5,759	5,340
Payments to Puerto Rico for taxes collected	2,808	1,672	3,496	4,268	2,009	3,141	2,247
Salaries and expenses	31,510	47,764	32,469	32,972	34,783	33,879	50,990
Bureau of Narcotics	322	457	334	356	327	331	471
U.S. Secret Service	457	713	506	546	492	525	731
Bureau of the Mint	596	486	722	802	606	878	617
Bureau of Engraving and Printing:							
Intragovernmental funds (net)	1,021	−462	−395	−536	−794	−275	1,204
Other	65	66	65	71	78	94	71
U.S. Coast Guard:							
Intragovernmental funds (net)	−2,547	160	−112	−253	644	294	−400
Other	26,948	25,421	22,598	25,398	9,875	23,781	28,151
Interest on the public debt: [30]							
Public issues	659,582	624,402	620,434	608,323	636,845	677,770	702,098
Special issues	105,086	105,611	106,844	104,267	103,385	103,100	100,917
Total interest on the public debt	764,668	730,012	727,278	712,590	740,229	780,870	803,016
Total Treasury Department	846,447	829,967	812,898	833,428	805,434	861,323	910,790

Expenditures[13]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961[7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Treasury Department:							
Office of the Secretary:							
Public enterprise funds (net):							
Reconstruction Finance Corporation liquidation fund	−19	−193	−106	−73	−435	−1,380	−3,952
Federal Farm Mortgage Corporation liquidation fund	(*)	(*)		(*)	−275	−274	
Civil defense program fund	−6	−4	−9	−6	−8	−138	−137
Intragovernmental funds (net)		(*)	(*)	−1	14	(*)	1
Other	311	370	342	339	331	4,196	3,555
Bureau of Accounts:							
Interest on uninvested funds	4,300		26	723	99	10,357	10,068
Payment to unemployment trust fund							1,216
Claims, judgments, and relief acts	347	674	525	162	399	43,141	28,998
Government losses in shipment fund (net)	2	1	(*)	(*)	(*)	67	86
Salaries and expenses	1,020	1,310	4,798	1,251	1,265	28,145	24,115
Other							1
Bureau of the Public Debt	2,785	6,352	2,886	5,551	3,214	47,146	47,260
Office of the Treasurer:							
Check forgery insurance fund (net)	3	(*)	1	−2	1	(*)	11
Other	1,242	1,193	1,208	1,351	1,219	15,710	16,737
Bureau of Customs:							
Intragovernmental funds (net)	205	225	215	236	215		
Other	5,003	4,822	4,863	4,894	4,870	62,699	58,896
Internal Revenue Service:							
Interest on refunds of taxes	4,558	4,237	3,204	4,256	5,086	67,806	82,749
Payments to Puerto Rico for taxes collected	1,000	3,624	2,401	1,362	1,749	29,777	24,998
Salaries and expenses	34,941	35,763	36,009	36,350	35,706	443,134	408,092
Bureau of Narcotics	358	345	349	358	348	4,356	4,276
U.S. Secret Service	621	538	525	526	530	6,710	6,263
Bureau of the Mint	573	627	561	415	429	7,311	5,799
Bureau of Engraving and Printing:							
Intragovernmental funds (net)	−623	641	−281	462	18	−20	569
Other	36	26	34	17	21	645	124
U.S. Coast Guard:							
Intragovernmental funds (net)	350	930	−314	922	626	300	51
Other	24,529	19,788	21,232	27,457	28,379	283,557	276,154
Interest on the public debt:[30]							
Public issues	654,782	631,418	676,572	671,813	693,595	7,857,633	7,707,134
Special issues	100,230	101,131	100,622	103,093	127,840	1,262,126	1,250,108
Total interest on the public debt	755,012	732,549	777,195	774,905	821,435	9,119,760	8,957,242
Total Treasury Department	836,547	813,818	855,662	861,457	905,236	10,173,006	9,953,171

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [13]	Fiscal year 1962 July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Atomic Energy Commission	232,017	226,894	204,170	226,312	223,257	216,260	245,046
Federal Aviation Agency	50,305	72,426	54,628	61,455	51,595	61,138	52,812
General Services Administration:							
Real property activities:							
Construction, public buildings projects	3,055	4,859	3,972	5,239	6,254	6,984	6,808
Repair and improvement of public buildings	2,887	5,657	5,297	7,874	6,851	4,236	5,734
Intragovernmental funds (net)	5,172	−1,553	3,627	−14,661	−9,871	9,000	−9,690
Other	14,939	19,797	19,429	25,377	17,276	15,069	33,524
Personal property activities:							
Intragovernmental funds (net)	−6,429	4,331	1,148	6,064	2,541	2,377	7,746
Other	2,890	1,934	3,247	3,391	2,691	2,507	4,053
Utilization and disposal activities	55	460	802	969	734	799	801
Records activities	1,032	1,004	1,669	1,225	1,086	1,109	1,122
Transportation and communications activities	217	157	270	254	160	355	250
Defense materials activities:							
Public enterprise funds (net)	(*)	−25	(*)	(*)	−24	1	2
Intragovernmental funds (net)	(*)	−1	(*)				
Strategic and critical materials	1,369	2,359	2,862	3,505	2,688	3,070	3,337
General activities:							
Public enterprise funds (net)	−49	−18	3	−32	(*)	1	−33
Intragovernmental funds (net)	−1,460	1,283	414	−2,959	1,123	1,220	−2,578
Other	45	44	143	176	158	142	123
Total General Services Administration	23,722	40,288	42,882	36,423	31,667	46,869	51,198
Housing and Home Finance Agency:							
Office of the Administrator:							
Public enterprise funds (net):							
College housing loans	12,599	28,754	12,756	12,417	9,085	18,004	14,388
Liquidating programs	−3,103	−310	−90	−113	−93	−144	−489
Urban renewal fund	13,061	11,137	22,527	19,812	3,414	18,765	17,015
Other	941	2,924	539	332	2,202	2,509	6,422
Other	1,247	1,812	2,207	2,255	1,900	1,827	1,202
Total Office of the Administrator	24,745	44,317	37,939	34,703	16,508	40,962	38,537
Federal National Mortgage Association (net):							
Subscription to capital stock, secondary market operations							
Loans for secondary market operations	18,290	20,340	−29,590	69,700	83,160	−57,880	−64,700
Management and liquidating functions fund	−1,378	−18,632	−23,164	−30,350	−6,041	−463	−8,914
Special assistance functions fund	34,700	4,259	3,599	4,501	−4,993	4,136	42,143
Total Federal National Mortgage Association	51,612	5,968	−49,155	43,852	72,126	−54,207	−31,470

Expenditures [12]	Fiscal year 1962 February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961 [7]
Atomic Energy Commission	226, 096	249, 220	254, 154	252, 773	249, 431	2, 805, 631	2, 713, 465
Federal Aviation Agency	53, 697	68, 159	51, 932	55, 781	64, 481	698, 410	638, 465
General Services Administration:							
Real property activities:							
Construction, public buildings projects	6, 694	6, 925	6, 103	6, 398	8, 047	71, 336	68, 983
Repair and improvement of public buildings	3, 301	3, 993	5, 300	3, 821	4, 511	59, 462	49, 422
Intragovernmental funds (net)	−2, 540	17, 860	−22, 940	−8, 297	17, 661	−16, 233	3, 031
Other	7, 223	1, 616	35, 812	9, 187	5, 568	204, 817	187, 797
Personal property activities:							
Intragovernmental funds (net)	5, 087	1, 455	−3, 471	1, 642	9, 621	32, 111	−4, 521
Other	2, 277	2, 140	4, 557	1, 877	1, 678	33, 242	31, 047
Utilization and disposal activities	667	774	927	787	808	8, 583	1, 474
Records activities	1, 009	1, 382	1, 286	1, 021	1, 015	13, 960	13, 810
Transportation and communications activities	226	277	517	272	498	3, 453	2, 495
Defense materials activities:							
Public enterprise funds (net)	−22	(*)	(*)	−18	(*)	−86	−653
Intragovernmental funds (net)	----------	----------	----------	----------	----------	−1	75
Strategic and critical materials	1, 916	3, 085	3, 907	2, 398	3, 140	33, 635	35, 244
General activities:							
Public enterprise funds (net)	−4	−3	−60	(*)	−1	−195	−1, 864
Intragovernmental funds (net)	1, 089	1, 795	−2, 813	1, 194	1, 364	−328	−309
Other	128	173	129	119	125	1, 503	893
Total General Services Administration	27, 052	41, 471	29, 252	20, 401	54, 035	445, 259	386, 924
Housing and Home Finance Agency:							
Office of the Administrator:							
Public enterprise funds (net):							
College housing loans	30, 348	9, 674	15, 753	22, 112	41, 451	227, 341	198, 175
Liquidating programs	−35	−225	−161	−696	−192	−5, 651	−87, 622
Urban renewal fund	20, 826	14, 141	14, 292	38, 602	33, 357	226, 949	144, 538
Other	4, 551	3, 384	1, 557	3, 638	1, 484	30, 484	9, 955
Other	−1, 174	2, 742	1, 555	1, 734	2, 203	19, 510	13, 850
Total Office of the Administrator	54, 516	29, 715	32, 996	65, 391	78, 304	498, 633	278, 895
Federal National Mortgage Association (net):							
Subscription to capital stock, secondary market operations	----------	----------	----------	----------	----------	----------	16, 000
Loans for secondary market operations	31, 540	−26, 650	−24, 860	1, 470	−20, 820	----------	----------
Management and liquidating functions fund	−14, 068	−29, 791	−8, 124	−22, 298	−13, 691	−176, 914	−74, 448
Special assistance functions fund	−1, 773	−3, 878	−11, 550	13, 102	−30, 687	53, 559	133, 687
Total Federal National Mortgage Association	15, 699	−60, 319	−44, 535	−7, 727	−65, 198	−123, 355	75, 239

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962 July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Housing and Home Finance Agency—Continued							
Federal Housing Administration (net)	2,801	−1,093	21,922	32,239	13,615	11,567	30,291
Public Housing Administration (net)	28,100	14,944	2,832	17,596	15,516	552	13,630
Total Housing and Home Finance Agency	107,258	64,136	13,537	128,390	117,765	−1,126	50,988
National Aeronautics and Space Administration	67,774	89,475	71,909	74,809	97,199	80,471	95,556
Veterans' Administration:							
Compensation, pensions, and benefit programs	317,670	322,885	317,575	321,523	328,516	330,380	328,761
Public enterprise funds (net):							
Direct loans to veterans and reserves	847	22,534	4,716	12,255	13,381	14,813	32,751
Loan guaranty revolving fund	10,072	15,938	5,897	18,348	11,311	13,604	7,092
Other	−1,940	−860	−870	−1,925	−1,600	28,378	−3,237
Other	95,545	132,001	93,966	99,285	98,299	96,895	137,435
Total Veterans' Administration	422,193	492,498	421,285	449,487	449,906	484,070	502,802
Other independent agencies:							
Advisory Commission on Intergovernmental Relations	13	13	19	25	21	16	30
Alaska International Rail and Highway Commission	3	1	------	------	(*)	------	------
American Battle Monuments Commission	175	175	144	156	124	144	196
Central Intelligence Agency—construction	930	923	962	622	442	620	675
Civil Aeronautics Board	7,142	8,053	7,145	6,679	6,958	7,167	8,264
Civil Service Commission:							
Payment to civil service retirement and disability fund	------	[31] 44,637	[32] −44,637	------	------	------	------
Government payment for annuitants, employees health benefits fund	------	[31] 4,500	[32] −1,623	------	------	------	------
Government contribution, retired employees health benefits fund	[33] 3,167	[31] 15,833	[32] −5,200	------	------	------	------
Other	1,599	2,917	1,610	2,326	1,496	2,136	2,760
Total Civil Service Commission	4,766	67,887	−49,850	2,326	1,496	2,136	2,760
Commission of Fine Arts	5	7	4	6	5	5	6
Commission on Civil Rights	59	70	70	58	60	43	77
Delaware River Basin Commission	------	------	------	------	------	------	------
Export-Import Bank of Washington (net)	29,034	60,713	87,307	73,414	61,025	−40,255	15,813
Farm Credit Administration:							
Public enterprise funds (net):							
Federal Farm Mortgage Corporation fund	−665	------	−28	(*)	------	------	------
Short-term credit investment fund [34]	------	------	------	------	500	−95	−260

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Housing and Home Finance Agency—Continued							
Federal Housing Administration (net)	22,798	40,059	9,420	15,726	−126	199,218	−7,230
Public Housing Administration (net)	5,880	24,615	13,245	18,760	9,159	164,830	154,986
Total Housing and Home Finance Agency	98,894	34,071	11,127	92,149	22,138	739,327	501,890
National Aeronautics and Space Administration	101,496	139,944	141,128	155,219	142,068	1,257,048	744,309
Veterans' Administration:							
Compensation, pensions, and benefit programs	322,467	327,099	324,520	328,332	328,274	3,898,002	4,074,402
Public enterprise funds (net):							
Direct loans to veterans and reserves	5,180	2,720	−4,120	−6,337	−5,965	92,774	152,373
Loan guaranty revolving fund	30,679	20,128	20,187	13,189	−22,924	143,522	---
Other	516	1,005	−1,488	−766	−2,712	14,501	−21,262
Other	94,912	97,521	97,778	98,156	100,999	1,242,794	1,195,809
Total Veterans' Administration	453,754	448,473	436,877	432,574	397,672	5,391,592	5,401,321
Other independent agencies:							
Advisory Commission on Intergovernmental Relations	21	(*)	31	63	26	277	138
Alaska International Rail and Highway Commission	---	---	---	---	---	4	108
American Battle Monuments Commission	126	119	143	185	145	1,833	2,446
Central Intelligence Agency–construction	344	119	1,325	132	402	7,497	19,307
Civil Aeronautics Board	8,213	7,246	7,950	7,965	8,012	90,796	85,541
Civil Service Commission:							
Payment to civil service retirement and disability fund	---	---	44,637	---	---	44,637	46,329
Government payment for annuitants, employees health benefits fund	---	---	---	---	---	2,877	2,500
Government contribution, retired employees health benefits fund	---	---	---	---	---	13,800	1,625
Other	1,751	2,124	1,761	2,018	1,663	24,160	23,988
Total Civil Service Commission	1,751	2,124	46,398	2,018	1,663	85,474	74,442
Commission of Fine Arts	5	8	6	6	6	68	61
Commission on Civil Rights	45	73	58	58	74	744	815
Delaware River Basin Commission	---	---	---	---	---	---	---
Export-Import Bank of Washington (net)	46,561	6,021	53,496	−285,264	−6,779	101,087	37,390
Farm Credit Administration:							
Public enterprise funds (net);							
Federal Farm Mortgage Corporation fund	---	---	---	---	---	−693	−1,736
Short-term credit investment fund [34]	500	990	---	500	1,400	3,535	3,910

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Other independent agencies—Continued							
Farm Credit Administration—Continued							
Public enterprise funds (net)—Continued							
Banks for cooperatives investment fund	−11,470						
Total public enterprise funds	−12,135		−28	(*)	500	−95	−260
Administrative expenses	190	264	187	197	198	183	192
Total Farm Credit Administration	−11,945	264	160	197	698	88	−68
Federal Coal Mine Safety Board of Review	4	7	5	5	5	4	4
Federal Communications Commission	1,009	1,351	1,012	1,091	968	1,111	1,478
Federal Home Loan Bank Board (net):							
Federal Savings and Loan Insurance Corporation fund	−4,693	−4,601	−4,387	−6,051	−7,597	−4,634	−6,720
Other	−332	9	−26	266	−584	506	−412
Federal Maritime Commission		(*)	99		181	99	115
Federal Mediation and Conciliation Service	491	345	337		718	495	328
Federal Power Commission	724	958	659	670	675	679	979
Federal Trade Commission	635	962	682	748	740	713	1,087
Foreign Claims Settlement Commission	38	52	47	47	50	45	49
General Accounting Office	3,211	4,655	3,264	3,318	3,177	3,158	4,596
Historical and memorial commissions	10	12	9	9	6	9	7
Indian Claims Commission		41	16	18	18	23	22
Interstate Commerce Commission	1,670	1,685	1,663	16,348	1,715	2,423	1,699
Interstate Commission on the Potomac River Basin		5					
National Capital Housing Authority	2	2	4	5	2	3	3
National Capital Planning Commission	37	55	36	60	52	34	54
National Capital Transportation Agency	23	28	51	59	73	55	77
National Labor Relations Board	1,406	1,999	1,366	1,388	1,463	1,478	1,480
National Mediation Board	176	136	130	139	159	193	144
National Science Foundation	10,981	15,541	14,026	9,139	9,924	10,547	14,298
Outdoor Recreation Resources Review Commission	53	110	75	65	84	39	62
Railroad Retirement Board-payment to railroad unemployment insurance account	7,000						
Renegotiation Board		546	215	220	207	214	304
Saint Lawrence Seaway Development Corporation (net)	44	−32	−22	113	−400	265	163
Securities and Exchange Commission	749	1,084	819	802	822	828	1,263
Selective Service System	2,374	2,785	3,082	2,834	3,312	3,071	3,266
Small Business Administration:							
Public enterprise funds (net)	−5,247	23,647	18,809	24,856	9,262	33,807	14,511
Salaries and expenses	−1,094	3,149	68	−12,001	1,893	1,904	2,945
Other	62	127	70	−166	36	97	−98
Total Small Business Administration	−6,279	26,923	18,947	12,689	11,191	35,808	17,358

Expenditures [12]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Other independent agencies—Continued							
Farm Credit Administration—Continued							
Public enterprise funds (net)—Continued							
Banks for cooperatives investment fund	----------	----------	----------	----------	----------	−11,470	−8,052
Total public enterprise funds	500	990	----------	500	1,400	−8,628	−5,879
Administrative expenses	189	276	196	195	186	2,453	2,459
Total Farm Credit Administration	689	1,266	196	695	1,586	−6,175	−3,420
Federal Coal Mine Safety Board of Review	4	7	4	5	4	58	55
Federal Communications Commission	967	1,114	1,155	971	1,144	13,371	11,948
Federal Home Loan Bank Board (net):							
Federal Savings and Loan Insurance Corporation fund	−4,331	−4,470	−7,200	−101,339	−80,258	−236,283	−35,192
Other	−524	7	332	45	208	−505	93
Federal Maritime Commission	111	185	128	124	122	1,163	----------
Federal Mediation and Conciliation Service	331	352	357	358	366	4,479	4,147
Federal Power Commission	668	676	668	723	707	8,786	8,003
Federal Trade Commission	740	840	795	799	822	9,562	7,854
Foreign Claims Settlement Commission	45	71	49	51	68	613	488
General Accounting Office	3,068	3,150	3,074	3,133	3,235	41,039	40,861
Historical and memorial commissions	10	8	8	9	9	108	279
Indian Claims Commission	19	20	20	20	23	240	200
Interstate Commerce Commission	1,690	1,769	1,720	1,753	2,511	36,646	22,139
Interstate Commission on the Potomac River Basin	----------	----------	----------	----------	----------	5	5
National Capital Housing Authority	3	5	4	2	6	41	40
National Capital Planning Commission	38	34	34	60	41	535	762
National Capital Transportation Agency	84	100	106	86	84	826	135
National Labor Relations Board	1,459	2,151	1,490	1,415	1,527	18,623	17,967
National Mediation Board	148	154	147	176	110	1,813	1,498
National Science Foundation	11,667	11,834	28,996	26,669	19,068	182,689	143,493
Outdoor Recreation Resources Review Commission	34	36	54	21	32	664	1,127
Railroad Retirement Board-payment to railroad unemployment insurance account	----------	----------	----------	----------	----------	7,000	13,000
Renegotiation Board	207	174	167	163	175	2,591	2,895
Saint Lawrence Seaway Development Corporation (net)	150	130	126	−208	206	536	2,477
Securities and Exchange Commission	912	897	929	965	918	10,988	9,331
Selective Service System	3,257	2,776	2,531	2,860	2,948	35,097	32,845
Small Business Administration:							
Public enterprise funds (net)	22,357	25,769	13,269	8,673	33,064	222,776	95,613
Salaries and expenses	1,968	2,067	2,092	2,258	1,574	6,825	6,039
Other	48	34	39	34	61	343	880
Total Small Business Administration	24,373	27,871	15,400	10,965	34,698	229,944	102,531

Footnotes at end of table.

TABLE 4.—*Budget receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures [12]	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Other independent agencies—Continued							
Smithsonian Institution	759	2,398	2,735	2,161	2,412	2,105	1,853
Subversive Activities Control Board	26	32	26	28	22	22	31
Tariff Commission	210	298	202	199	202	201	294
Tax Court of the United States	169	128	129	130	138	164	140
Tennessee Valley Authority (net)	5,477	11,543	8,862	9,355	12,322	9,795	11,131
U.S. Arms Control and Disarmament Agency				2	49	33	34
U.S. Information Agency:							
Informational media guarantee fund (net)	166	140	473	743	50	210	452
Special international exhibitions	540	1,263	748	839	958	817	613
Other	6,188	15,236	9,345	9,445	10,052	10,351	11,048
U.S. Study Commissions	253	190	116	249	102	93	205
Total other independent agencies	63,302	223,992	110,706	151,114	124,101	50,921	95,256
District of Columbia:							
Federal payment to District of Columbia	27,533		5,220				
Advances for general expenses (repayable)	−8,000						
Loans to District of Columbia for capital outlay	750	3,000	4,000	2,500	4,200	1,900	11,300
Loans to District of Columbia (stadium fund)							
Subtotal expenditures	6,381,421	7,680,604	6,773,913	7,804,557	7,485,318	7,346,116	7,479,753
Deduct: Certain interfund transactions [11]	59,414	49,196	2,762	8,703	773	185,935	84,364
Budget expenditures	6,322,007	7,631,408	6,771,151	7,795,854	7,484,545	7,160,181	7,395,390
Budget surplus (+), or deficit (−)	−3,339,546	−1,264,812	+2,174,065	−4,655,161	−1,060,172	+806,907	−2,038,074

Expenditures [13]	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [7]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Other independent agencies—Continued							
Smithsonian Institution	2,969	1,343	2,114	2,427	2,237	25,512	21,240
Subversive Activities Control Board	36	26	28	27	28	331	299
Tariff Commission	207	217	208	201	202	2,641	2,541
Tax Court of the United States	128	133	140	137	146	1,683	1,627
Tennessee Valley Authority (net)	25,101	−16,622	4,729	10,104	11,173	102,969	38,691
U.S. Arms Control and Disarmament Agency	46	81	61	463	264	1,033	------------
U.S. Information Agency:							
Informational media guarantee fund (net)	287	61	−1,223	−33	56	1,383	4,487
Special international exhibitions	608	767	594	837	1,034	9,619	7,217
Other	10,461	11,666	10,974	10,158	22,043	137,468	109,451
U.S. Study Commissions	100	100	153	118	78	1,756	2,635
Total other independent agencies	142,828	64,637	178,474	−299,876	31,174	936,629	793,998
District of Columbia:							
Federal payment to District of Columbia	------------	------------	------------	------------	------------	32,753	30,233
Advances for general expenses (repayable)	------------	------------	------------	------------	3,000	−5,000	8,000
Loans to District of Columbia for capital outlay	8,300	200	600	2,350	5,150	44,250	12,200
Loans to District of Columbia (stadium fund)	------------	------------	------------	------------	416	416	------------
Subtotal expenditures	6,873,110	7,750,596	7,296,173	7,234,098	8,313,765	88,419,423	82,169,120
Deduct: Certain interfund transactions [11]	15,535	1,919	6,740	5,399	211,917	632,656	653,953
Budget expenditures	6,857,575	7,748,677	7,289,433	7,228,699	8,101,847	87,786,767	81,515,167
Budget surplus (+), or deficit (−)	−129,005	+1,355,733	−1,535,347	−205,021	+3,512,759	−6,377,675	−3,855,743

Footnotes on following pages.

(Footnotes for table 4.)

*Less than $500.

[1] Internal revenue and customs receipts are stated on a collection basis. Other receipts are reported on a deposits confirmed basis. See "Bases of Tables."

[2] Distribution between income taxes and employment taxes is made in accordance with provisions of section 201 of the Social Security Act, as amended, for transfer to the Federal old-age and survivors and Federal disability insurance trust funds (42 U.S.C. 401 (a)).

[3] Includes adjustments of prior estimates as follows: Income taxes-withheld, October +$108,824,965, January −$46,567,401, April +$73,642,730, and June −$89,396,946; income taxes-other, October −$1,846,153, January −$5,535,629, April −$1,821,791, and June +$11,688,431; transfers to Federal old-age and survivors insurance trust fund, October −$104,717,849, January +$48,881,468, April −$60,377,750, and June +$70,157,036; and transfers to Federal disability insurance trust fund, October −$2,260,962, January +$3,221,562, April −$11,443,189, and June +$7,551,479.

[4] Includes deposits of earnings, Federal Reserve System (collections under section 16 of the Federal Reserve Act, as amended (12 U.S.C. 414)).

[5] Gives effect to $63,330,404 transferred from miscellaneous receipts to the direct loan account, revolving fund, Farmers Home Administration pursuant to an act approved Aug. 8, 1961 (7 U.S.C. 1988(c)).

[6] Includes adjustment due to reclassification.

[7] Certain figures for fiscal year 1961 have been adjusted to correspond to classifications for fiscal year 1962.

[8] Amounts of refunds of principal of overpayed taxes formerly reported net of reimbursements from trust fund accounts are reported herein on a gross basis. These reimbursements to the Internal Revenue Service for refunds are included and netted with amounts of transfers to the respective trust fund accounts.

[9] Reflects gross amounts based on reimbursements by the trust accounts for refunds made by Internal Revenue in previous months or fiscal years.

[10] See table 3, footnote 2.

[11] Mainly interest payments by Government corporations and agencies that borrow from the Treasury. For details of these interfund transactions by fiscal years, see table 5. These interfund transactions deducted from budget receipts and expenditures do not include payments to the Treasury by wholly owned Government corporations for retirement of their capital stock and for disposition of earnings. Those capital transfers have been excluded from budget receipts and expenditures since July 1, 1948.

[12] Expenditures are stated on the basis of checks issued (except interest on the public debt) and certain cash payments. See "Bases of Tables."

[13] Consists of the following refunds of receipts (exclusive of interest payments):

	1962	*1961*
Individual income taxes	$5,078,503,605	$4,815,311,811
Corporation income taxes	773,053,077	810,492,926
Excise taxes	86,742,588	78,301,929
Estate and gift taxes	18,816,683	20,464,777
Total	5,957,115,953	5,724,571,444

[14] The International Cooperation Administration was abolished by the Foreign Assistance Act of 1961, approved Sept. 4, 1961 (22 U.S.C. 2381(b)); and this Agency was established under authority of Executive Order 10973, dated Nov. 3, 1961, pursuant to the provision of the act (22 U.S.C. 2381).

[15] Includes $13,152,664 transferred to trust account Agriculture Department, food stamp program, section 32 of the act of Aug. 24, 1935, as amended (7 U.S.C. 612).

[16] Residual of gross receipts and expenditures after reduction for noncash costs which are included in amounts shown for special activities financed by Commodity Credit Corporation.

[17] Includes certain amounts transferred from price support operations for which expenditures may have been made in prior years, and adjustments for prior months, transactions.

[18] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929(a)).

[19] Most Bureau of Public Roads expenditures are made from the highway trust fund and do not appear in this table.

[20] Estimated adjustments to reclassify expenditures for comparability with the latest budget appropriation structure. These adjustments are between the major categories of expenditures and do not affect the total expenditures for military functions. Amounts shown for the respective departments represent the expenditures as recorded in accounts of the departments and do not include any adjustments for comparability.

[21] Net cash transactions under provisions of section 2(a)(3) of an act, approved Aug. 14, 1957 (22 U.S.C. 1813(c)).

[22] Formerly shown as Panama Canal Bridge.

[23] Report of expenditures was not received in time for inclusion.

[24] Includes reimbursement for advances to the working capital fund.

[25] Pursuant to an act, approved Mar. 31, 1961 (42 U.S.C. 1101(c)), all expenditures, except for adjustments, are now made from the unemployment trust fund, employment security administration account.

[26] Includes adjustment of $1,239,804.79, an erroneous payment made in December 1961.

[27] Amounts included for each month except June are partially estimated and are adjusted in the following month.

[28] Covers two full accounting periods, February 3 through March 30, 1962.

[29] Gives effect to reimbursements collected for administrative support furnished to other agencies amounting to $85,604,560

[30] Expenditures are stated on an accrual basis.

[31] Amounts appropriated by Public Law 87-141, approved Aug. 17, 1961, transferred to the respective funds.

[32] Amounts transferred to trust accounts in August and retransferred in September.

[33] Amounts appropriated by Public Law 87-65, approved June 30, 1961, transferred to retired employees health benefits fund.

[34] In accordance with Public Law 87-343, Oct. 3, 1961, the investment funds for Federal intermediate credit banks and production credit associations are combined into a single investment fund.

TABLE 5.—*Interfund transactions excluded from both net budget*

[In thousands

	Fiscal year			
	1952	1953	1954	1955
Interest paid Treasury by revolving funds: [1]				
Funds appropriated to the President, expansion of defense production [2]	2,092	5,954	8,033	15,490
Department of Agriculture:				
Commodity Credit Corporation	31,494	46,478	90,846	59,788
Farmers Home Administration:				
Agricultural credit insurance fund [3]				
Direct loan account				
Department of Commerce, Federal ship mortgage insurance fund				
Department of Defense-Civil functions, Panama Canal Company fund		6,363	6,649	10,945
Department of Health, Education, and Welfare, Bureau of Federal Credit Unions			6	7
Department of the Interior:				
Colorado River Dam fund, Boulder Canyon project	3,498	3,415	3,330	2,850
Virgin Islands Corporation		56	87	140
Treasury Department:				
Civil defense program fund			17	41
Reconstruction Finance Corporation	4,677	3,716	4,168	102
Housing and Home Finance Agency:				
Office of the Administrator:				
College housing loans	(*)	34	325	1,085
Prefabricated housing loans program	476	377	252	19
Urban renewal fund	41	171	470	662
Public facility loans				
Federal National Mortgage Association	30,010	39,672	50,864	47,934
Federal Housing Administration			20,386	
Public Housing Administration	11,860	14,294	9,498	1,305
Veterans' Administration, direct loans to veterans and reserves	951	2,617	4,275	6,403
Export-Import Bank [4]	17,256	22,975	28,144	25,943
St. Lawrence Seaway Development Corporation				
Small Business Administration			15	136
Tennessee Valley Authority	778	694	682	538
U.S. Information Agency, informational media guaranty fund				
Total interest payments	103,135	146,816	228,046	173,390
Other payments:				
Department of Defense, civil functions:				
Reimbursements:				
Panama Canal Company:				
Net cost of Canal Zone Government [5]		6,195	5,762	6,477
Part of treaty payment to Panama for use of Canal Zone		430	430	430
Fees and other charges for accounting and auditing services (various agencies)	949	734	728	706
Franchise taxes, Farm Credit Administration, Federal intermediate credit banks [6]	300	285	387	232
Total other payments	1,249	7,644	7,306	7,845
Total interfund transactions	104,384	154,460	235,353	181,235

*Less than $500.

[1] On loans and other interest-bearing U.S. investments.

[2] By various agencies for programs under the Defense Production Act.

[3] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929(a)).

receipts and budget expenditures, fiscal years 1952–62
of dollars]

Fiscal year						
1956	1957	1958	1959	1960	1961	1962
20,115	24,431	29,507	42,150	34,778	6,141	7,860
174,943	339,735	420,889	181,409	464,786	409,575	329,584
(*)	81	299	401	1,308	1,196	923
----------	----------	----------	----------	----------	----------	9,000
----------	----------	----------	----------	74	54	9
17,403	6,213	10,758	8,892	9,423	8,781	9,364
6	5	4	2	(*)	----------	----------
3,182	3,226	3,197	3,115	3,072	3,114	3,081
59	127	149	168	(*)	398	346
52	40	24	20	24	25	19
224	183	135	----------	----------	----------	----------
1,848	2,787	5,220	9,372	14,405	20,017	25,314
----------	----------	----------	----------	----------	----------	----------
714	855	1,444	1,919	2,514	2,914	3,227
----------	3	48	390	967	1,594	2,006
43,843	41,549	36,131	26,775	70,750	91,915	114,096
----------	----------	----------	----------	----------	----------	----------
1,435	1,763	1,839	920	1,332	1,102	1,128
8,167	10,209	13,768	18,596	23,028	31,990	40,050
24,648	23,808	30,660	40,897	45,722	42,877	56,757
----------	----------	----------	----------	2,505	2,000	2,165
280	1,177	2,996	6,649	6,657	15,238	14,249
169	----------	----------	----------	----------	----------	----------
----------	----------	----------	768	414	1,065	610
297,086	456,192	557,066	342,443	681,759	639,997	619,789
16,379	9,075	8,679	11,113	10,968	12,781	11,829
824	430	430	430	450	430	410
628	974	822	918	796	745	628
461	92	----------	----------	----------	----------	----------
18,292	10,571	9,931	12,461	12,214	13,956	12,868
315,378	466,764	566,997	354,904	693,973	653,953	632,656

[4] Excludes transactions under Defense Production Act.
[5] Less tolls paid for U.S. Government vessels.
[6] Realization on investment by the U.S. Government.
NOTE.—For figures from 1932–51, see annual report for 1961, pp. 450–455.

TABLE 6.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1962 and net for 1961 and 1962*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	Fiscal year 1962 Receipts	Fiscal year 1962 Expenditures	Fiscal year 1962 Net receipts (−), or expenditures	Fiscal year 1961 Net receipts (−), or expenditures
Executive Office of the President:				
Office of Emergency Planning, civil defense procurement fund	2	9	7	−64
Funds appropriated to the President:				
Expansion of defense production	62,141	73,353	11,212	−12,396
Foreign assistance—economic:				
Development loan funds	9,964	431,059	421,096	258,414
Foreign investment guarantee fund	2,313	663	−1,650	−1,673
Total funds appropriated to the President	74,417	505,075	430,658	244,345
Agriculture Department:				
Commodity Credit Corporation:				
Price support, supply, and related programs and special milk [1]	2,697,063	4,840,196	2,143,133	1,417,529
Special activities financed by Commodity Credit Corporation [2]	191,435	684,087	492,652	1,989,081
Federal Crop Insurance Corporation	15,041	16,155	1,114	−6,801
Farmers Home Administration:				
Direct loan account, revolving fund [3]	317,695	311,250	−6,445	
Emergency credit revolving fund [4]	30,506	65,947	35,441	1,475
Agricultural credit insurance fund [5]	120,117	112,901	−7,216	−6,144
Total Agriculture Department	3,371,858	6,030,535	2,658,677	3,395,141
Commerce Department:				
General administration	1	−6	−7	−7
Area redevelopment	1	(*)	−1	
Inland Waterways Corporation	854	1	−853	(*)
Maritime Administration	8,374	5,674	−2,700	−2,260
Total Commerce Department	9,230	5,668	−3,561	−2,268
Defense Department:				
Military functions:				
Secretary of Defense	66,987	95,365	28,378	38,738
Army:				
Defense housing	229	204	−25	−25
Defense production guarantees	214	81	−133	−243
Navy:				
Defense production guarantees	2,767	5,795	3,028	−480
Other	1,227	1,140	−87	−137
Air Force, defense production guarantees	9,723	5,968	−3,754	−544
Civil defense procurement fund	116	133	17	
Total military functions	81,263	108,687	27,423	37,30
Civil functions, Army, Panama Canal Company	114,240	115,964	1,724	5,902
Total Defense Department	195,503	224,650	29,147	43,212
Health, Education, and Welfare Department:				
Public Health Service, operation of commissaries, narcotic hospitals	247	248	2	−9
Social Security Administration, operating funds, Bureau of Federal Credit Unions	3,987	3,825	−162	−139
Total Health, Education, and Welfare Department	4,233	4,073	−160	−148
Interior Department:				
Bureau of Indian Affairs:				
Revolving fund for loans	2,603	4,389	1,786	266
Hoonah Housing project liquidation	5	3	−3	1
Office of Territories, loans to private trading enterprises, Trust Territory of the Pacific Islands	44	50	6	−34
Alaska Railroad revolving fund	17,520	16,037	−1,483	−109
Bureau of Mines, development and operation of helium properties	16,258	17,213	955	941
Fish and Wildlife Service, Bureau of Commercial Fisheries	2,046	3,002	956	1,172
Bureau of Reclamation:				
Fort Peck project, Montana	3,428	943	−2,485	−1,547
Upper Colorado River Basin fund	2,226	94,697	92,471	56,979
Virgin Islands Corporation	4,524	6,140	1,617	3,484
Total Interior Department	48,654	142,474	93,820	61,152
Labor Department:				
Advances to employment security administration account, unemployment trust fund		31,440	31,440	48,590
Farm labor supply revolving fund	3,076	2,709	−366	−788
Total Labor Department	3,076	34,149	31,074	47,801
Post Office Department, postal fund	3,609,260	4,343,436	734,176	864,985

Footnotes at end of table.

TABLE 6.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1962 and net for 1961 and 1962*—Continued

[In thousands of dollars]

Classification	Fiscal year 1962			Fiscal year 1961
	Receipts	Expenditures	Net receipts (−), or expenditures	Net receipts (−), or expenditures
Treasury Department:				
Office of the Secretary:				
Reconstruction Finance Corporation liquidation fund	1,457	77	−1,380	−3,952
Federal Farm Mortgage Corporation liquidation fund	275	(*)	−274	
Civil defense program fund	157	19	−138	−137
Bureau of Accounts, Government losses in shipment fund		67	67	86
Office of the Treasurer, check forgery insurance fund	263	263	(*)	11
Total Treasury Department	2,151	426	−1,725	−3,992
General Services Administration:				
Defense materials activities	91	5	−86	−653
General activities	250	54	−195	−1,864
Total General Services Administration	341	60	−281	−2,518
Housing and Home Finance Agency:				
Office of the Administrator:				
College housing loans	53,885	281,226	227,341	198,175
Liquidating programs	5,941	290	−5,651	−87,622
Urban renewal fund	77,197	304,146	226,949	144,538
Other	10,471	40,955	30,484	9,955
Federal National Mortgage Association:				
Subscription to capital stock, secondary market operations				16,000
Loans for secondary market operations	909,540	909,540		
Management and liquidating functions fund	264,329	87,415	−176,914	−74,448
Special assistance functions fund	238,635	292,194	53,559	133,687
Federal Housing Administration	321,187	520,406	199,218	−7,230
Public Housing Administration	175,799	340,630	164,830	154,986
Total Housing and Home Finance Agency	2,056,984	2,776,801	719,817	488,040
Veterans' Administration:				
Direct loans to veterans and reserves	182,767	275,541	92,774	152,373
Loan guaranty revolving fund	104,075	247,597	143,522	
Other	77,448	91,949	14,501	−21,262
Total Veterans' Administration	364,290	615,086	250,796	131,110
Other independent agencies:				
Export-Import Bank of Washington	898,726	999,813	101,087	37,390
Farm Credit Administration:				
Federal Farm Mortgage Corporation fund	694	1	−693	−1,736
Short-term credit investment fund [6]	365	3,900	3,535	3,910
Banks for cooperatives investment fund	11,470		−11,470	−8,052
Total Farm Credit Administration	12,528	3,901	−8,628	−5,879
Federal Home Loan Bank Board:				
Federal Savings and Loan Insurance Corporation fund	238,211	1,928	−236,283	−35,192
Other	12,376	11,871	−505	93
Saint Lawrence Seaway Development Corporation	3,960	4,496	536	2,477
Small Business Administration	179,267	402,043	222,776	95,613
Tennessee Valley Authority	276,312	379,281	102,969	38,691
U.S. Information Agency	4,566	5,949	1,383	4,487
Total other independent agencies	1,625,947	1,809,281	183,334	137,680
Total public enterprise funds	11,365,944	16,491,724	5,125,780	5,404,476

*Less than $500.

[1] Residual of gross receipts and expenditures after reduction for certain costs which are included in amounts shown for special activities.

[2] Includes certain costs transferred from price support operations for which expenditures may have been made in prior years.

[3] Certain loan programs were transferred to this fund which was established by an act approved Aug. 8, 1961 (7 U.S.C. 1988(c)).

[4] Name changed from disaster loans, etc., revolving fund by an act approved Aug. 8, 1961 (7 U.S.C. 1966).

[5] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929(a)).

[6] Formerly Federal intermediate credit banks and production credit associations investment funds.

NOTE.—This table supplies receipt and expenditure data for public enterprise funds included in table 4 on a net basis.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Legislative branch:							
Payments from general fund	1					89	
Other	103	91	70	85	168	96	120
The judiciary:							
Judicial survivors annuity fund:							
Contributions	41	41	44	41	15	84	50
Interest on investments		10		1	17	2	
Funds appropriated to the President	9,944	19,115	27,764	40,719	19,836	43,047	20,132
Agriculture Department:							
Food stamps issued:							
Payments from general fund	934	1,105	1,030	1,056	1,082	1,107	1,146
Receipts from sales	1,303	1,803	1,687	1,749	1,822	1,657	2,030
Other	4,687	3,714	2,831	4,276	5,027	2,962	4,180
Commerce Department:							
Highway trust fund:							
Transfers from general fund receipts [1]	253,300	272,851	267,100	258,300	305,909	255,000	233,100
Less refunds of taxes [2]		−4,036			−75,348		
Advances from the general fund							
Less return of advances to the general fund							
Interest on investments	3	32	437	205	781	1,086	
Total highway trust fund	253,303	268,848	267,537	258,505	231,342	256,086	233,100
Other	9,629	475	1,024	1,032	[3] −7,258	380	1,221
Defense Department:							
Military functions	(*)	4	1,257	156	76	852	2
Civil functions:							
Payments from general fund			702			708	
Other	2,057	1,819	2,631	1,190	1,797	2,647	1,517
Health, Education, and Welfare Department	19	5	4	22	162	48	30
Interior Department:							
Indian tribal funds	1,559	1,861	6,495	3,686	3,335	4,319	3,643
Payments from general fund	1	4	3,418	(*)	33,397	(*)	
Other	992	1,150	1,636	871	531	993	1,743
Labor Department:							
Transfers from unemployment trust fund							
Other	2	7	12	10	5	5	12
State Department:							
Foreign service retirement and disability fund:							
Deductions from salaries and other receipts	481	524	279	2,194	293	239	318
Employing agency contributions	50	272	211	239	213	237	301
Receipts from civil service retirement and disability fund					1	35	30
Interest on investments	1	3	4	6	8	8	11
Other	1	124		2		31	47

Receipts	Fiscal year 1962 February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961 [4]
Legislative branch:							
Payments from general fund					89	179	179
Other	73	72	89	151	146	1,263	1,452
The judiciary:							
Judicial survivors annuity fund:							
Contributions	3	90	48	(*)	97	554	503
Interest on investments	9	(*)	1	18	2	60	49
Funds appropriated to the President	26,694	34,193	26,439	37,767	50,703	356,352	229,713
Agriculture Department:							
Food stamps issued:							
Payments from general fund	1,109	1,192	1,152	1,158	1,082	13,153	381
Receipts from sales	1,695	2,187	2,004	1,963	1,936	21,835	427
Other	4,374	2,867	3,548	3,244	4,627	46,335	41,383
Commerce Department:							
Highway trust fund:							
Transfers from general fund receipts [1]	254,606	248,000	230,000	268,626	233,200	3,079,993	2,923,241
Less refunds of taxes [2]	−47,673			−4,246		−131,303	−125,703
Advances from the general fund							60,000
Less return of advances to the general fund							−60,000
Interest on investments					4,228	6,772	2,018
Total highway trust fund	206,933	248,000	230,000	264,380	237,428	2,955,462	2,799,555
Other	667	641	1,755	661	848	11,076	28,503
Defense Department:							
Military functions	13	1,335	4	6	1,347	5,052	3,845
Civil functions:							
Payments from general fund	716			723		2,849	2,740
Other	2,883	2,581	1,735	943	2,640	24,441	19,953
Health, Education, and Welfare Department	16	65	27	14	102	512	545
Interior Department:							
Indian tribal funds	2,935	2,727	2,794	2,515	4,331	40,200	114,130
Payments from general fund	3,580		26		4	40,431	22,637
Other	1,009	3,182	626	912	790	14,435	11,905
Labor Department:							
Transfers from unemployment trust fund							1
Other	6	(*)	6	4	1	72	85
State Department:							
Foreign service retirement and disability fund:							
Deductions from salaries and other receipts	253	319	249	299	[5] −2,235	3,213	3,540
Employing agency contributions	234	296	195	286	319	2,853	2,540
Receipts from civil service retirement and disability fund	10	22	86	42	[5] 2,610	2,836	
Interest on investments	12	14	16	19	1,267	1,369	1,247
Other	66	13		(*)	87	372	291

Footnotes at end of table.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Receipts	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Treasury Department—Health, Education, and Welfare programs:							
Federal disability insurance trust fund:							
Transfers from general fund receipts:							
Appropriated [1]	24,569	147,027	68,522	27,130	95,401	39,574	22,222
Unappropriated	-----	-----	-----	-----	-----	-----	1,000
Less refunds of taxes [2]	-----	-----	-----	-----	-----	-----	−11,908
Deposits by States	-----	16,539	4,227	50	12,980	2,552	−141
Interest and profits on investments	186	1,068	667	804	1,415	31,556	369
Total Federal disability insurance trust fund	24,755	164,634	73,416	27,984	109,796	73,682	11,542
Federal old-age and survivors insurance trust fund:							
Transfers from general fund receipts:							
Appropriated [1]	265,984	1,589,291	759,970	211,902	1,093,936	418,351	261,881
Unappropriated	-----	-----	-----	-----	-----	-----	9,000
Less refunds of taxes [2]	-----	-----	-----	-----	-----	-----	−129,760
Deposits by States	17,743	216,104	−3,278	4,048	170,666	−1,767	3,533
Interest and profits on investments	2,813	13,873	20,043	20,001	13,681	206,225	3,075
Other	4	3	10	9	6	2,211	4
Total Federal old-age and survivors insurance trust fund	286,544	1,819,271	776,745	235,959	1,278,290	625,021	147,734
Treasury Department—Labor programs:							
Unemployment trust fund:							
Employment security administration account:							
Transfers (Federal unemployment taxes):							
Appropriated [1]	1,281	352	924	771	750	474	19,533
Unappropriated	−571	513	−289	4	101	93	28,270
Less refunds of taxes [2]	−200	−261	−259	−258	−260	−302	−206
Advances from general (revolving) fund	30,550	30,300	34,000	-----	63,600	40,600	34,850
Less return of advances to the general fund	-----	-----	-----	-----	-----	-----	-----
State accounts—deposits by States	157,117	589,829	15,731	103,272	367,215	30,983	74,571
Federal unemployment account—less transfer of receipts to Labor Dept	-----	-----	-----	-----	-----	-----	-----
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board	688	10,288	24,867	1,029	8,642	27,695	662
Advances from railroad retirement account	10,600	19,020	-----	17,700	16,565	-----	6,915
Advances from general fund	7,000	-----	-----	-----	-----	-----	-----
Railroad unemployment insurance administration fund:							
Deposits by Railroad Retirement Board	39	580	1,400	58	486	1,560	37
Federal extended compensation account:							
Advances from general fund	-----	29,833	-----	50,000	40,000	40,091	43,796
Interest and profits on investments	147	2,019	1,485	11,704	3,756	68,458	346
Total unemployment trust fund	206,651	682,473	77,860	184,280	500,856	209,651	208,775

661496—63——37

Receipts	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [4]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Treasury Department—Health, Education, and Welfare programs:							
Federal disability insurance trust fund:							
Transfers from general fund receipts:							
Appropriated [1]	134,000	89,000	55,557	165,000	87,449	955,450	962,812
Unappropriated	−3,000	−1,000	2,000	4,000	−2,000	1,000	----------
Less refunds of taxes [2]	----------	----------	----------	----------	----------	−11,908	−9,500
Deposits by States	14,093	----------	3,970	19,036	4,017	77,324	68,690
Interest and profits on investments	983	217	807	889	30,995	69,956	61,487
Total Federal disability insurance trust fund	146,075	88,217	62,335	188,925	120,461	1,091,822	1,083,489
Federal old-age and survivors insurance trust fund:							
Transfers from general fund receipts:							
Appropriated [1]	1,526,000	1,028,000	664,622	1,961,000	933,843	10,714,782	10,623,471
Unappropriated	−37,000	3,000	7,000	51,000	−18,000	15,000	----------
Less refunds of taxes [2]	----------	----------	----------	----------	----------	−129,760	−86,240
Deposits by States	153,426	10,420	34,158	267,245	−2,678	869,621	755,445
Interest and profits on investments	13,866	4,746	21,827	23,274	195,624	539,049	530,226
Other	4	9	3	3	10	2,275	999
Total Federal old-age and survivors insurance trust fund	1,656,296	1,046,175	727,610	2,302,522	1,108,798	12,010,967	11,823,901
Treasury Department–Labor programs:							
Unemployment trust fund:							
Employment security administration account:							
Transfers (Federal unemployment taxes):							
Appropriated [1]	382,425	35,705	10,261	2,308	2,474	457,258	345,980
Unappropriated	−3,489	−16,824	−7,103	667	−1,001	371	593
Less refunds of taxes [2]	−192	−164	−151	−2,189	−551	−4,991	−2,196
Advances from general (revolving) fund	----------	----------	----------	----------	86,412	320,312	301,500
Less return of advances to the general fund	−285,400	----------	----------	----------	----------	−285,400	−250,000
State accounts–deposits by States	252,156	24,798	184,989	904,400	23,556	2,728,617	2,398,100
Federal unemployment account–less transfer of receipts to Labor Dept	----------	----------	----------	----------	----------	----------	−1
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board	5,361	30,368	779	5,046	31,686	147,111	152,709
Advances from railroad retirement account	13,635	----------	8,450	8,585	----------	101,470	132,345
Advances from general fund	----------	----------	----------	----------	----------	7,000	13,000
Railroad unemployment insurance administration fund:							
Deposits by Railroad Retirement Board	302	1,711	41	266	1,668	8,148	8,599
Federal extended compensation account:							
Advances from general fund	41,250	32,287	28,989	19,060	7,615	332,922	498,139
Interest and profits on investments	3,812	2,591	13,679	5,754	58,804	172,555	204,488
Total unemployment trust fund	409,860	110,473	239,934	943,897	210,661	3,985,372	3,803,256

Footnotes at end of table.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Receipts	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Treasury Department—other	1,019	1,416	1,004	1,603	1,310	1,137	1,520
Federal Aviation Agency							
General Services Administration	(*)	243	227				590
National Aeronautics and Space Administration							
Veterans' Administration:							
Government life insurance fund:							
Premiums and other receipts	2,744	1,486	1,020	1,529	1,260	1,546	1,980
Payments from general fund	27	14	11	5	23	8	11
Interest on investments	28	14	22	40	40	63	84
National service life insurance fund:							
Premiums and other receipts	40,698	40,408	36,019	40,538	38,904	37,219	47,821
Payments from general fund	702	781	679	485	554	671	445
Interest on investments	80	13	7		6	40	133
Other	107	119	150	236	171	182	183
Total Veterans' Administration	44,388	42,835	37,908	42,832	40,957	39,729	50,656
Other independent agencies:							
Civil Service Commission:							
Civil service retirement and disability fund:							
Deductions from employees' salaries, etc	60,580	73,355	72,829	69,311	62,167	80,083	71,062
Payments from other funds:							
Employing agency contributions	60,611	73,356	72,840	69,315	62,175	80,091	71,071
Federal contribution		44,637	[6] −44,637				
Voluntary contributions, donations, etc	1,137	1,004	917	1,043	939	687	1,215
Interest and profits on investments	139	4,255	1,015	1,721	7,535	2,139	1,623
Total Civil Service Commission	122,467	196,607	102,964	141,390	132,816	163,001	144,971
Railroad Retirement Board:							
Railroad Retirement account:							
Transfers (Railroad Retirement Act taxes):							
Appropriated [1]	7,512	81,925	49,273	10,269	76,150	36,844	22,411
Unappropriated	6,750	2,238	6,023	−8,964	−257	9,871	−11,177
Fines and penalties							
Interest and profits on investments	227	2,098	680	1,918	4,255	1,678	1,990
Interest on advances to railroad unemployment insurance account			682				
Repayment of advances to railroad unemployment insurance account			13,255				
Payment from Federal old-age and survivors and Federal disability insurance trust funds							
Total Railroad Retirement Board	14,489	86,261	69,914	3,223	80,148	48,393	13,225
Other	5	13	3	2	1	7	12

Receipts	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [4]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Treasury Department–other	1,244	1,407	1,342	1,343	1,477	15,823	15,748
Federal Aviation Agency		(*)	(*)				4
General Services Administration	30		322		2,304	3,715	833
National Aeronautics and Space Administration					1	1	
Veterans' Administration:							
Government life insurance fund:							
Premiums and other receipts	1,069	1,612	1,379	1,369	1,103	18,097	19,689
Payments from general fund	28	8	12	6	13	166	180
Interest on investments	100	109	161	177	35,205	36,044	37,830
National service life insurance fund:							
Premiums and other receipts	39,363	43,851	39,754	40,511	37,694	482,781	483,796
Payments from general fund	518	449	584	560	456	6,885	8,449
Interest on investments	219	205	272	288	172,942	174,202	175,395
Other	115	124	165	222	131	1,905	1,720
Total Veterans' Administration	41,412	46,359	42,327	43,134	247,544	720,081	727,057
Other independent agencies:							
Civil Service Commission:							
Civil service retirement and disability fund:							
Deductions from employees' salaries, etc	66,874	73,150	76,812	71,261	73,660	851,145	843,764
Payments from other funds:							
Employing agency contributions	66,881	73,160	76,822	71,262	73,667	851,251	843,859
Federal contribution			44,637			44,637	46,329
Voluntary contributions, donations, etc	1,052	999	1,029	1,122	1,231	12,375	11,882
Interest and profits on investments	6,058	2,142	2,989	8,875	277,356	315,848	280,176
Total Civil Service Commission	140,866	149,451	202,289	152,520	425,913	2,075,256	2,026,009
Railroad Retirement Board:							
Railroad retirement account:							
Transfers (Railroad Retirement Act taxes):							
Appropriated [1]	62,202	70,535	8,082	82,730	51,771	559,704	570,165
Unappropriated	18,370	−20,896	4,470	−943	−925	4,561	548
Fines and penalties							(*)
Interest and profits on investments	3,862	2,249	3,323	6,868	78,264	107,413	110,921
Interest on advances to railroad unemployment insurance account		756			10,951	12,390	1,020
Repayment of advances to railroad unemployment insurance account		11,570				24,825	31,205
Payment from Federal old-age and survivors and Federal disability insurance trust funds					371,818	371,818	336,882
Total Railroad Retirement Board	84,434	64,215	15,875	88,655	511,879	1,080,710	1,050,741
Other	4	7	2	105	−79	83	492

Footnotes at end of table.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Receipts and expenditures	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
RECEIPTS							
District of Columbia:							
Revenues from taxes, etc	7,226	11,453	23,309	40,775	13,852	8,369	12,095
Payments from general fund:							
Federal contribution	27,533		5,220				
Advances for general expenses							
Less return of advances to general fund	−8,000						
Loans for capital outlay	750	3,000	4,000	2,500	4,200	1,900	2,300
Other loans and grants	486	3,177	1,394	1,520	1,111	600	11,525
Total trust fund receipts	1,013,421	3,312,357	1,492,601	997,909	2,455,204	1,487,126	874,580
Increment from reduction in weight of gold dollar	(*)		(*)	(*)	(*)	(*)	(*)
Subtotal receipts	1,013,421	3,312,357	1,492,601	997,909	2,455,204	1,487,126	874,581
Deduct: Certain interfund transactions [7]	11,644	20,007	14,894	18,664	17,593	3,205	8,131
Net receipts	1,001,777	3,292,350	1,477,707	979,246	2,437,611	1,483,921	866,449
EXPENDITURES							
Legislative branch	89	124	101	114	101	93	164
The judiciary-judicial survivors annuity fund	30	32	30	30	31	−12	30
Funds appropriated to the President	13,346	40,665	28,211	40,468	21,848	9,275	28,591
Agriculture Department:							
Food stamps redeemed	1,826	2,932	2,638	2,848	2,882	2,867	3,205
Trust enterprise funds (net)	517	488	280	−41	−4	16	−64
Other	3,348	4,145	3,439	14,089	3,353	3,322	3,220
Commerce Department:							
Highway trust fund:							
Federal aid highways	232,316	298,214	284,031	302,821	289,546	226,746	222,192
Interest payments on advances from general fund							
Total highway trust fund	232,316	298,214	284,031	302,821	289,546	226,746	222,192
Other	8,925	686	2,648	2,878	418	2,983	4,984
Defense Department:							
Military functions	78	623	225	215	667	244	352
Civil functions:							
Trust enterprise funds (net)	2	(*)	−1	−3	−3	5	−5
Other	1,082	2,199	2,852	1,405	2,398	1,628	1,787
Health, Education, and Welfare Department	5	42	32	−112	130	21	14

Receipts and expenditures	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [4]
	February 1962	March 1962	April 1962	May 1962	June 1962		
RECEIPTS							
District of Columbia:							
Revenues from taxes, etc.	12,948	28,957	30,674	18,163	14,161	221,982	206,667
Payments from general fund:							
Federal contribution	----------	----------	----------	----------	----------	32,753	30,233
Advances for general expenses	----------	----------	----------	----------	3,000	3,000	8,000
Less return of advances to general fund	----------	----------	----------	----------	----------	−8,000	----------
Loans for capital outlay	300	[8] 17,200	600	2,350	5,150	44,250	12,200
Other loans and grants	10,925	[8] −10,810	2,604	5,575	1,717	29,825	23,981
Total trust fund receipts	2,757,685	1,841,446	1,596,712	4,062,293	2,961,210	24,852,545	24,098,218
Increment from reduction in weight of gold dollar	16	(*)	(*)	(*)	1	17	−15
Subtotal receipts	2,757,701	1,841,446	1,596,712	4,062,293	2,961,210	24,852,562	24,098,203
Deduct: Certain interfund transactions [7]	14,543	13,536	9,535	9,600	386,446	527,797	514,738
Net receipts	2,743,158	1,827,909	1,587,178	4,052,693	2,574,765	24,324,765	23,583,464
EXPENDITURES							
Legislative branch	113	93	99	141	118	1,351	1,333
The judiciary-judicial survivors annuity fund	34	33	32	40	82	392	347
Funds appropriated to the President	13,095	36,633	22,416	58,118	50,219	362,885	192,076
Agriculture Department:							
Food stamps redeemed	2,857	3,185	3,088	3,153	2,933	34,414	643
Trust enterprise funds (net)	130	−101	−496	386	−192	918	27
Other	2,891	3,918	3,134	3,450	−6,932	41,377	40,759
Commerce Department:							
Highway trust fund:							
Federal aid highways	133,827	153,495	132,221	178,233	330,223	2,783,864	2,619,170
Interest payments on advances from general fund	----------	----------	----------	----------	----------	----------	543
Total highway trust fund	133,827	153,495	132,221	178,233	330,223	2,783,864	2,619,714
Other	3,009	4,837	2,258	2,356	2,443	38,425	40,098
Defense Department:							
Military functions	604	392	282	837	428	4,947	4,725
Civil functions:							
Trust enterprise funds (net)	1	2	(*)	−2	−1	−4	8
Other	993	1,571	1,784	3,348	3,180	24,230	17,856
Health, Education, and Welfare Department	31	16	32	29	26	266	309

Footnotes at end of table.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Interior Department:							
Indian tribal funds	4,581	6,614	5,127	5,005	7,185	7,028	2,827
Other	801	703	1,509	1,244	899	810	2,350
Justice Department (net):							
Alien property activities	63	146	−50	24	152	−68	1,888
Federal Prison System commissary funds	−21	(*)	−6	16	−17	20	25
Labor Department:							
Bureau of Employment Security							
Other	−14	23	4	−189	22	33	43
State Department:							
Foreign service retirement and disability fund	405	433	407	427	443	435	460
Other	27	12	34	26	16	48	52
Treasury Department—Health, Education, and Welfare programs:							
Federal disability insurance trust fund:							
Administrative expenses—reimbursement to Federal old-age and survivors insurance trust fund						62,477	
Payments to general fund—administrative expenses	280	280	280	336	336	336	303
Benefit payments	76,599	78,087	78,754	83,459	81,990	78,819	83,246
Payment to Railroad Retirement Board							
Total Federal disability insurance trust fund	76,879	78,367	79,034	83.795	82,326	141,632	83,549
Federal old-age and survivors insurance trust fund:							
Administrative expenses-Bureau of Old-Age and Survivors Insurance	17,504	25,162	22,785	19,782	20,161	22,402	26,031
Reimbursement of administrative expenses from Federal disability insurance trust fund						−60,273	
Payments to general fund—administrative expenses	3,551	3,551	3,551	6,335	3,567	3,567	3,655
Payment to Railroad Retirement Board							
Benefit payments	973,988	1,001,309	1,024,435	1,019,920	1,041 307	1,042 703	1,056,209
Construction	1	287	276	419	221	356	470
Total Federal old-age and survivors insurance trust fund	995,043	1,030,310	1,051,048	1,046,456	1,065,256	1,008,756	1,086,364
Treasury Department—Labor programs:							
Unemployment trust fund:							
Employment security administration account:							
Salaries and expenses—Bureau of Employment Security	1,010	936	734	738	732	1,037	764
Grants to States for unemployment compensation and employment service administration	33,739	29,997	32,407	29,960	28,107	36,276	37,372

Expenditures	Fiscal year 1962 February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961 [4]
Interior Department:							
Indian tribal funds	5, 156	5, 268	4, 438	4, 009	6, 734	63, 973	137, 431
Other	952	936	954	1, 280	1, 009	13, 447	12, 132
Justice Department (net):							
Alien property activities	371	2, 475	175	71	192	5, 440	2, 826
Federal Prison System commissary funds	−5	−6	−10	−14	−10	−28	8
Labor Department:							
Bureau of Employment Security							1
Other	24	27	33	28	22	57	167
State Department:							
Foreign service retirement and disability fund	440	447	473	467	686	5, 525	4, 253
Other	24	27	41	31	49	386	440
Treasury Department—Health, Education, and Welfare programs:							
Federal disability insurance trust fund:							
Administrative expenses—reimbursement to Federal old-age and survivors insurance trust fund						62, 477	34, 053
Payments to general fund—administrative expenses	303	303	299	299	299	3, 654	3, 122
Benefit payments	88, 329	86, 407	93, 521	90, 994	91, 171	1, 011, 376	703, 996
Payment to Railroad Retirement Board					11, 030	11, 030	5, 148
Total Federal disability insurance trust fund	88, 632	86, 709	93, 820	91, 293	102, 500	1, 088, 537	746, 319
Federal old-age and survivors insurance trust fund:							
Administrative expenses—Bureau of Old-Age and Survivors Insurance	23, 257	18, 640	23, 373	19, 549	24, 853	233, 499	223, 648
Reimbursement of administrative expenses from Federal disability insurance trust fund						−60, 273	−33, 176
Payments to general fund—administrative expenses	3, 655	3, 655	3, 389	3, 388	3, 389	45, 252	43, 760
Payment to Railroad Retirement Board					360, 788	360, 788	331, 734
Benefit payments	1, 069, 085	1, 094, 214	1, 107, 295	1, 113, 730	1, 113, 641	12, 657, 835	11, 184, 531
Construction	218	236	145	173	279	3, 082	1, 780
Total Federal old-age and survivors insurance trust fund	1, 096, 215	1, 116, 745	1, 134, 201	1, 136, 840	1, 502, 949	13, 270, 183	11, 752, 276
Treasury Department—Labor programs:							
Unemployment trust fund:							
Employment security administration account:							
Salaries and expenses—Bureau of Employment Security	886	776	852	799	765	10, 029	7, 739
Grants to States for unemployment compensation and employment service administration	25, 363	38, 116	32, 673	22, 067	121, 514	467, 592	374, 975

Footnotes at end of table.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Treasury Department—Labor programs—Continued							
Unemployment trust fund—Continued							
Employment security administration account—Continued							
Payments to general fund:							
Reimbursements for administrative expenses	149	149	149	64	64	64	1, 422
Interest on refunds of taxes	7	3	3	4	4	5	3
Payment of interest on advances from general (revolving) fund	-------	-------	-------	-------	-------	-------	-------
Railroad unemployment insurance account:							
Benefit payments	13, 520	21, 356	18, 453	19, 251	19, 142	18, 288	21, 366
Temporary extended railroad unemployment benefits	2, 196	556	256	239	255	283	666
Repayment of advances to railroad retirement account	-------	-------	13, 255	-------	-------	-------	-------
Payment of interest on advances from railroad retirement account	-------	-------	682	-------	-------	-------	-------
Repayment of advances from general fund	-------	-------	-------	-------	-------	-------	-------
Railroad unemployment insurance administration fund:							
Administrative expenses	759	1, 163	522	757	968	714	660
State accounts:							
Withdrawals by States	197, 771	245, 748	240, 336	185, 623	188, 159	220, 345	324, 372
Reimbursements from Federal extended compensation account	-------	−8, 326	−3, 622	-------	-------	−3, 091	−5, 937
Federal extended compensation account:							
Temporary extended unemployment compensation payments	-------	15, 368	25, 067	30, 250	34, 369	41, 671	35, 301
Reimbursement to State accounts	-------	8, 326	3, 622	-------	-------	3, 091	5, 937
Total unemployment trust fund	249, 150	315, 276	331, 864	266, 887	271, 800	318, 684	421, 927
Treasury Department—other	1, 288	1, 323	1, 248	1, 637	1, 626	1, 494	1, 425
Federal Aviation Agency	5	6	1	3	3	(*)	8
General Services Administration:							
Trust enterprise funds (net)	−16	−18	3	−16	15	1	40
Other	115	52	289	−258	−202	420	357
Housing and Home Finance Agency:							
Federal National Mortgage Association:							
Loans for secondary market operations (net)	−18, 290	−20, 340	29, 590	−69, 700	−83, 160	57, 880	64, 700
Other (net)	7, 382	41, 496	53, 212	76, 041	90, 762	83, 950	83, 764
National Aeronautics and Space Administration	(*)	(*)	(*)	-------	(*)	-------	(*)
Veterans' Administration:							
Government life insurance fund—benefits, refunds, and dividends	32, 343	5, 113	4, 041	4, 998	4, 280	4, 102	7, 139
National service life insurance fund—benefits, refunds, and dividends	141, 216	38, 820	34, 359	35, 531	32, 056	32, 046	57, 730
Other	130	161	124	114	121	171	162
Other independent agencies:							
Civil Service Commission:							
Civil service retirement and disability fund	84, 187	85, 333	84, 569	90, 607	88, 162	85, 169	88, 098

Expenditures	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961 [4]
	February 1962	March 1962	April 1962	May 1962	June 1962		
Treasury Department—Labor programs—Continued							
Unemployment trust fund—Continued							
Employment security administration account—Continued							
Payments to general fund:							
Reimbursements for administrative expenses	1,422	1,422	55	54	54	5,067	5,101
Interest on refunds of taxes	4	3	6	6	10	57	50
Payment of interest on advances from general (revolving) fund	3,471	-----	-----	-----	-----	3,471	2,910
Railroad unemployment insurance account:							
Benefit payments	16,414	17,426	13,903	11,865	10,639	201,622	251,711
Temporary extended railroad unemployment benefits	1,067	1,471	1,238	691	369	9,288	10,017
Repayment of advances to railroad retirement account	-----	11,570	-----	-----	-----	24,825	31,205
Payment of interest on advances from railroad retirement account	-----	756	-----	-----	10,951	12,390	1,020
Repayment of advances from general fund	-----	-----	49	322	2,084	2,455	-----
Railroad unemployment insurance administration fund:							
Administrative expenses	965	579	630	983	378	9,078	9,739
State accounts:							
Withdrawals by States	302,590	300,698	271,010	191,473	188,457	2,856,583	3,558,074
Reimbursements from Federal extended compensation account	−166	7,287	−2,989	−19,428	−1,515	−37,786	−6,104
Federal extended compensation account:							
Temporary extended unemployment compensation payments	49,321	24,726	26,563	17,312	3,983	303,932	481,152
Reimbursement to State accounts	166	−7,287	2,989	19,428	1,515	37,786	6,104
Total unemployment trust fund	401,504	397,542	346,978	245,572	339,205	3,906,391	4,733,693
Treasury Department-other	1,373	2,026	1,469	1,659	1,328	17,895	16,724
Federal Aviation Agency	6	(*)	16	1	87	135	108
General Services Administration:							
Trust enterprise funds (net)	2	−3	−11	−3	−18	−25	−49
Other	392	−25	326	4	1,981	3,451	773
Housing and Home Finance Agency:							
Federal National Mortgage Association:							
Loans for secondary market operations (net)	−31,540	26,650	24,860	−1,470	20,820	-----	[9]−16,000
Other (net)	59,188	−5,775	−73,448	−47,419	−52,418	316,736	−72,898
National Aeronautics and Space Administration	-----	(*)	(*)	(*)	1	-----	(*)
Veterans' Administration:							
Government life insurance fund-benefits, refunds, and dividends	6,008	6,470	5,838	8,798	7,113	96,243	93,757
National service life insurance fund-benefits, refunds, and dividends	49,070	54,905	54,004	48,948	47,667	626,351	707,467
Other	103	167	126	174	156	1,709	1,818
Other independent agencies:							
Civil Service Commission:							
Civil service retirement and disability fund	85,292	91,816	90,584	92,074	91,752	1,057,644	951,039

Footnotes at end of table.

TABLE 7.—*Trust account and other receipts and expenditures, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

[In thousands of dollars]

Expenditures	Fiscal year 1962: July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Other independent agencies—Continued							
Civil Service Commission—Continued							
Employees health benefits fund (net)	890	−2,112	1,479	−1,374	−371	−5,448	−17
Employees' life insurance fund (net)	−21,204	−886	−768	392	−2,510	−17,477	4
Retired employees health benefits fund (net)	−2,054	−14,878	6,606	1,120	1,151	1,146	1,124
Total Civil Service Commission	61,819	67,457	91,886	90,746	86,433	63,390	89,210
National Capital Housing Authority (net)	−80	65	229	23	−44	−23	12
Railroad Retirement Board:							
Railroad retirement account:							
Administrative expenses	558	773	699	783	718	978	772
Benefit payments, etc	82,859	83,206	84,325	84,637	84,267	84,601	85,889
Advances to railroad unemployment insurance account	10,600	19,020	----	17,700	16,565	----	6,915
Interest on refunds of taxes	----	(*)	----	----	(*)	(*)	----
Total Railroad Retirement Board	94,016	102,999	85,024	103,120	101,550	85,579	93,576
Other:							
Trust enterprise funds (net)	7	−1	−2	2	−16	6	4
Other	11	54	28	23	1	10	−1
District of Columbia	20,066	24,032	35,898	31,620	26,856	19,999	29,471
Deposit fund accounts (net):							
District of Columbia	−150	250	120	−388	702	−205	−115
Government sponsored enterprises:							
Investments in public debt securities, net investments (+), or sales (−)	−83,200	−105,546	+117,300	−77,150	+204,771	−319,635	+399,815
Sales and redemptions of obligations in market, net sales (−), or redemptions (+)	−41,297	−70,171	−305,475	+9,621	−140,885	+42,389	−97,516
Other	126,014	169,643	180,468	58,458	−76,086	273,717	−312,567
Indian tribal funds	−125	−1,489	384	1,329	−726	958	236
Other	−45,748	32,107	96,152	−21,378	−21,485	−133,540	48,312
Total trust and deposit fund expenditures	1,883,985	2,068,048	2,218,333	2,012,781	1,976,021	1,937,274	2,329,716
Payment of melting losses on gold	----	----	----	----	----	----	----
Subtotal expenditures	1,883,985	2,068,048	2,218,333	2,012,781	1,976,021	1,937,274	2,329,716
Deduct: Certain interfund transactions [7]	11,644	20,007	14,894	18,664	17,593	3,205	8,131
Net expenditures	1,872,342	2,048,041	2,203,440	1,994,117	1,958,428	1,934,069	2,321,585
Excess of trust and other receipts (+), or expenditures (−)	−870,564	+1,244,309	−725,732	−1,014,871	+479,183	−450,148	−1,455,136

Expenditures	Fiscal year 1962 February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961[4]
Other independent agencies—Continued							
Civil Service Commission—Continued							
Employees health benefits fund (net)	2,364	−2,511	−3	−1,431	−2,280	−10,815	−23,263
Employees' life insurance fund (net)	−1,331	−910	1,109	−3,225	−23,499	−70,303	−50,924
Retired employees health benefits fund (net)	1,139	1,171	1,129	1,109	1,147	−91	−1,623
Total Civil Service Commission	87,463	89,566	92,819	88,527	67,120	976,436	875,229
National Capital Housing Authority (net)	81	288	30	−52	−417	111	322
Railroad Retirement Board:							
Railroad retirement account:							
Administrative expenses	681	866	652	688	1,054	9,222	9,948
Benefit payments, etc	85,399	99,882	74,703	86,515	87,665	1,023,948	981,839
Advances to railroad unemployment insurance account	13,635		8,450	8,585		101,470	132,345
Interest on refunds of taxes	(*)		(*)	(*)	4	5	(*)
Total Railroad Retirement Board	99,716	100,748	83,806	95,789	88,723	1,134,644	1,124,132
Other:							
Trust enterprise funds (net)	13	−1	−13	2	−12	−11	8
Other	4	7	13	12	18	180	375
District of Columbia	26,727	31,861	26,080	27,297	33,622	333,529	302,518
Deposit fund accounts (net):							
District of Columbia	−143	−131	−465	327	766	569	−577
Government sponsored enterprises:							
Investments in public debt securities, net investments (+), or sales (−)	−71,685	+342,088	−283,405	−14,310	−79,124	+29,919	+434,190
Sales and redemptions of obligations in market, net sales (−), or redemptions (+)	+122,461	−199,875	+37,412	−184,754	−293,830	−1,121,921	−195,417
Other	−15,774	−132,279	237,869	205,639	371,121	1,086,223	−223,572
Indian tribal funds	548	2,528	−752	−790	518	2,617	1,275
Other	−43,481	−80,104	−76,341	−357,046	89,937	−512,615	175,477
Total trust and deposit fund expenditures	2,041,432	2,053,356	1,876,188	1,600,998	2,641,021	24,639,153	23,533,101
Payment of melting losses on gold							(*)
Subtotal expenditures	2,041,432	2,053,356	1,876,188	1,600,998	2,641,021	24,639,153	23,533,101
Deduct: Certain interfund transactions[7]	14,543	13,536	9,535	9,600	386,446	527,797	514,738
Net expenditures	2,026,889	2,039 819	1,866,653	1,591,398	2,254,575	24,111,356	23,018,363
Excess of trust and other receipts (+), or expenditures (−)	+716.269	−211,910	−279,476	+2,461.295	+320,190	+213,409	+565.102

* Less than $500.

[1] Details of these trust funds may be found in the table for each fund beginning with table 68 of this report.

[2] Refunds of taxes now shown as deductions from receipts were formerly included in expenditures.

[3] Includes adjustment due to reclassification.

[4] Certain figures for fiscal 1961 have been adjusted to correspond to classifications for fiscal 1962. See also footnote 2.

[5] Includes $2,577,263 adjustment due to reclassification.

[6] Amount previously transferred from budget account and retransferred during September.

[7] Mainly financial interchanges between trust funds resulting in receipts and expenditures. For details of these interfund transactions by fiscal year, see table 10.

[8] Includes $17,000,000 adjustment due to reclassification.

[9] The Association exchanged preferred stock of $16,000,000 for notes in the same amount held by the Secretary of the Treasury (12 U.S.C. 1719).

TABLE 8.—*Investments of Government agencies in public debt securities (net),*[1] *monthly for fiscal year 1962 and totals for 1961 and 1962*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Public enterprise funds:							
Federal National Mortgage Association (guaranteed securities)	102	1,036	6,249	17,641	−641	−5,427	7,108
Federal Housing Administration	2,430	8,920	−31,889	659	10,439	5,370	11,655
Federal Savings and Loan Insurance Corporation	8,000	4,000	4,000	5,000	8,000	4,000	8,000
Tennessee Valley Authority	35,300	5,000	−7,000	−5,500	−9,000	−6,640	−25,000
Other	800	1,500	1,400	1,500	−27,800	1,600	1,800
Total public enterprise funds	46,632	20,456	−27,240	19,300	−19,002	−1,097	3,563
Trust accounts, etc.:							
Judicial survivors annuity fund						150	
Highway trust fund	−7,000	800	−65,351	−22,114	−66,569	1,183	5,000
Foreign service retirement and disability fund	239	58	146	1,998	48	219	45
Federal disability insurance trust fund [2]	−21,678	72,264	−11,139	−30,998	7,983	−78,033	−57,231
Federal old-age and survivors insurance trust fund [2]	−536,321	774,156	−353,273	−666,580	31,985	−369,205	−827,844
Unemployment trust fund [2]	−127,500	439,218	−208,436	−110,090	219,952	−106,240	−267,381
Federal National Mortgage Association—secondary market operations (guaranteed securities)			−503	654	3,116	9,926	2,775
Veterans' life insurance funds:							
Government life insurance fund	−30,000	−3,000	−3,000	−3,100	−3,000	−3,900	−4,400
National service life insurance fund	−94,000	2,000	3,000	5,800	4,900	−1,600	−2,800
Civil Service Commission:							
Civil service retirement and disability fund	50,384	114,135	14,778	47,502	50,076	68,781	64,929
Employees health benefits fund			3,742	875	751	511	1,000
Employees' life insurance fund	17,405	7,468	1,070		3,452	816	14,896
Retired employees health benefits fund			10,500	−1,200	−1,200	−850	100
Railroad retirement account	−85,838	−19,497	−22,910	−89,510	−21,486	−47,491	−69,498
Other	7,695	−10,883	−3,178	19,962	−20,114	−13,231	−410
Total trust accounts, etc	−826,614	1,376,719	−634,555	−846,801	209,895	−538,964	−1,140,818
Net investments, or sales (−)	−779,983	1,397,175	−661,795	−827,501	190,893	−540,061	−1,137,255
MEMORANDUM [3]							
Government-sponsored enterprises:							
Banks for cooperatives	−3,000	4					15
Federal Deposit Insurance Corporation		9,650	−2,500	5,000	17,000	5,350	39,300
Federal home loan banks	−80,200	−115,200	117,800	−82,150	183,510	−320,750	359,430
Federal intermediate credit banks			2,000		4,261	−4,235	20
Federal land banks							1,050

	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Public enterprise funds:							
Federal National Mortgage Association (guaranteed securities)	2,184	8,461	2,116	5,973	−2,710	42,092	7,528
Federal Housing Administration	4,950	−51,977	−6,360	8,230	5,375	−32,198	97,489
Federal Savings and Loan Insurance Corporation	2,000	5,000	7,000	50,000	124,000	229,000	34,000
Tennessee Valley Authority	24,740	3,260	------------	−10,360	−34,000	−29,200	−12,089
Other	−227	−289	−2,904	1,159	3,141	−18,320	21,667
Total public enterprise funds	33,647	−35,545	−148	55,002	95,806	191,374	148,595
Trust accounts, etc.:							
Judicial survivors annuity fund	------------	50	------------	------------	15	216	210
Highway trust fund	38,427	98,106	111,000	89,700	18,719	201,901	232,699
Foreign service retirement and disability fund	185	71	238	35	1,248	4,530	3,002
Federal disability insurance trust fund [2]	37,930	14,399	−25,047	74,381	37,731	20,562	284,713
Federal old-age and survivors insurance trust fund [2]	357,149	60,694	−319,400	1,101,218	−341,431	−1,088,852	−225,331
Unemployment trust fund [2]	−35,300	−178,833	−258,553	823,248	−117,954	72,132	−951,991
Federal National Mortgage Association–secondary market operations (guaranteed securities)	3,061	2,100	3,913	3,584	9,301	37,927	253
Veterans' life insurance funds:							
Government life insurance fund	−4,400	−4,424	−5,776	−5,841	27,217	−43,624	−35,107
National service life insurance fund	−11,100	−9,070	−8,531	−8,272	163,831	44,158	−43,718
Civil Service Commission:							
Civil service retirement and disability fund	53,642	60,722	111,601	61,783	331,413	1,029,746	1,059,787
Employees health benefits fund	899	704	890	816	987	11,175	12,324
Employees' life insurance fund	1,750	1,312	−564	3,020	320	50,945	47,021
Retired employees health benefits fund	−1,125	−1,550	−808	−1,107	−1,129	1,631	------------
Railroad retirement account	−33,852	−15,518	−73,019	−6,735	422,805	−62,549	−78,258
Other	−3,549	−5,821	9,560	−9,144	−6,699	−35,813	−19,275
Total trust accounts, etc	403,716	22,942	−454,495	2,126,685	546,374	244,084	286,328
Net investments, or sales (−)	437,363	−12,603	−454,643	2,181,687	642,180	435,458	434,923
MEMORANDUM [3]							
Government-sponsored enterprises:							
Banks for cooperatives	------------	------------	------------	------------	−9	−2,990	3,028
Federal Deposit Insurance Corporation	58,500	−4,000	6,000	16,000	4,000	154,300	147,521
Federal home loan banks	−130,840	348,500	−289,405	−29,560	−83,130	−121,995	286,990
Federal intermediate credit banks	155	88	------------	500	15	2,804	1,486
Federal land banks	500	−2,500	------------	−1,250	------------	−2,200	−4,835

[1] Includes certain guaranteed securities as noted in stub.
[2] Takes into account accrued interest, discount, or premium on securities purchased, and net amortization or repayments.
[3] See table 9, footnote 1.

TABLE 9.—*Sales and redemptions of obligations of Government agencies in the market (net), monthly for fiscal year 1962 and totals for 1961 and 1962*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Public enterprise funds:							
Guaranteed by the United States:							
Federal Farm Mortgage Corporation in liquidation	-----	(*)	-----	2	1	-----	(*)
Federal Housing Administration	1,587	−10,602	−21,400	−28,238	−15,661	−15,640	−16,380
Home Owners' Loan Corporation	(*)	1	1	(*)	5	(*)	1
Not guaranteed by the United States:							
Federal National Mortgage Association (management and liquidating functions)	-----	6	-----	5	5	-----	-----
Home Owners' Loan Corporation	-----	-----	-----	-----	(*)	-----	1
Tennessee Valley Authority	−50,000	-----	-----	-----	-----	-----	-----
Trust enterprise funds:							
Guaranteed by the United States:							
District of Columbia stadium fund	-----	-----	-----	-----	-----	-----	-----
Not guaranteed by the United States:							
Federal National Mortgage Association (secondary market operations)	23,944	−21,855	−86,265	−5,006	−12,561	−152,607	−149,081
Net redemptions, or sales (−)	−24,469	−32.449	−107,664	−33,237	−28,212	−168,247	−165,459
MEMORANDUM [1]							
Government-sponsored enterprises:							
Not guaranteed by the United States:							
Banks for cooperatives	2,025	−3,400	15	−60,675	5.755	4,800	-----
Federal home loan banks	95	−39,245	−241,790	125	−238,995	50	−113,555
Federal intermediate credit banks	−43,850	−27,640	12,780	67,355	92,215	37,425	15,955
Federal land banks	433	114	−76,480	2,816	140	114	84

	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Public enterprise funds:							
Guaranteed by the United States:							
Federal Farm Mortgage Corporation in liquidation	----------	----------	----------	1	(*)	4	19
Federal Housing Administration	−24,592	−30,713	−3,583	−24,654	−14,152	−204,027	−81,078
Home Owners' Loan Corporation	(*)	----------	1	(*)	10	20	9
Not guaranteed by the United States:							
Federal National Mortgage Association (management and liquidating functions)	5	----------	----------	----------	----------	21	797,333
Home Owners' Loan Corporation	----------	----------	----------	----------	(*)	1	(*)
Tennessee Valley Authority	−45,000	----------	----------	----------	----------	−95,000	−50,000
Trust enterprise funds:							
Guaranteed by the United States:							
District of Columbia stadium fund	----------	----------	----------	----------	----------	----------	−19,324
Not guaranteed by the United States:							
Federal National Mortgage Association (secondary market operations	−32,830	−23,997	46,864	45,944	8,740	−358,710	85,622
Net redemptions, or sales (−)	−102,417	−54,710	43,283	21,291	−5,401	−657,691	732,582
MEMORANDUM [1]							
Government-sponsored enterprises:							
Not guaranteed by the United States:							
Banks for cooperatives	−17,555	10	10,980	50	10,485	−47,510	−51,925
Federal home loan banks	238,120	−159,860	100,715	−64,775	−230,995	−750,110	200,315
Federal intermediate credit banks	−33,295	−40,910	−74,325	−63,285	−74,420	−131,995	−123,695
Federal land banks	−64,809	885	42	−56,744	1,100	−192,306	−220,112

*Less than $500.

[1] The security transactions of Government-sponsored enterprises are included in deposit fund accounts (net) in table 7, and excluded from net redemptions or sales of obligations of Government agencies in the market and net investments or sales of Government agencies in public debt securities.

TABLE 10.—*Intertrust fund transactions excluded from both net trust account receipts and net trust account expenditures, fiscal years 1948–62*

[Based on transactions reported by collecting, disbursing, and administrative agencies of the Government]

Fiscal year	Federal old-age and survivors insurance trust fund [1]	Federal disability insurance trust fund [1] [2]	Railroad retirement account [1] [3]	Unemployment trust fund [4]	Federal employees' retirement funds [5]	District of Columbia [6]	Total
1948						$1,530,000	$1,530,000
1949						2,032,000	2,032,000
1950						1,779,000	1,779,000
1951						1,907,000	1,907,000
1952						2,542,000	2,542,000
1953				$4,864,976		2,418,000	7,282,976
1954			$11,595,000	4,243,628		2,430,000	18,268,628
1955			9,551,000	1,647,437	$1,932,192	2,532,000	15,662,629
1956			7,439,000		2,183,034	2,640,000	12,262,034
1957			5,220,000		1,676,647	2,655,748	9,552,395
1958		$287,882	1,588,000			8,690,218	10,566,100
1959	$124,441,000	440,900				9,833,283	134,715,183
1960	600,437,000	724,045	210,561,000	86,130,891		10,248,652	908,101,589
1961	331,734,000	6,024,593	132,345,000	32,225,482		12,409,293	514,738,368
1962	360,788,000	13,234,658	101,470,000	37,214,797	2,835,739	12,254,136	527,797,329

[1] Payments are made between the railroad retirement account and the Federal old-age and survivors and Federal disability insurance trust funds so as to place those funds in the position in which they would have been if railroad employment after 1936 had been included under social security coverage.

[2] Includes interest on amounts reimbursed to the Federal old-age and survivors insurance trust fund for administrative expenses.

[3] Includes temporary advances to the railroad unemployment insurance account in the unemployment trust fund when the balance in the account is insufficient to meet payments of benefits and refunds due or to become due.

[4] Repayment of advances with interest to the railroad retirement account. See footnote 3.

[5] Transfers from the civil service retirement and disability fund to the foreign service retirement and disability fund.

[6] Contributions, and beginning with 1958, transfers of deductions from employees' salaries to the civil service retirement and disability fund.

NOTE.—Except for minor amounts for the District of Columbia there were no intertrust fund transactions before 1948.

TABLE 11.—*Trust enterprise (revolving) funds, receipts and expenditures for fiscal year 1962 and net for 1961 and 1962*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	Fiscal year 1962			Fiscal year 1961
	Receipts	Expenditures	Net receipts (−), or expenditures	Net receipts (−), or expenditures
Department of Agriculture:				
Farmers Home Administration	9,219	10,136	918	27
Department of Defense, civil:				
United States Soldiers' Home	119	115	−4	8
Department of Justice:				
Alien property activities	1,647	7,086	5,440	2,826
Federal Prison System, commissary funds	2,352	2,324	−28	8
General Services Administration:				
Records activities; National Archives trust fund	423	398	−25	−49
Housing and Home Finance Agency:				
Federal National Mortgage Association:				
Loans for secondary market operations	909,540	909,540		[1] −16,000
Other	636,890	953,626	316,736	−72,898
Other independent agencies:				
Civil Service Commission:				
Employees health benefits fund	342,565	331,750	−10,815	−23,263
Employees' life insurance fund	168,993	98,691	−70,303	−50,924
Retired employees health benefits fund	26,499	26,408	−91	−1,623
National Capital Housing Authority	6,093	6.205	111	322
Federal Communications Commission	254	243	−11	8
Total trust enterprise funds	2,104,593	2,346,522	241,929	−161,557

[1] The Association exchanged preferred stock in the amount of $16,000,000 for notes in the same amount held by the Secretary of the Treasury (12 U.S.C. 1719).

NOTE.—This table supplies receipt and expenditure data for trust enterprise funds included in table 7 on a net basis.

TABLE 12.—*Budget receipts by sources and expenditures by major functions, fiscal years 1954–62*

[In millions of dollars. Expenditures classified on basis of 1964 Budget document]

Classification	1954	1955	1956	1957	1958	1959	1960	1961	1962
RECEIPTS									
Individual income taxes	32, 383	31, 650	35, 334	39, 030	38, 569	40, 735	44, 946	46, 153	50, 650
Corporation income taxes	21, 523	18, 265	21, 299	21, 531	20, 533	18, 092	22, 179	21, 765	21, 296
Excise taxes	10, 014	9, 211	10, 004	10, 638	10, 814	10, 760	11, 865	12, 064	12, 752
Employment taxes	5, 425	6, 220	7, 296	7, 581	8, 644	8, 854	11, 159	12, 502	12, 708
Estate and gift taxes	945	936	1, 171	1, 378	1, 411	1, 353	1, 626	1, 916	2, 035
Internal revenue taxes not otherwise classified	9	7	5	15	7	5	----------	----------	----------
Total internal revenue	70, 300	66, 289	75, 109	80, 172	79, 978	79, 798	91, 775	94, 401	99, 441
Customs	562	606	705	754	800	948	1, 123	1, 008	1, 171
Miscellaneous receipts	2, 311	2, 559	3, 006	2, 749	3, 196	3, 158	4, 064	4, 082	3, 206
Total receipts by major sources	73, 173	69, 454	78, 820	83, 675	83, 974	83, 904	96, 962	99, 491	103, 818
Deduct:									
Refunds of receipts (excluding interest): [1]									
Internal revenue applicable to:									
Budget accounts	3, 345	3, 400	3, 653	3, 894	4, 413	4, 907	5, 024	5, 725	5, 957
Trust accounts	40	51	66	58	165	180	193	224	278
Customs	20	22	23	20	18	23	18	25	29
Other	11	4	8	3	2	3	2	2	1
Total refunds of receipts (excluding interest)	3, 418	3, 477	3, 750	3, 976	4, 598	5, 114	5, 238	5, 976	6, 266
Transfers to trust accounts: [1]									
Federal old-age and survivors insurance trust fund	4, 497	4, 989	6, 271	6, 243	6, 795	7, 084	9, 192	10, 537	10, 600
Federal disability insurance trust fund	----------	----------	----------	333	863	837	929	953	945
Highway trust fund	----------	----------	----------	1, 479	2, 026	2, 074	2, 539	2, 798	2, 949
Railroad retirement account	603	599	634	616	575	525	607	571	564
Unemployment trust fund	----------	----------	----------	----------	----------	----------	----------	343	453
Total transfers to trust accounts	5, 100	5, 587	6, 905	8, 671	10, 259	10, 520	13, 267	15, 202	15, 510
Total deductions	8, 518	9, 064	10, 655	12, 647	14, 857	15, 634	18, 505	21, 178	21, 776
Subtotal receipts	64, 655	60, 390	68, 165	71, 029	69, 117	68, 270	78, 457	78, 313	82, 042
Deduct:									
Interfund transactions (included in both receipts and expenditures)	235	181	315	467	567	355	694	654	633
Net budget receipts	64, 420	60, 209	67, 850	70, 562	68, 550	67, 915	77, 763	77, 659	81, 409
EXPENDITURES [2]									
National defense:									
Department of Defense—military functions: [3]									
Military personnel	11, 643	11, 403	11, 582	11, 409	11, 611	11, 801	11, 738	12, 085	13, 032
Operation and maintenance	9, 162	7, 931	8, 400	9, 487	9, 761	10, 378	10, 223	10, 611	11, 594
Procurement	15, 957	12, 838	12, 227	13, 488	14, 083	14, 409	13, 334	13, 095	14, 532
Research, development, test, and evaluation	2, 187	2, 261	2, 101	2, 406	2, 504	2, 866	4, 710	6, 131	6, 319
Military construction	1, 744	1, 715	2, 079	1, 968	1, 753	1, 948	1, 626	1, 605	1, 347

Civil defense									90
Revolving and management funds	−367	−617	−598	−323	−643	−179	−416	−300	−99
Total Department of Defense-military functions	40, 326	35, 531	35, 792	38, 436	39, 070	41, 223	41, 215	43, 227	46, 815
Military assistance	3, 629	2, 292	2, 611	2, 352	2, 187	2, 340	1, 609	1, 449	1, 390
Atomic energy	1, 895	1, 857	1, 651	1, 990	2, 268	2, 541	2, 623	2, 713	2, 806
Defense-related activities	1, 136	1, 015	670	582	708	387	244	104	92
Total national defense	46, 986	40, 695	40, 723	43, 360	44, 234	46, 491	45, 691	47, 494	51, 103
International affairs and finance:									
Conduct of foreign affairs	130	121	129	157	173	237	217	216	249
Economic and financial programs	1, 511	1, 960	1, 613	1, 683	1, 910	3, 403	1, 477	2, 126	2, 372
Foreign information and exchange activities	91	100	111	133	149	139	137	158	197
Total international affairs and finance	1, 732	2, 181	1, 853	1, 973	2, 231	3, 780	1, 832	2, 500	2, 817
Space research and technology:									
Space research and technology	90	74	71	76	89	145	401	744	1, 257
Agriculture and agricultural resources:									
Farm income support and production adjustment	1, 689	3, 486	3, 900	3, 430	3, 284	5, 297	3, 602	3, 801	4, 591
Financing farming and rural housing	272	236	232	248	269	311	289	349	234
Financing rural electrification and rural telephones	217	204	217	267	297	315	330	301	303
Agricultural land and water resources	252	290	305	374	315	376	368	397	426
Research and other agricultural services	142	173	215	227	255	291	293	324	341
Total agriculture and agricultural resources	2, 573	4, 388	4, 868	4, 546	4, 419	6, 590	4, 882	5, 173	5, 895
Natural resources:									
Land and water resources	1, 056	935	804	925	1, 139	1, 184	1, 235	1, 394	1, 564
Forest resources	117	119	139	163	174	201	220	331	280
Mineral resources	37	37	38	62	59	71	65	61	68
Fish and wildlife resources	38	43	45	51	60	68	68	73	81
Recreational resources	33	35	44	59	69	85	74	91	94
General resource surveys and administration	35	34	36	38	44	61	51	55	60
Total natural resources	1, 317	1, 203	1, 105	1, 298	1, 544	1, 670	1, 714	2, 006	2, 147
Commerce and transportation:									
Aviation	186	179	180	219	315	494	568	716	781
Water transportation	370	349	420	365	392	436	508	569	654
Highways [4]	586	647	783	40	31	30	38	36	33
Postal service	312	356	463	518	674	774	525	914	797
Advancement of business	−281	−343	5	127	170	226	265	271	427
Area redevelopment					(*)				7
Regulation of business	45	38	41	45	49	58	59	67	74
Total commerce and transportation	1, 219	1, 225	1, 892	1, 313	1, 631	2, 017	1, 963	2, 573	2, 774

Footnotes at end of table.

TABLE 12.—*Budget receipts by sources and expenditures by major functions, fiscal years 1954–62*—Continued

[In millions of dollars]

Classification	1954	1955	1956	1957	1958	1959	1960	1961	1962
EXPENDITURES[2]—Continued									
Housing and community development:									
Aids to private housing	−277	174	−67	−254	−126	732	−172	−44	−149
Public housing programs	−401	−116	31	60	51	97	134	150	163
Urban renewal and community facilities	37	56	4	49	78	108	130	162	261
National Capital region	14	22	23	27	26	33	30	51	74
Total housing and community development	−628	136	−10	−118	30	970	122	320	349
Health, labor, and welfare:									
Health services and research	288	271	342	461	540	700	815	938	1,128
Labor and manpower	247	321	479	397	488	924	510	809	591
Public assistance	1,439	1,428	1,457	1,558	1,797	1,969	2,061	2,170	2,437
Other welfare services	148	145	184	216	234	284	304	326	368
Total health, labor, and welfare	2,122	2,165	2,462	2,632	3,059	3,877	3,690	4,244	4,524
Education:									
Assistance for elementary and secondary education	184	215	181	174	189	259	327	332	3[illegible]7
Assistance for higher education	44	43	44	110	178	225	261	286	350
Assistance to science education and basic research	6	11	20	46	50	106	120	143	183
Other aid to education	91	109	98	108	124	141	156	181	207
Total education	326	377	343	437	541	732	866	943	1,076
Veterans' benefits and services:									
Veterans' service-connected compensation	1,731	1,829	1,864	1,876	2,024	2,071	2,049	2,034	2,017
Veterans' nonservice-connected pensions	700	801	884	951	1,036	1,153	1,263	1,532	1,635
Veterans' readjustment benefits	789	879	944	977	1,026	864	725	559	388
Veterans' hospitals and medical care	782	727	788	801	856	921	961	1,030	1,084
Other veterans' benefits and services	339	286	331	266	242	280	266	259	279
Total veterans' benefits and services	4,341	4,522	4,810	4,870	5,184	5,287	5,266	5,414	5,403
Interest:									
Interest on the public debt	6,382	6,370	6,787	7,244	7,607	7,593	9,180	8,957	9,120
Interest on refunds of receipts	83	62	54	57	74	69	76	83	68
Interest on uninvested funds	5	5	6	6	8	9	10	10	10
Total interest	6,470	6,438	6,846	7,307	7,689	7,671	9,266	9,050	9,198

General government:									
Legislative functions	49	60	76	90	89	102	109	118	135
Judicial functions	29	31	38	40	44	47	49	52	57
Executive direction and management	11	12	12	12	19	21	20	22	22
Central fiscal operations	449	431	475	476	502	566	558	607	653
General property and records management	157	168	173	201	245	295	372	372	419
Central personnel management	93	96	304	602	84	95	84	140	153
Protective services and alien control	186	185	220	219	233	255	263	289	300
Other general government	253	183	278	100	69	86	88	109	136
Total general government	1,226	1,166	1,576	1,738	1,284	1,466	1,542	1,709	1,875
Total expenditures by major functions	67,772	64,570	66,540	69,433	71,936	80,697	77,233	82,169	88,419
Deduct:									
Interfund transactions (included in both receipts and expenditures)	235	181	315	467	567	355	694	654	633
Total budget expenditures	67,537	64,389	66,224	68,966	71,369	80,342	76,539	81,515	87,787
Budget surplus (+), or deficit (−)	−3,117	−4,180	+1,626	+1,596	−2,819	−12,427	+1,224	−3,856	−6,378

*Less than $500,000.

[1] Amounts representing refunds of principal for overpaid taxes formerly reported net of reimbursements from trust fund accounts are shown herein on a gross basis. These reimbursements to the Internal Revenue Service for refunds are included and netted with amounts for transfers to the respective trust fund accounts.

[2] Expenditures are net of receipts of public enterprise funds.

[3] Amounts shown include estimated comparability adjustments not supportable by accounting records.

[4] For 1954-56 includes Federal aid highway expenditures; since 1957 these expenditures have been made through the highway trust fund.

TABLE 13.—*Trust fund receipts by sources and expenditures by major functions, fiscal years 1954–62*

[In millions of dollars]

Description	1954	1955	1956	1957	1958	1959	1960	1961	1962
RECEIPTS									
Employment taxes:									
Transfers	5,140	5,638	6,971	7,250	8,308	8,530	10,817	12,502	12,708
Less refunds	−40	−51	−66	−58	−75	−83	−89	−98	−147
Unemployment tax deposits by States	1,246	1,146	1,330	1,542	1,501	1,701	2,167	2,398	2,729
Excise taxes:									
Transfers				1,479	2,116	2,171	2,642	2,923	3,080
Less refunds				(*)	−90	−97	−103	−126	−131
Federal employee and agency payments for retirement	465	473	813	1,175	1,252	1,507	1,504	1,740	1,756
Interest:									
Trust fund investments	1,188	1,173	1,207	1,318	1,342	1,315	1,327	1,404	1,423
Uninvested trust funds	5	5	5	6	8	9	10	10	10
Veterans' life insurance premiums:									
Government life	35	35	30	28	27	24	22	20	18
National service life	391	405	410	425	459	453	460	484	483
Miscellaneous	685	660	918	1,146	1,317	1,375	2,494	2,841	2,924
Subtotal trust fund receipts	9,115	9,485	11,619	14,311	16,164	16,904	21,250	24,098	24,853
Interfund transactions(−)	−18	−16	−12	−10	−11	−135	−908	−515	−528
Net trust fund receipts, based on Budget document	9,097	9,470	11,607	14,301	16,153	16,769	20,342	23,583	24,325
EXPENDITURES									
National defense	146	164	143	93	344	229	256	196	366
International affairs and finance	101	45	−29	13	1	21	48	13	15
Agriculture and agricultural resources	137	73	288	426	357	645	458	417	432
Natural resources	47	60	78	83	99	92	118	185	112
Commerce and transportation	−101	−97	−101	866	1,401	2,493	2,831	2,505	2,662
Housing and community development	−296	231	461	1,044	−295	1,263	1,439	−273	1,522
Health, labor, and welfare	6,036	7,423	7,999	9,585	12,775	14,306	16,358	19,236	20,382
Education	1	1	1	1	1	1	1	1	1

Veterans' benefits and services	779	628	606	608	671	651	673	811	733
General government	9	7	8	8	10	10	17	17	20
Deposit funds	−130	58	239	219	−88	−6	−107	186	−515
Subtotal	6,729	8,593	9,693	12,947	15,275	19,707	22,093	23,294	25,731
Interfund transactions(−)	−18	−16	−12	−10	−11	−135	−908	−515	−528
Subtotal, based on Budget document	6,711	8,577	9,681	12,938	15,265	19,573	21,185	22,780	25,203
Adjustment to monthly Treasury statement basis [1]	433	−99	−324	−46	627	−1,292	−484	239	−1,092
Net trust fund expenditures	7,143	8,479	9,357	12,892	15,892	18,280	20,701	23,018	24,111
Excess of trust fund receipts (+), or expenditures (−)	1,953	991	2,250	1,409	262	−1,511	−359	565	213

*Less than $500,000.

[1] Represents net investments in U.S. securities and net sales and redemptions of obligations in the market of Government-sponsored enterprises which have been included as expenditure transactions in the related trust fund expenditure function above.

TABLE 14.—*Trust account receipts and expenditures*

[In thousands of dollars. On

Classification	1938	1939	1940	1941	1942
RECEIPTS					
Federal old-age and survivors insurance trust fund	402,412	529,951	592,489	744,099	966,625
Federal disability insurance trust fund					
Railroad retirement account	147,813	109,299	122,933	126,884	143,993
Unemployment trust fund	762,833	838,087	958,639	1,113,923	1,243,587
National service life insurance fund				3,513	46,361
Government life insurance fund	93,459	95,021	92,862	91,437	91,613
Federal employees' retirement funds [2]	129,152	135,470	154,372	175,209	221,663
Highway trust fund					
Other trust funds and accounts [3]	196,362	214,534	216,416	409,621	503,807
Subtotal receipts	1,732,032	1,922,362	2,137,710	2,664,685	3,217,650
Deduct: Certain trust receipts which are also expenditures [4]					
Net receipts	1,732,032	1,922,362	2,137,710	2,664,685	3,217,650
EXPENDITURES (Except net investments)					
Federal old-age and survivors insurance trust fund [5]	5,404	13,892	28,093	91,182	137,046
Federal disability insurance trust fund					
Railroad retirement account	79,849	105,774	113,099	121,174	126,244
Unemployment trust fund	190,975	441,795	514,316	555,127	377,142
National service life insurance fund				31	864
Government life insurance fund	63,955	91,002	78,122	62,571	44,988
Federal employees' retirement funds [2]	63,666	65,010	68,547	73,831	77,934
Highway trust fund					
Other trust funds and accounts [6]	104,822	75,239	68,765	337,421	460,950
Deposit fund accounts (net):					
Government-sponsored enterprises:					
Redemptions, or sales (−), of agency obligations in the market			15,080	−16,412	−5,376
Investments in public debt securities					
Other					
Other deposit funds				29,593	−129,476
Subtotal expenditures	508,670	792,712	886,022	1,254,518	1,090,316
Deduct: Certain trust expenditures which are also receipts [4]					
Net expenditures	508,670	792,712	886,022	1,254,518	1,090,316
Excess of receipts, or expenditures (−)	1,223,362	1,129,650	1,251,689	1,410,167	2,127,334

[1] Amounts shown have been revised where necessary to make them as nearly comparable with current classifications as available data will permit. For this reason certain figures differ somewhat from those published in earlier annual reports.

[2] Consists of civil service and foreign service retirement and disability funds.

[3] Includes principally: District of Columbia; Indian tribal funds; adjusted service certificate fund; island possessions; increment resulting from reduction in weight of gold dollar; and seigniorage on silver through 1950.

by major classifications, fiscal years 1938–51 [1]

basis of daily Treasury statements]

1943	1944	1945	1946	1947	1948	1949	1950	1951
1,217,898	1,395,300	1,433,773	1,385,984	1,623,332	1,807,424	1,923,769	2,366,770	3,411,490
220,578	272,557	324,057	311,794	322,650	797,364	625,402	645,034	678,158
1,398,524	1,566,909	1,507,757	1,279,779	1,289,398	1,312,909	1,173,176	1,281,027	1,541,640
316,148	904,544	2,127,419	2,350,986	1,504,131	739,681	690,052	1,076,357	683,741
89,764	94,144	97,199	102,974	134,028	90,497	92,149	87,417	85,794
373,602	500,564	557,237	614,443	578,167	593,674	680,406	808,979	850,192
337,231	351,311	1,038,118	1,666,320	792,320	1,173,682	529,474	403,150	545,256
3,953,745	5,085,329	7,085,561	7,712,281	6,244,027	6,515,230	5,714,427	6,668,734	7,796,271
----------	----------	----------	----------	----------	1,530	2,032	1,779	1,907
3,953,745	5,085,329	7,085,561	7,712,281	6,244,027	6,513,700	5,712,395	6,666,955	7,794,364
176,796	217,205	266,784	357,937	466,370	559,133	660,501	784,108	1,568,535
130,465	134,416	141,445	151,959	173,277	222,306	278,202	304,363	321,018
176,167	60,591	71,277	1,145,916	869,474	858,925	1,313,787	2,025,548	900,304
6,008	31,366	128,161	279,767	281,514	301,949	348,132	2,987,906	613,638
30,060	33,593	24,510	50,166	67,484	69,807	61,331	113,640	77,388
85,278	102,663	150,628	266,508	323,279	244,494	221,856	268,453	271,339
259,720	233,016	427,765	1,574,301	1,073,224	1,233,733	526,074	369,683	386,819
56,490	134,966	276,584	−65,530	−28,114	−123,456	28,266	13,992	−374,407
----------	----------	----------	----------	----------	----------	----------	----------	83,892
----------	----------	----------	75,590	7,532	162,346	−7,674	−44,499	310,286
−270,968	−508,001	−1,669,206	571,063	363,978	204,292	421,552	140,463	−504,707
650,015	439,814	−182,052	4,407,678	3,598,019	3,733,529	3,852,027	6,963,657	3,654,105
----------	----------	----------	----------	----------	1,530	2,032	1,779	1,907
650,015	439,814	−182,052	4,407,678	3,598,019	3,731,999	3,849,995	6,961,878	3,652,198
3,303,730	4,645,515	7,267,612	3,304,604	2,646,009	2,781,701	1,862,399	−294,922	4,142,166

[4] Totals shown for trust receipts and trust expenditures exclude certain intertrust fund transactions which are included in the detail of both trust receipts and trust expenditures. The transactions deducted consist mainly of financial interchanges between trust funds resulting in receipts and expenditures. For details of these transactions, see table 10.

[5] Includes reimbursement for certain administrative expenses met out of general fund appropriations.

[6] Includes principally: Adjusted service certificate fund; District of Columbia; Indian tribal funds; payment of melting losses on gold; and beginning 1950, mutual defense assistance trust fund.

NOTE.—Trust account receipt and expenditure data for the fiscal years 1952–62 are shown in table 15.

TABLE 15.—*Trust account and other transactions by major classifications, fiscal years 1952–62*

[In millions of dollars. On basis of daily Treasury statements for 1952; thereafter on basis of the "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
TRUST ACCOUNTS, ETC.											
RECEIPTS											
Federal old-age and survivors insurance trust fund	3,932	4,516	5,080	5,586	7,003	7,159	7,900	8,182	10,439	11,910	12,141
Less refunds of taxes	----	−33	−40	−51	−66	−58	−75	−74	−79	−86	−130
Federal disability insurance trust fund	----	----	----	----	----	339	943	938	1,071	1,093	1,104
Less refunds of taxes	----	----	----	----	----	----	----	−10	−10	−10	−12
Railroad retirement account	850	742	737	700	739	723	695	758	1,403	1,051	1,081
Unemployment trust fund	1,643	1,594	1,492	1,425	1,728	1,912	1,855	1,997	2,703	4,055	4,276
Less:											
Refunds of taxes	----	----	----	----	----	----	----	----	----	−2	−5
Return of advances to the general fund	----	----	----	----	----	----	----	----	----	−250	−285
National service life insurance fund	786	637	619	590	649	608	640	634	643	668	664
Government life insurance fund	87	79	78	78	73	69	67	63	61	58	54
Federal employees' retirement funds [1]	912	961	691	708	1,025	1,397	1,458	1,741	1,766	2,033	2,086
Highway trust fund	----	----	----	----	----	1,482	2,134	2,185	3,003	2,985	3,087
Less:											
Refunds of taxes	----	----	----	----	----	(*)	−90	−97	−103	−126	−131
Return of advances to the general fund	----	----	----	----	----	----	----	----	−359	−60	----
Other trust funds and accounts [2]	597	401	457	449	467	631	638	585	711	779	925
Subtotal receipts	8,807	8,896	9,115	9,485	11,619	14,311	16,164	16,904	21,250	24,098	24,853
Deduct: Certain trust receipts which are also expenditures [3]	3	7	18	16	12	10	11	135	908	515	528
Net receipts [4]	8,804	8,889	9,097	9,470	11,607	14,301	16,153	16,769	20,342	23,583	24,325
EXPENDITURES (Except net investments)											
Federal old-age and survivors insurance trust fund [5]	2,067	2,717	3,364	4,436	5,485	6,665	8,041	9,380	11,073	11,752	13,270
Federal disability insurance trust fund	----	----	----	----	----	1	181	361	561	746	1,089
Railroad retirement account	391	465	502	585	611	682	730	778	1,136	1,124	1,135
Unemployment trust fund	1,049	1,010	1,745	1,965	1,393	1,644	3,148	3,054	2,736	4,734	3,906
National service life insurance fund	996	588	623	538	512	515	544	562	582	707	626
Government life insurance fund	82	82	147	84	87	86	120	80	83	94	96
Federal employees' retirement funds [1]	300	363	411	430	507	591	699	792	896	955	1,063
Highway trust fund	----	----	----	----	----	966	1,512	2,613	2,945	2,620	2,784
Federal National Mortgage Association	----	----	----	−84	112	971	105	134	988	−89	317
Other trust funds and accounts [6]	413	441	495	483	425	565	915	672	711	698	868
Deposit fund accounts (net):											
Government-sponsored enterprises:											
Redemptions, or sales (−), of agency obligations in the market	186	−33	−11	−269	−872	−86	167	−1,222	−723	−195	−1,122
Investments in public debt securities	179	153	443	170	548	39	460	−70	239	434	30
Other	−395	−120	−437	99	334	39	−620	1,277	479	−224	1,086

Other deposit funds	49	−410	−121	56	229	224	−98	6	−97	176	−509
Subtotal expenditures	5,317	5,255	7,161	8,494	9,369	12,901	15,902	18,415	21,609	23,533	24,639
Deduct: Certain trust expenditures which are also receipts [3]	3	7	18	16	12	10	11	135	908	515	528
Net expenditures [4]	5,315	5,248	7,143	8,479	9,357	12,892	15,892	18,280	20,701	23,018	24,111
Excess of receipts, or expenditures (−)	3,490	3,641	1,953	991	2,250	1,409	262	−1,511	−359	565	213
INVESTMENTS OF GOVERNMENT AGENCIES IN PUBLIC DEBT SECURITIES (NET) [7]											
Employees' life insurance fund					1	5	36	58	48	47	51
Federal old-age and survivors insurance trust fund	1,950	1,545	1,522	[8] 1,241	1,463	220	−499	−1,290	−726	−225	−1,089
Federal disability insurance trust fund						325	729	552	494	285	21
Railroad retirement account	449	280	202	141	121	36	−33	−35	264	−78	−63
Unemployment trust fund	583	590	−248	−545	258	274	−1,255	−1,011	−41	−952	72
National service life insurance fund	−245	59	23	73	135	89	95	76	62	−44	44
Government life insurance fund	1	−2	−65	−1	−16	−16	−56	−17	−21	−35	−44
Federal employees' retirement funds [1]	624	588	252	314	548	803	671	958	871	1,063	1,034
Highway trust fund						404	418	−393	−428	233	202
Other trust funds and accounts [9]	−6	9	1	14	7	122	1	−112	25	−6	15
Public enterprise funds	101	79	−77	126	101	36	91	102	166	149	191
Net investments, or sales (−) [10]	3,457	3,148	1,611	1,362	2,617	2,300	197	−1,112	714	435	435
SALES AND REDEMPTIONS OF OBLIGATIONS OF GOVERNMENT AGENCIES IN MARKET (NET) [11]											
Guaranteed:											
Public enterprise funds	−16	−7	−29	37	−30	−33	6	−10	−28	−81	−204
Trust enterprise funds									(*)	−19	
Not guaranteed:											
Public enterprise funds	−98	65	44	−639	−44	136	−233	6	(*)	747	−95
Trust enterprise funds					−100	−1,188	−340	−67	−994	86	−359
Net redemptions, or sales (−) [10]	−114	59	14	−602	−173	−1,085	−567	−71	−1,023	733	−658

[1] Consists of civil service and foreign service retirement and disability funds.

[2] Includes principally: District of Columbia revenues from taxes, etc., and Federal contributions, loans, and grants to the District of Columbia; Indian tribal funds; adjusted certificate fund; increment resulting from reduction in weight of gold dollar; and funds appropriated to the President. The railroad unemployment insurance administration fund is included for 1954 through November 1958.

[3] Totals shown for trust receipts and trust expenditures exclude certain intertrust fund transactions which are included in the detail of both trust receipts and trust expenditures. The transactions deducted consist mainly of financial interchanges between trust funds resulting in receipts and expenditures. For details of these transactions, see table 10.

[4] Beginning fiscal 1953, refunds of taxes (principal only) are shown as deducts from receipts; they were formerly included in the respective trust fund expenditures.

[5] Includes reimbursement for certain administrative expenses met out of general fund appropriations.

[6] Includes principally: Adjusted service certificate fund; District of Columbia operating expenses; Indian tribal funds; funds appropriated to the President; payment of melting losses on gold; railroad unemployment insurance administration fund from 1954 through November 1958; beginning with 1955 Federal National Mortgage Association secondary market operations (net); employees health benefits and life insurance funds; and other trust enterprise funds.

[7] Includes guaranteed securities beginning in fiscal 1955. Data for 1962 are shown in table 8 by months.

[8] Includes $300 million redemption for adjustment of excess transfers.

[9] Includes adjusted service certificate fund; employees health benefits and life insurance funds; and investments of other accounts. Beginning with fiscal 1957 includes Federal National Mortgage Association (secondary market operations) and judicial survivors annuity fund. Federal intermediate credit banks are included from Jan. 1, 1957, through Dec. 31, 1958; beginning Jan. 1, 1959, they are classified as Government-sponsored enterprises.

[10] Security transactions of Government-sponsored enterprises are included in deposit fund accounts (net) and excluded from net sales or investments of Government agencies in public debt securities and net sales or redemptions of obligations of Government agencies in the market.

[11] Data for 1962 by months are shown in table 9.

NOTE.—Trust account receipt and expenditure data for the fiscal years 1938–51 are shown in table 14.

TABLE 16.—*Budget receipts and expenditures based on existing and proposed legislation, actual for the fiscal year 1962 and estimated for 1963 and 1964*

(In millions of dollars. On basis of 1964 Budget document)

Source	1962 actual	1963 estimate	1964 estimate
BUDGET RECEIPTS			
Internal revenue:			
Individual income taxes:			
Withheld	36,246	38,400	36,700
Other	14,403	14,200	14,400
Total individual income taxes	50,650	52,600	51,100
Corporation income taxes	21,296	22,000	24,600
Excise taxes:			
Alcohol taxes:			
Distilled spirits (domestic and imported)	2,386	2,500	2,650
Beer	813	832	870
Rectification tax	23	23	23
Wines (domestic and imported)	98	100	104
Special taxes in connection with liquor occupations	20	22	22
Total alcohol taxes	3,341	3,477	3,669
Tobacco taxes:			
Cigarettes (small)	1,957	2,017	2,100
Manufactured tobacco (chewing, smoking, and snuff)	17	17	17
Cigars (large)	50	50	50
Cigarette papers and tubes	1	1	1
All other	2	3	3
Total tobacco taxes	2,026	2,088	2,171
Documents, other instruments, and playing cards taxes:			
Issues of securities, stock and bond transfers, and deeds of conveyance	151	155	165
Playing cards	9	9	10
Silver bullion sales or transfers	(*)	(*)	(*)
Total taxes on documents, other instruments, and playing cards	159	164	175
Manufacturers excise taxes:			
Gasoline	2,406	2,457	2,528
Lubricating oils	73	75	80
Passenger automobiles	1,300	1,525	1,600
Automobile trucks, buses, and trailers	256	293	305
Parts and accessories for automobiles	197	210	225
Tires, inner tubes, and tread rubber	360	396	407
Electric, gas, and oil appliances	66	67	70
Electric light bulbs	34	35	38
Radio and television receiving sets, phonographs, phonograph records, and musical instruments	215	237	265
Mechanical refrigerators, quick freeze units, and self-contained air-conditioning units	55	59	63
Business and store machines	82	75	70
Photographic equipment	25	26	28
Matches	5	5	5
Sporting goods, including fishing rods, creels, etc	21	23	27
Firearms, shells, and cartridges	15	16	18
Pistols and revolvers	2	2	2
Fountain and ballpoint pens; mechanical pencils	8	8	8
Total manufacturers excise taxes	5,120	5,509	5,739
Retailers excise taxes:			
Jewelry	174	179	190
Furs	31	31	33
Toilet preparations	143	155	172
Luggage, handbags, wallets, etc	69	71	74
Total retailers excise taxes	416	436	469

Footnotes at end of table.

TABLE 16.—*Budget receipts and expenditures based on existing and proposed legislation, actual for the fiscal year 1962 and estimated for 1963 and 1964*—Continued

[In millions of dollars]

Source	1962 actual	1963 estimate	1964 estimate
BUDGET RECEIPTS—Continued			
Internal revenue—Continued			
Excise taxes—Continued			
Miscellaneous excise taxes:			
Toll telephone service, telegraph and teletype service, wire mileage service, etc.	345	385	415
General telephone service	489	525	570
Transportation of persons	260	190	72
Transportation of persons by air			33
Transportation of freight by air			3
Fuel used on inland waterways			3
Jet fuel			15
Diesel fuel used on highways	104	112	123
Use tax on certain vehicles	80	88	90
Admissions, exclusive of cabarets, roof gardens, etc.	38	40	43
Cabarets, roof gardens, etc.	35	36	38
Wagering taxes, including occupational taxes	6	6	6
Club dues and initiation fees	68	70	76
Lease of safe deposit boxes	7	7	7
Coconut and other vegetable oils, processed	(*)	(*)	
Sugar tax	95	97	100
Coin-operated amusement and gaming devices	20	23	26
Bowling alleys and billiard and pool tables	4	5	5
All other miscellaneous excise taxes	2	2	2
Total miscellaneous excise taxes	1,552	1,586	1,627
Undistributed depositary receipts and unapplied collections	137	81	114
Total excise taxes	12,752	13,341	13,964
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act	11,686	13,413	15,058
Railroad Retirement Tax Act	564	580	620
Federal Unemployment Tax Act	458	945	976
Total employment taxes	12,708	14,938	16,654
Estate and gift taxes	2,035	2,079	2,144
Total internal revenue	99,441	104,958	108,462
Customs	1,171	1,307	1,419
Miscellaneous receipts:			
Miscellaneous taxes	5	5	5
Seigniorage	58	39	49
Bullion charges	8	1	1
Fees for permits and licenses	62	68	75
Fines, penalties, forfeitures	11	68	40
Gifts and contributions	(*)	(*)	(*)
Interest	877	877	918
Dividends and other earnings	743	856	873
Rents	89	453	435
Royalties	121	130	133
Sale of products	342	380	407
Fees and other charges for services and special benefits	101	113	117
Sale of Government property	263	295	316
Realization upon loans and investments	371	1,026	539
Recoveries and refunds	154	99	128
Total miscellaneous receipts	3,206	4,410	4,036
Gross budget receipts	103,818	110,675	113,917

Footnotes at end of table.

TABLE 16.—*Budget receipts and expenditures based on existing and proposed legislation, actual for the fiscal year 1962 and estimated for 1963 and 1964*—Continued

[In millions of dollars]

Source	1962 actual	1963 estimate	1964 estimate
BUDGET RECEIPTS—Continued			
Deduct:			
Transfers to:			
Federal old-age and survivors insurance trust fund	10,600	12,289	13,884
Federal disability insurance trust fund	945	991	1,028
Railroad retirement account	564	580	620
Unemployment trust fund	453	937	968
Highway trust fund	2,949	3,212	3,306
Refunds of receipts:			
Internal revenue:			
Individual income taxes	5,079	5,300	5,300
Corporation income taxes	773	800	800
Excise taxes	218	229	228
Employment taxes	147	141	154
Estate and gift taxes	19	19	19
Total internal revenue	6,235	6,489	6,501
Customs	29	29	29
Miscellaneous receipts	1	2	2
Total refunds of receipts	6,266	6,521	6,532
Subtotal receipts	82,042	86,146	87,579
Deduct: Interest and other income received by Treasury from Government agencies included above and also included in budget expenditures	633	646	679
Net budget receipts	81,409	85,500	86,900
NET BUDGET EXPENDITURES			
Legislative branch	153	159	155
The judiciary	57	65	69
Executive Office of the President	29	25	31
Funds appropriated to the President	3,443	4,359	4,375
Department of Agriculture	6,669	7,493	6,565
Department of Commerce	594	745	895
Department of Defense:			
Military functions	46,815	48,300	51,000
Civil functions	999	1,106	1,140
Department of Health, Education, and Welfare	4,215	5,048	5,742
Department of the Interior	908	1,054	1,165
Department of Justice	294	317	337
Department of Labor	620	239	433
Post Office Department	797	802	554
Department of State	307	457	361
Treasury Department	10,173	10,811	11,232
Atomic Energy Commission	2,806	2,870	2,850
Federal Aviation Agency	698	791	801
General Services Administration	445	532	594
Housing and Home Finance Agency	739	1,088	695
National Aeronautics and Space Administration	1,257	2,400	4,200
Veterans' Administration	5,392	5,532	5,470
Other independent agencies	937	607	355
District of Columbia	72	83	86
Allowances, undistributed	----------	75	375
Subtotal expenditures	88,419	94,957	99,482
Deduct: Interfund transactions (included in both receipts and expenditures)	633	646	679
Net budget expenditures	87,787	94,311	98,802
Budget surplus, or deficit (−)	−6,378	−8,811	−11,903

*Less than $500,000.

TABLE 17.—*Trust account and other transactions, actual for the fiscal year 1962 and estimated for 1963 and 1964*

[In millions of dollars. On basis of 1964 Budget document]

Source	1962 actual	1963 estimate	1964 estimate
TRUST ACCOUNTS, ETC.			
RECEIPTS			
Federal old-age and survivors insurance trust fund:			
Employment taxes	10,730	12,411	14,018
Less: Refunds of taxes	−130	−122	−134
Deposits by States	870	973	1,100
Interest on investments	539	516	519
Payment for military service credits			63
Other	2	2	3
Federal disability insurance trust fund:			
Employment taxes	956	1,002	1,040
Less: Refunds of taxes	−12	−11	−12
Deposits by States	77	81	82
Interest on investments	70	69	66
Payment for military service credits			1
Unemployment trust fund:			
Deposits by States	2,729	2,775	2,770
Federal unemployment taxes	458	953	1,106
Less: Refunds of taxes	−5	−8	−8
Railroad unemployment insurance account:			
Deposits by Railroad Retirement Board	147	152	158
Other receipts	117	60	43
Advance from revolving fund	35	−86	
Interest on investments	173	196	216
Proposed legislation			2
Advances from general fund for temporary unemployment compensation	333		
Railroad retirement account:			
Employment taxes	564	580	620
Interest and profits on investments	107	108	112
Repayment of advances to railroad unemployment insurance account	25	20	20
Payment from OASI trust fund	361	385	386
Payment from Federal disability insurance trust fund	11	10	10
Interest on loans to railroad unemployment insurance account	12	9	9
Proposed legislation—military service credits, and other			62
Federal employees' retirement funds:			
Deductions from employees' salaries	857	885	955
Payments from other funds:			
Employing agency contributions	854	885	955
Federal contributions	45	30	
Voluntary contributions, donations, etc	12	12	12
Interest and profits on investments	317	349	418
Highway trust fund:			
Excise taxes	3,080	3,346	3,452
Less: Refunds of taxes	−131	−134	−133
Interest on investments	7	12	4
Proposed legislation			−13
Veterans' life insurance funds:			
Premiums and other receipts	501	516	513
Payments from general and special funds	7	10	9
Interest on investments	210	209	207
Foreign Assistance Act, advances	355	568	718
Indian tribal funds	81	57	60
District of Columbia	324	371	407
All other trust funds	165	164	178
Subtotal	24,853	27,354	29,994
Deduct: Interfund transactions	528	491	454
Net receipts	24,325	26,863	29,540
EXPENDITURES			
Federal old-age and survivors insurance trust fund:			
Benefit payments	12,658	13,865	14,648
Administrative expenses and construction	252	268	297
Payment to Railroad Retirement Board	361	385	386
Federal disability insurance trust fund:			
Benefit payments	1,011	1,167	1,231
Administrative expenses—reimbursement to Federal old-age and survivors insurance trust fund	62	65	74
Payment to railroad retirement account	11	10	10
Other	4	4	4

Footnotes at end of table.

TABLE 17.—*Trust account and other transactions, actual for the fiscal year 1962 and estimated for 1963 and 1964*—Continued

[In millions of dollars]

Source	1962 actual	1963 estimate	1964 estimate
TRUST ACCOUNTS, ETC.—Continued			
EXPENDITURES—Continued			
Unemployment trust fund:			
Withdrawals by States	2,857	2,700	2,550
Railroad unemployment benefit payments	202	165	155
Administrative expenses	508	386	459
Temporary extended unemployment compensation:			
Benefits	313	(*)	----------
Repayment of general fund advances	2	479	317
Temporary unemployment compensation—repayment of advances to Treasury	----------	----------	98
Repayment of advances to railroad retirement trust fund	25	20	20
Proposed legislation	----------	----------	170
Other	----------	----------	----------
Railroad retirement account:			
Benefit payments	1,024	1,050	1,075
Administrative expenses	9	10	11
Advances to railroad unemployment insurance account	101	52	13
Interest on refund of taxes	(*)	----------	----------
Federal employees' funds:			
Retirement funds	1,063	1,226	1,354
Employees health benefits fund (net)	−11	−15	−17
Employees' life insurance fund (net)	−70	−27	−53
Retired employees health benefits fund (net)	(*)	(*)	(*)
Highway trust fund:			
Federal-aid highways	2,784	2,999	3,389
Interest on advances from general fund	----------	----------	----------
Improvement of the Pentagon road network	----------	1	2
Veterans' life insurance funds	723	870	546
Federal National Mortgage Association trust fund (net)	317	250	485
Foreign Assistance Act, advances	361	435	571
Indian tribal funds	64	63	74
District of Columbia funds	333	388	400
Deposit funds and all other trust funds	−324	815	213
Subtotal	24,639	27,631	28,483
Deduct: Interfund transactions	528	491	454
Net expenditures	24,111	27,140	28,029
Excess of receipts (−), or expenditures	−213	277	−1,511
INVESTMENTS IN PUBLIC DEBT SECURITIES [1]			
Federal disability insurance trust fund	21	−104	−145
Federal old-age and survivors insurance trust fund	−1,089	−734	79
Federal employees' funds	1,098	999	1,053
Railroad retirement account	−63	−1	120
Unemployment trust fund	72	293	519
Veterans' life insurance funds	1	−136	183
Highway trust fund	202	224	−91
Federal National Mortgage Association trust fund	38	−29	−5
District of Columbia municipal government funds	−8	−26	−10
Other trust accounts	−28	−8	−1
Wholly owned Government corporations and agencies	191	295	374
Net investments, or sales (−)	435	773	2,077
SALES (−), AND REDEMPTIONS OF OBLIGATIONS OF GOVERNMENT AGENCIES IN MARKET (NET)			
Federal National Mortgage Association: Secondary market operations	−359	−216	−480
District of Columbia: Stadium fund	----------	----------	----------
Housing and Home Finance Agency:			
Federal Housing Administration	−204	−141	71
Management and liquidation functions fund	(*)	(*)	----------
Tennessee Valley Authority	−95	----------	−50
Other	(*)	(*)	(*)
Net redemptions, or sales (−)	−658	−357	−459

[1] Includes investments in certain guaranteed securities.
*Less than $500,000.

TABLE 18.—*Effect of financial operations on the public debt, actual for the fiscal year 1962 and estimated for 1963 and 1964*

[In millions of dollars. On basis of 1964 Budget document]

Source	1962 actual	1963 estimate	1964 estimate
Budget receipts and expenditures:			
Net receipts	81,409	85,500	86,900
Net expenditures	87,787	94,311	98,802
Budget deficit	6,378	8,811	11,903
Trust fund receipts and expenditures:			
Net receipts	24,325	26,863	29,540
Net expenditures	24,111	27,140	28,029
Excess of expenditures, or receipts (−)	−213	277	−1,511
Net investments of Government agencies in public debt securities	435	773	2,077
Net sales (−) of obligations of Government agencies in market	−658	−357	−459
Increase (−), or decrease in checks outstanding, deposits in transit (net), etc	−566	100	100
Changes in cash balances:			
Treasurer's account [1]	3,736	−4,230	
Held outside Treasury	118	−80	
Net increase, or decrease (−)	3,854	−4,310	
Increase in public debt	9,230	5,293	12,110
Gross debt beginning of period	288,970	298,201	303,494
Gross debt end of period	298,201	303,494	315,604
Guaranteed obligations of Government agencies, not owned by Treasury	444	600	514
Total public debt and guaranteed obligations	298,645	304,094	316,118
Deduct: Debt not subject to statutory limitation	433	370	360
Total debt subject to statutory limitation	298,212	303,724	315,758

[1] The balance in the Treasurer's account at the end of each year is as follows: $10,430 million for 1962; $6,200 million for 1963; and $6,200 for 1964.

661496—63——39

TABLE 19.—*Internal revenue collections by tax sources, fiscal years 1929–62* [1]

[In thousands of dollars. As reported by Internal Revenue Service, see "Bases of Tables" and Note]

Fiscal year	Income and profits taxes					Employment taxes				Capital stock tax [4]	Estate tax	Gift tax
	Individual income taxes [2]			Corporation income and profits taxes [3]	Total income and profits taxes [2]	Old-age and disability insurance taxes [2]	Unemployment insurance taxes	Railroad retirement tax	Total employment taxes [2]			
	Withheld by employers	Other	Total individual income taxes									
1929		1,095,541	1,095,541	1,235,733	2,331,274					5,956	61,897	
1930		1,146,845	1,146,845	1,263,414	2,410,259					47	64,770	
1931		833,648	833,648	1,026,393	1,860,040						48,078	
1932		427,191	427,191	629,566	1,056,757						47,422	
1933		352,574	352,574	394,218	746,791						29,693	4,617
1934		419,509	419,509	400,146	819,656					80,168	103,985	9,153
1935		527,113	527,113	578,678	1,105,791					91,508	140,441	71,671
1936		674,416	674,416	753,032	1,427,448			48	48	94,943	218,781	160,059
1937		1,091,741	1,091,741	1,088,101	2,179,842	207,339	58,119	287	265,745	137,499	281,636	23,912
1938		1,286,312	1,286,312	1,342,718	2,629,030	502,918	90,267	149,476	742,660	139,349	382,175	34,699
1939		1,028,834	1,028,834	1,156,281	2,185,114	529,836	101,167	109,427	740,429	127,203	332,280	28,436
1940		982,017	982,017	1,147,592	2,129,609	605,350	106,123	122,048	833,521	132,739	330,886	29,185
1941		1,417,655	1,417,655	2,053,469	3,471,124	687,328	100,658	137,871	925,856	166,653	355,194	51,864
1942		3,262,800	3,262,800	4,744,083	8,006,884	895,336	119,617	170,409	1,185,362	281,900	340,323	92,217
1943	686,015	5,943,917	6,629,932	9,668,956	16,298,888	1,131,546	156,008	211,151	1,498,705	328,795	414,531	32,965
1944	7,823,435	10,437,570	18,261,005	14,766,796	33,027,802	1,290,025	183,337	265,011	1,738,372	380,702	473,466	37,745
1945	10,264,219	8,770,094	19,034,313	16,027,213	35,061,526	1,307,931	186,489	284,758	1,779,177	371,999	596,137	46,918
1946	9,857,589	8,846,947	18,704,536	12,553,602	31,258,138	1,237,825	178,745	284,258	1,700,828	352,121	629,601	47,232
1947	9,842,282	9,501,015	19,343,297	9,676,459	29,019,756	1,458,934	185,876	379,555	2,024,365	1,597	708,794	70,497
1948	11,533,577	9,464,204	20,997,781	10,174,410	31,172,191	1,612,721	208,508	560,113	2,381,342	1,723	822,380	76,965
1949	10,055,502	7,996,320	18,051,822	11,553,669	29,605,491	1,687,151	226,228	562,734	2,476,113	6,138	735,781	60,757
1950	9,888,976	7,264,332	17,153,308	10,854,351	28,007,659	1,873,401	223,135	548,038	2,644,575	266	657,441	48,785
1951	13,089,770	9,907,539	22,997,308	14,387,569	37,384,878	2,810,749	236,952	579,778	3,627,480	(4)	638,523	91,207
1952	17,929,047	11,345,060	29,274,107	21,466,910	50,741,017	3,584,025	259,616	620,622	4,464,264	(4)	750,591	82,556
1953	21,132,275	11,403,942	32,536,217	21,594,515	54,130,732	3,816,252	273,182	628,969	4,718,403	(4)	784,590	106,694
1954	22,077,113	10,736,578	32,813,691	21,546,322	54,360,014	4,218,520	283,882	605,221	5,107,623	(4)	863,344	71,778
1955	21,253,625	10,396,480	31,650,106	18,264,720	49,914,826	5,339,573	279,986	600,106	6,219,665	(4)	848,492	87,775
1956	24,015,676	11,321,966	35,337,642	21,298,522	56,636,164	6,336,805	324,656	634,323	7,295,784	(4)	1,053,867	117,370
1957	26,727,543	12,302,229	39,029,772	21,530,653	60,560,425	6,634,467	330,034	616,020	7,580,522	(4)	1,253,071	124,928
1958	27,040,911	11,527,648	38,568,559	20,533,316	59,101,874	7,733,223	335,880	575,282	8,644,386	(4)	1,277,052	133,873
1959	29,001,375	11,733,369	40,734,744	18,091,509	58,826,254	8,004,355	324,020	525,369	8,853,744	(4)	1,235,823	117,160
1960	31,674,588	13,271,124	44,945,711	22,179,414	67,125,126	10,210,550	341,108	606,931	11,158,589	(4)	1,439,259	187,089
1961	32,977,654	13,175,346	46,153,001	21,764,940	67,917,941	11,586,283	345,356	570,812	12,502,451	(4)	1,745,480	170,912
1962	36,246,109	14,403,485	50,649,594	21,295,711	71,945,305	11,686,231	457,629	564,311	12,708,171	(4)	1,796,227	238,960

Fiscal year	Excise taxes									
	Alcohol taxes [5]					Tobacco taxes [5]				Documents, other instruments, and playing cards [7]
	Distilled spirits [6]	Beer [6]	Wines	Other, including occupational taxes	Total alcohol taxes	Cigarettes	Cigars	Other	Total tobacco taxes, etc.	
1929	11, 590	----------	293	894	12, 777	342, 034	22, 872	69, 539	434, 445	64, 174
1930	10, 718	----------	239	738	11, 695	359, 881	21, 443	69, 015	450, 339	77, 729
1931	9, 579	----------	228	625	10, 432	358, 961	18, 296	67, 019	444, 277	46, 954
1932	7, 907	----------	187	610	8, 704	317, 565	14, 434	66, 580	398, 579	32, 241
1933	6, 745	33, 090	290	3, 050	43, 174	328, 440	11, 479	62, 821	402, 739	57, 338
1934	68, 468	163, 271	3, 411	23, 762	258, 911	350, 299	11, 806	63, 063	425, 169	66, 580
1935	165, 634	211, 215	6, 780	27, 393	411, 022	385, 477	11, 837	61, 865	459, 179	43, 133
1936	222, 431	244, 581	8, 968	29, 484	505, 464	425, 505	12, 361	63, 299	501, 166	68, 990
1937	274, 049	277, 455	5, 991	36, 750	594, 245	476, 046	13, 392	62, 816	552, 254	69, 919
1938	260, 066	269, 348	5, 892	32, 673	567, 979	493, 454	12, 882	61, 846	568, 182	46, 233
1939	283, 575	259, 704	6, 395	38, 126	587, 800	504, 056	12, 913	63, 190	580, 159	41, 083
1940	317, 732	264, 579	8, 060	33, 882	624, 253	533, 059	12, 995	62, 464	608, 518	38, 681
1941	428, 642	316, 741	11, 423	63, 250	820, 056	616, 757	13, 514	67, 805	698, 077	39, 057
1942	574, 598	366, 161	23, 986	83, 772	1, 048, 517	704, 949	14, 482	61, 551	780, 982	41, 702
1943	781, 873	455, 634	33, 663	152, 476	1, 423, 646	835, 260	23, 172	65, 425	923, 857	45, 155
1944	899, 437	559, 152	34, 095	126, 091	1, 618, 775	904, 046	30, 259	54, 178	988, 483	50, 800
1945	1, 484, 306	638, 682	47, 391	139, 487	2, 309, 866	836, 753	36, 678	58, 714	932, 145	65, 528
1946	1, 746, 580	650, 824	60, 844	67, 917	2, 526, 165	1, 072, 971	41, 454	51, 094	1, 165, 519	87, 676
1947	1, 685, 369	661, 418	57, 196	70, 779	2, 474, 762	1, 145, 268	48, 354	44, 146	1, 237, 768	79, 978
1948	1, 436, 233	697, 097	60, 962	61, 035	2, 255, 327	1, 208, 204	46, 752	45, 325	1, 300, 280	79, 466
1949	1, 397, 954	686, 368	65, 782	60, 504	2, 210, 607	1, 232, 735	45, 590	43, 550	1, 321, 875	72, 828
1950	1, 421, 900	667, 411	72, 601	57, 291	2, 219, 202	1, 242, 851	42, 170	43, 443	1, 328, 464	84, 648
1951	1, 746, 834	665, 009	67, 254	67, 711	2, 546, 808	1, 293, 973	44, 275	42, 148	1, 380, 396	93, 107
1952	1, 589, 730	727, 604	72, 374	159, 412	2, 549, 120	1, 474, 072	44, 810	46, 281	1, 565, 162	84, 995
1953	1, 846, 727	762, 983	80, 535	90, 681	2, 780, 925	1, 586, 782	46, 326	21, 803	1, 654, 911	90, 319
1954	1, 888, 336	769, 774	78, 678	60, 929	2, 797, 718	1, 513, 740	45, 899	20, 873	1, 580, 512	90, 000
1955	1, 870, 599	737, 233	81, 824	53, 183	2, 742, 840	1, 504, 197	46, 246	20, 770	1, 571, 213	112, 049
1956	2, 023, 334	765, 441	86, 580	45, 219	2, 920, 574	1, 549, 045	45, 040	19, 412	1, 613, 497	114, 927
1957	2, 080, 104	760, 520	87, 428	45, 143	2, 973, 195	1, 610, 908	44, 858	18, 283	1, 674, 050	107, 546
1958	2, 054, 184	757, 597	90, 303	44, 377	2, 946, 461	1, 668, 208	47, 247	18, 566	1, 734, 021	109, 452
1959	2, 098, 496	767, 205	90, 918	45, 477	3, 002, 096	1, 738, 050	51, 101	17, 665	1, 806, 816	133, 817
1960	2, 255, 761	796, 233	98, 850	42, 870	3, 193, 714	1, 863, 562	50, 117	17, 825	1, 931, 504	139, 231
1961	2, 276, 543	795, 427	96, 073	44, 757	3, 212, 801	1, 923, 540	49, 604	17, 974	1, 991, 117	149, 350
1962	2, 386, 487	813, 482	98, 033	43, 281	3, 341, 282	1, 956, 527	49, 726	19, 483	2, 025, 736	159, 319

Footnotes at end of table.

TABLE 19.—*Internal revenue collections by tax sources, fiscal years 1929–62* [1]—Continued

[In thousands of dollars]

Fiscal year	Excise taxes—Continued												
	Manufacturers excise taxes [8]												
	Gasoline	Lubricating oils	Passenger automobiles and motorcycles	Automobile trucks and busses	Parts and accessories for automobiles	Tires, tubes, and tread rubber	Business and store machines	Refrigerators, freezers, air-conditioners, etc.	Radio and television receiving sets and phonographs, parts	Electric, gas, and oil appliances	Electrical energy	All other [9]	Total manufacturers excise taxes
1929	-	-	-	-	-	-	-	-	-	-	-	5, 712	5, 712
1930	-	-	-	-	-	-	-	-	-	-	-	2, 665	2, 665
1931	-	-	-	-	-	-	-	-	-	-	-	138	138
1932	-	-	-	-	-	-	-	-	-	-	-	87	87
1933	124, 929	16, 233	12, 574	1, 654	3, 597	14, 980	-	2, 112	2, 207	-	28, 563	36, 751	243, 600
1934	202, 575	25, 255	32, 527	5, 048	5, 696	27, 630	-	5, 526	3, 157	-	33, 134	44, 743	385, 291
1935	161, 532	27, 800	38, 003	6, 158	6, 456	26, 638	-	6. 664	3, 625	-	32, 577	32, 692	342, 145
1936	177, 340	27, 103	48, 201	7, 000	7, 110	32, 208	-	7, 939	5, 075	-	33, 575	37, 165	382, 716
1937	196, 533	31, 463	65, 265	9, 031	10, 086	40, 819	-	9, 913	6, 754	-	35, 975	44, 744	450, 581
1938	203, 648	31, 565	43, 365	6, 697	7, 989	31, 567	-	8, 829	5, 849	-	38, 455	39, 188	417. 152
1939	207, 019	30, 497	42, 723	6, 008	7, 935	34, 819	-	6, 958	4. 834	-	39, 859	16. 323	396, 975
1940	226, 187	31, 233	59, 351	7, 866	10. 630	41, 555	-	9. 954	6. 080	-	42. 339	11, 957	447, 152
1941	343, 021	38, 221	81, 403	10, 747	13, 084	51, 054	-	13. 279	6, 935	-	47, 021	12, 609	617, 373
1942	369, 587	46. 432	77, 172	18, 361	28. 088	64, 811	6, 972	16. 246	19, 144	17, 702	49, 978	57, 406	771, 898
1943	288, 786	43, 318	1, 424	4, 230	20. 478	18, 345	6, 461	5. 966	5. 561	6, 913	48, 705	54, 559	504, 746
1944	271, 217	52, 473	1, 222	3, 247	31, 551	40, 334	3. 760	2, 406	3. 402	5, 027	51, 239	37, 584	503. 462
1945	405. 563	92, 865	2, 558	20, 847	49. 440	75, 257	10. 120	1, 637	4. 753	12, 060	57. 004	50. 406	782. 511
1946	405, 695	74, 602	25, 893	37, 144	68, 871	118, 092	15, 792	9. 229	13. 385	25. 492	59, 112	69, 365	922, 671
1947	433, 676	82, 015	204, 680	62, 099	99, 932	174, 927	25. 183	37, 352	63, 856	65. 608	63, 014	113, 052	1, 425, 395
1948	478, 638	80, 887	270, 958	91. 963	122, 951	159. 284	32, 707	58, 473	67, 267	87, 858	69, 701	128, 548	1, 649, 234
1949	503, 647	81, 760	332. 812	136, 797	120. 138	150. 899	33. 344	77. 833	49, 160	80, 935	79. 347	124, 860	1, 771, 533
1950	534, 270	70. 072	452, 066	123, 630	88, 733	151, 795	30. 012	64, 316	42, 085	80, 406	85, 704	112, 966	1, 836, 053
1951	588, 647	77, 639	653. 363	121, 285	119, 475	198, 383	44. 491	96, 319	128, 187	121. 996	93. 184	140, 706	2. 383, 677
1952	734, 715	73, 746	578, 149	147, 445	164, 135	161, 328	48, 515	57. 970	118. 244	89, 544	53, 094	122. 059	2, 348, 943
1953	890, 679	73, 321	785, 716	210. 032	177, 924	180. 047	50, 259	87, 424	159. 383	113, 390	([10])	134, 613	2, 862, 788
1954	836, 893	68, 029	867, 482	149. 914	134, 759	152, 567	48. 992	75. 059	135, 535	97, 415	([10])	122, 488	2, 689, 133
1955	954, 678	69, 818	1, 047, 813	134, 805	136, 709	164, 316	57, 281	38. 004	136. 849	50, 859	([10])	93, 883	2. 885. 016
1956	1, 030, 397	74, 584	1, 376, 372	189, 434	145, 797	177, 872	70, 146	49, 078	161. 098	71, 064	([10])	110, 171	3, 456, 013
1957	1, 458, 217	73, 601	1, 144, 233	199. 298	157, 291	251, 454	83, 175	46, 894	149, 192	75, 196	([10])	123, 374	3, 761. 925
1958	1, 636, 629	69, 996	1, 170. 003	206, 104	166, 720	259, 820	90, 658	39, 379	146, 422	61, 400	([10])	127. 004	3, 974, 135
1959	1, 700, 253	73, 685	1, 039, 272	215. 279	166, 234	278, 911	93, 894	40, 593	152, 566	62, 373	([10])	135. 728	3, 958, 789
1960	2, 015, 863	81, 679	1, 331, 292	271, 938	189, 476	304, 466	99, 370	50, 034	169, 451	69, 276	([10])	152, 285	4, 735. 129
1961	2, 370. 303	74, 296	1, 228, 629	236, 659	188. 819	279, 572	98. 305	55, 920	148, 989	64, 483	([10])	150, 826	4, 896 802
1962	2, 406, 001	72, 931	1, 300, 344	256, 275	197, 227	360, 338	81, 710	54, 636	171, 717	65, 574	([10])	153, 587	5, 120, 340

Fiscal year	Excise taxes—Continued										
	Retailers excise taxes					Miscellaneous excise taxes					
	Jewelry	Furs	Toilet preparations	Luggage, handbags, wallets	Total retailers excise taxes	Toll telephone, telegraph, radio, and cable services	General telephone service	Transportation of persons	Transportation of property (including coal)	Admissions: General admissions	Admissions: Cabarets
1929										5,419	664
1930										3,519	712
1931										2,271	508
1932										1,460	399
1933						14,565				14,771	750
1934						19,251				14,019	595
1935						19,741				14,426	954
1936						21,098				15,773	1,339
1937						24,570				18,185	1,555
1938						23,977				19,284	1,517
1939						24,094				18,029	1,442
1940						26,368				20,265	1,623
1941						27,331				68,620	2,343
1942	41,501	19,744	18,922		80,176	48,231	26.791	21,379		107,633	7,400
1943	88,366	44,223	32,677		165,266	91.174	66,987	87,132	82,556	138,054	16,397
1944	113,373	58,726	44,790	8,343	225,232	141,275	90,199	153,683	215,488	178,563	26,726
1945	184,220	79,418	86,615	73,851	424,105	208,018	133,569	234,182	221,088	300,589	56,877
1946	223.342	91,706	95,574	81,423	492,046	234,393	145,689	226,750	220,121	343,191	72,077
1947	236,615	97,481	95,542	84,588	514,227	252,746	164,944	244,003	275,701	392,873	63,350
1948	217,899	79,539	91,852	80,632	469,923	275,255	193,521	246,323	317,203	385,101	53,527
1949	210.688	61,946	93,969	82,607	449,211	311,380	224,531	251,389	337,030	385,844	48,857
1950	190,820	45,781	94,995	77,532	409,128	312,339	247,281	228,738	321,193	371,244	41,453
1951	210,239	57,604	106,339	82,831	457,013	354,660	290,320	237,617	381,342	346.492	42,646
1952	220,339	51,436	112,892	90,799	475,466	395,434	310,337	275,174	388,589	330,816	45,489
1953	234,659	49,923	115,676	95,750	496,009	417,940	357,933	287,408	419,604	312,831	46,691
1954	209.256	39,036	110,149	79,891	438,332	412,508	359,473	247,415	395,554	271,952	38,312
1955	142,366	27,053	71,829	50,896	292,145	230,251	290,198	200,465	398.039	106,086	39,271
1956	152,340	28,261	83,776	57,519	321,896	241,543	315,690	214,903	450,579	104,018	42,255
1957	156,604	29,494	92,868	57,116	336,081	266,186	347,024	222,158	467,978	75,847	43,241
1958	156,134	28,544	98,158	58,785	341,621	279,375	370,810	225,809	462,989	54,683	42,919
1959	156.382	29,909	107,968	61,468	355,728	292,412	398,023	227,044	[11] 143,250	49,977	45,117
1960	165.699	30,207	120,211	62,573	378.690	312,055	426,242	255,459	[11] 3,140	34,494	49,605
1961	168.498	29,226	131,743	68.182	397.649	343.894	483,408	264.262	1,306	36,679	33.603
1962	173,608	30,921	142,792	68,599	415,920	344,764	489,155	260,052	568	38,382	35,037

Footnotes at end of table.

TABLE 19.—*Internal revenue collections by tax sources, fiscal years 1929–62* [1]—Continued

[In thousands of dollars]

Fiscal year	Excise taxes—Continued								Taxes not otherwise classified	Grand total
	Miscellaneous excise taxes—Continued						Unclassified excise taxes [14]	Total excise taxes		
	Club dues and initiation fees	Sugar	Diesel and special motor fuels [12]	Use tax on highway motor vehicles weighing over 26,000 lbs. [12]	All other [13]	Total miscellaneous excise taxes				
1929	11, 245				5, 492	22, 820		539, 927		2, 939, 054
1930	12, 521				5, 891	22, 642		565, 070		3, 040, 146
1931	11, 478				4, 053	18, 310		520, 110		2, 428, 229
1932	9, 205				2, 876	13, 939		453, 550		1, 557, 729
1933	6, 679				55, 122	91, 886		838, 738		1, 619, 839
1934	5, 986				112, 052	151, 902		1, 287, 854	[15] 371, 423	2, 672, 239
1935	5, 784				67, 418	108, 324		1, 363, 802	[15] 526, 222	3, 299, 436
1936	6, 091				44, 656	88, 957		1, 547, 293	[15] 71, 637	3, 520, 208
1937	6, 288				46, 964	97, 561		1, 764, 561		4, 653, 195
1938	6, 551	30, 569			49, 410	131, 307		1, 730, 853		5, 658, 765
1939	6, 217	65, 414			46, 900	162, 096		1, 768, 113		5, 181, 574
1940	6, 335	68, 145			43, 171	165, 907		1, 884, 512		5, 340, 452
1941	6, 583	74, 835			45, 143	224, 855		2, 399, 417		7, 370, 108
1942	6, 792	68, 230			131, 461	417, 916		3, 141, 183		13, 047, 869
1943	6, 520	53, 552			192, 460	734, 831		3, 797, 503		22, 371, 386
1944	9, 182	68, 789			193, 017	1, 076, 921		4, 463, 674		40, 121, 760
1945	14, 160	73, 294			188, 700	1, 430, 476		5, 944, 630		43, 800, 388
1946	18, 899	56, 732			172, 249	1, 490, 101		6, 684, 178		40, 672, 097
1947	23, 299	59, 152			75, 176	1, 551, 245		7, 283, 376		39, 108, 386
1948	25, 499	71, 247			88, 035	1, 655, 711		7, 409, 941		41, 864, 542
1949	27, 790	76, 174			89, 799	1, 752, 792		7, 578, 846		40, 463, 125
1950	28, 740	71, 188			98, 732	1, 720, 908		7, 598, 405		38, 957, 132
1951	30, 120	80, 192			79, 210	1, 842, 598		8, 703, 599		50, 445, 686
1952	33, 592	78, 473	7, 138		82, 430	1, 947, 472		8, 971, 158		65, 009, 586
1953	36, 829	78, 130	15, 091		88, 708	2, 061, 164		9, 946, 116		69, 686, 535
1954	31, 978	74, 477	17, 969		86, 889	1, 936, 527		9, 532, 222		69, 934, 980
1955	41, 963	78, 512	22, 692		85, 156	1, 492, 633	114, 687	9, 210, 582	[16] 7, 352	66, 288, 692
1956	47, 171	82, 894	24, 464		84, 981	1, 608, 497	−31, 209	10, 004, 195	[16] 5, 269	75, 112, 649
1957	54, 236	86, 091	39, 454	27, 163	89, 132	1, 718, 509	66, 237	10, 637, 544	[16] 15, 482	80, 171, 971
1958	60, 338	85, 911	46, 061	33, 117	79, 316	1, 741, 327	−32, 749	10, 814, 268	[16] 7, 024	79, 978, 476
1959	64, 813	86, 378	52, 528	32, 532	43, 879	1, 435, 953	66, 351	10, 759, 549	[16] 5, 444	79, 797, 973
1960	67, 187	89, 856	71, 869	38, 333	38, 588	1, 386, 829	99, 644	11, 864, 741		91, 774, 803
1961	64, 357	91, 818	88, 856	45, 575	43, 767	1, 497, 526	−80, 943	12, 064, 302		94, 401, 086
1962	68, 300	95, 158	103, 556	79, 761	37, 517	1, 552, 250	137, 328	12, 752, 176		99, 440, 839

1 For figures for 1863–1915, see 1929 annual report, p. 419; and for 1916–1928, see 1947 annual report, p. 310.

2 Beginning with January 1951, withheld income taxes and old-age insurance taxes on employees and employers and, beginning with January 1957, disability insurance taxes on employees and employers are paid into the Treasury in combined amounts without separation as to type of tax. Similarly, for the same periods, the old-age insurance and disability insurance taxes on self-employment income are combined with income tax other than withheld. The distribution of amounts of these taxes by type is based on estimates made by the Secretary of the Treasury in accordance with provisions of section 201(a) of the Social Security Act, as amended (42 U.S.C. 401(a)). Individual income taxes withheld by employers, 1951 through 1956, include amounts subsequently transferred to the Government of Guam, under the provisions of the act approved August 1, 1950 (48 U.S.C. 1421 h). Beginning with 1957 these amounts are excluded.

3 Beginning with 1952 includes the tax on business income of exempt organizations. Includes income tax on the Alaska Railroad, which was repealed effective for taxable years ending after June 30, 1952.

4 Repealed for years ending in period July 1, 1926, through June 30, 1932, and for years ending after June 30, 1945. Beginning with 1951 included under "Miscellaneous excise taxes, All other."

5 Beginning with 1954 includes amounts of tax collected in Puerto Rico upon products of Puerto Rican manufacture coming into the United States; data for earlier years are exclusive of such amounts.

6 Through 1956 "Distilled spirits" include amounts collected by Customs on imports of both distilled spirits and beer. Beginning with 1957 imported beer is included with "Beer" instead of "Distilled spirits."

7 Includes stamp taxes on bonds, issues of capital stock, deeds of conveyance, transfers of capital stock and similar interest sales, playing cards, and silver bullion sales or transfers.

8 Includes taxes on sales under the act of October 22, 1914; manufacturers, consumers and dealers excise taxes under war revenue and subsequent acts; and for 1932 and subsequent years, manufacturers excise taxes under the act of 1932, as amended. Soft drink taxes are included under "Miscellaneous excise taxes, All other."

9 Beginning with 1933 includes manufacturers' excise taxes on jewelry, furs, and toilet preparations; beginning 1942 includes manufacturers' excise taxes on phonograph records, musical instruments, and luggage. The tax on phonograph records for 1933 through 1941 was not reported separately and is included in "Radio and television receiving sets and phonographs, parts." See also footnote 13.

10 Repealed by Revenue Act of 1951. Collections for the years subsequent to 1952 are included under "Miscellaneous excise taxes, All other."

11 Repealed effective August 1, 1958 (26 U.S.C. 4292 note).

12 Beginning with fiscal 1957 collections are applied in accordance with provisions of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note).

13 Includes: Certain delinquent taxes collected under repealed laws, except automobile taxes for 1929 and 1930 which are included under "Manufacturers excise taxes, All other," and capital stock taxes prior to 1951 which are shown under "Capital Stock"; internal revenue collected through customs offices for 1929–33 which subsequently are included under "Alcohol taxes"; and various other taxes not shown separately.

14 Includes undistributed depositary receipts and unapplied collections of excise taxes.

15 Consists of agricultural adjustment taxes.

16 Beginning with 1955, includes unidentified and excess collections, and profits from sale of acquired property. For 1954 and earlier years such amounts are included in "Miscellaneous excise taxes, All other." For 1955 through 1957 also includes depositary receipts outstanding six months or more for which no tax accounts were identified.

NOTE.—These figures are from Internal Revenue Service reports of collections and for years prior to 1955 are not directly comparable to gross budget receipts from internal revenue. The differences in amounts occur because of differences in the time when payments are included in the respective reports. Through 1954 the payments were included in Internal Revenue Service collection reports after the returns to which they applied had been received in internal revenue offices. Beginning with 1955 tax payments are included in budget receipts when reported in the Account of the Treasurer of the United States.

Under arrangements begun in 1950, for withheld income tax and old-age insurance taxes and later extended to railroad retirement taxes and many excises, these taxes are paid currently into Treasury depositaries and the depositary receipts, as evidence of such payment, are attached to quarterly returns to the Internal Revenue Service. Under this procedure, the payments are included in budget receipts in the month in which the depositary receipts are issued to taxpayers.

Revised accounting procedures, effective July 1, 1954, extended this practice to Internal Revenue Service collection reports, so that these reports likewise include depositary receipts in the month in which they are issued instead of the month in which tax returns supported by the receipts are received in directors' offices. It is not possible to make a complete classification of excise taxes paid into depositaries until the returns are received. Accordingly, the item "Unclassified excise taxes" includes the amount of "undistributed depositary receipts," i.e., the amount of depositary receipts issued, less the amount of depositary receipts received with returns and distributed by classes of tax.

TABLE 20.—*Internal revenue collections and refunds by States,[1] fiscal year 1962*

[In thousands of dollars. On basis of Internal Revenue Service reports]

States, etc.	Individual income and employment taxes	Corporation income taxes	Excise taxes	Estate and gift taxes	Total collections	Refunds of taxes
Alabama	482, 879	137, 767	17, 374	11, 194	649, 214	71, 680
Alaska	61, 815	4, 982	2, 364	238	69, 398	8, 215
Arizona	305, 321	48, 125	7, 916	11, 519	372, 882	46, 535
Arkansas	221, 538	35, 310	16, 847	6, 824	280, 519	32, 353
California	6, 606, 127	1, 390, 195	862, 648	232, 782	9, 091, 751	781, 099
Colorado	970, 657	136, 141	101, 730	13, 241	1, 221, 770	63, 896
Connecticut	1, 171, 788	325, 943	129, 424	88, 289	1, 715, 444	92, 906
Delaware	353, 783	456, 012	2, 922	22, 313	835, 030	22, 698
Florida	1, 102, 106	238, 658	81, 561	59, 748	1, 482, 073	160, 155
Georgia	771, 868	237, 061	112, 212	21, 070	1, 142, 211	90, 941
Hawaii	203, 329	53, 909	9, 010	6, 016	272, 265	24, 656
Idaho	145, 445	24, 787	4, 410	2, 448	177, 090	19, 839
Illinois	4, 970, 934	1, 705, 370	934, 593	144, 793	7, 755, 691	384, 139
Indiana	1, 453, 105	353, 295	346, 684	24, 726	2, 177, 810	132, 140
Iowa	584, 725	147, 796	36, 261	18, 426	787, 208	75, 272
Kansas	513, 398	135, 826	28, 488	17, 969	695, 681	59, 975
Kentucky	482, 506	164, 980	1, 019, 845	21, 721	1, 689, 052	63, 405
Louisiana	544, 867	132, 198	87, 133	19, 714	783, 913	73, 304
Maine	187, 667	43, 554	5, 646	9, 978	246, 845	25, 548
Maryland [2]	1, 742, 031	303, 340	257, 387	48, 911	2, 351, 669	147, 960
Massachusetts	2, 039, 683	583, 357	186, 800	58, 565	2, 868, 404	201, 692
Michigan	3, 197, 017	1, 817, 317	1, 731, 132	66, 984	6, 812, 451	297, 479
Minnesota	1, 074, 466	352, 621	112, 302	27, 496	1, 566, 884	120, 543
Mississippi	219, 360	31, 972	13, 871	5, 589	270, 793	34, 159
Missouri	1, 495, 735	507, 036	265, 376	45, 292	2, 313, 439	152, 573
Montana	130, 504	24, 128	4, 977	3, 283	162, 892	18, 110
Nebraska	449, 063	97, 860	54, 260	12, 527	613, 709	36, 582
Nevada	126, 220	32, 346	11, 665	7, 095	177, 326	13, 480
New Hampshire	167, 490	30, 964	3, 211	10, 449	212, 114	17, 900
New Jersey	2, 109, 293	620, 238	307, 925	77, 338	3, 114, 794	255, 204
New Mexico	185, 058	20, 093	7, 944	3, 165	216, 260	28, 484
New York	10, 989, 236	5, 925, 497	1, 670, 177	368, 822	18, 953, 732	825, 167
North Carolina	802, 109	421, 500	1, 280, 109	17, 284	2, 521, 001	92, 652
North Dakota	91, 369	10, 936	3, 444	1, 944	107, 693	15, 965
Ohio	3, 788, 531	1, 414, 684	658, 138	102, 008	5, 963, 361	348, 348
Oklahoma	550, 203	169, 404	204, 486	16, 310	940, 403	65, 130
Oregon	503, 554	78, 168	18, 810	12, 937	613, 469	58, 782
Pennsylvania	4, 319, 099	1, 156, 886	790, 955	166, 379	6, 433, 319	389, 569
Rhode Island	292, 956	67, 330	20, 311	7, 348	387, 944	32, 297
South Carolina	306, 507	81, 906	15, 014	8, 982	412, 409	44, 916
South Dakota	113, 600	17, 525	5, 839	2, 394	139, 358	15, 456
Tennessee	644, 867	159, 075	42, 261	17, 305	863, 508	76, 045
Texas	2, 361, 614	675, 035	444, 280	114, 358	3, 595, 287	266, 040
Utah	213, 886	47, 649	15, 104	4, 090	280, 728	32, 173
Vermont	79, 139	14, 240	5, 452	3, 633	102, 464	9, 086
Virginia	833, 239	230, 054	399, 894	24, 266	1, 487, 453	107, 392
Washington	911, 502	184, 431	82, 922	23, 285	1, 202, 140	102, 053
West Virginia	266, 320	47, 102	16, 000	7, 514	336, 937	39, 100
Wisconsin	1, 136, 900	370, 933	169, 797	26, 508	1, 704, 138	121, 272
Wyoming	73, 990	8, 722	9, 849	2, 673	95, 234	10, 001
International [3]	218, 595	21, 454	37, 066	7, 443	284, 558	29, 720
Undistributed:						
Depositary receipts [4]	726, 879		98, 351		825, 231	
Transferred to Government of Guam	−3, 698				−3, 698	
Withheld taxes of Federal employees [5]	67, 588				67, 588	
Unclassified						1, 039
Total	[6] 63, 357, 765	21, 295, 711	[7] 12, 752, 176	2, 035, 187	99, 440, 839	[8] 6, 235, 124

[1] It should be emphasized that collections in the various States do not necessarily indicate the Federal tax burden of the respective States, since the taxes collected in one State are, in many instances, borne by residents of other States. Likewise, payments of refunds within a State may not be applicable to the collections within that State, since refunds are payable in the State of residence or principal place of business of the taxpayer which may not be the point at which collections are made.

[2] Includes the District of Columbia.

[3] Collections from and refunds to U.S. taxpayers in Puerto Rico, Canal Zone, etc., and in foreign countries.

[4] Consists of all those issued during the fiscal year minus those received with tax returns which are included in the State totals.

[5] Net transactions in the clearing account on the central books of the Treasury for withheld income taxes from salaries of Federal employees.

[6] Includes \$12.7 billion transferred to the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, and the railroad retirement account as provided by the Social Security Act, as amended (42 U.S.C. 401 (a) (b)) and the Railroad Retirement Act (45 U.S.C. 228e(k)) for benefit payments within the States.

[7] Includes \$3.1 billion gasoline and certain other highway user levies transferred to the highway trust fund for highway construction in the States, in accordance with the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note).

[8] Inclusive of the reimbursement of \$178 million to the general fund from the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, the highway trust fund, and the Federal Unemployment Tax Act (42 U.S.C. 1101(b)(3)) which is the estimated aggregate of refunds due on the taxes collected and transferred.

NOTE.—Collections in full detail by tax source and region are shown in the *Annual Report of the Commissioner of Internal Revenue* and in lesser detail in the *Combined Statement of Receipts, Expenditures and Balances of the United States Government.*

TABLE 21.—*Customs collections and payments by districts, fiscal year 1962*

District	Collections				Payments			
					Refunds			
	Duties and miscellaneous customs collections	Internal Revenue Service	Collections for others	Total	Excessive duties and similar refunds	Drawback	Expenses (net obligations)	Cost to collect $100
Alaska	$390,021	$91,598		$481,619	$852		$241,585	$50.16
Arizona	7,229,259	4,882		7,234,141	314,564	$19	495,170	6.84
Buffalo	14,215,661	5,056,326		19,271,987	100,370	48,188	1,680,592	8.72
Chicago	41,473,429	27,155,433	$230	68,629,092	519,384	441,484	1,592,123	2.32
Colorado	958,699	1,386,542		2,345,241	92,165	328	113,997	4.86
Connecticut	4,303,103	4,867,078		9,170,181	19,390	89,345	202,081	2.20
Dakota	6,920,016	1,876		6,921,892	91,753	841	637,942	9.22
Duluth and Superior	3,870,055	20,530		3,890,585	47,872	5,587	374,530	9.63
El Paso	5,242,636	8,702		5,251,338	225,801	2,276	800,422	15.24
Florida	19,706,441	15,308,565	530	35,015,536	237,001	1,171,934	2,358,198	6.73
Galveston	21,593,743	9,453,352	4,698	31,051,793	354,175	427,683	1,027,182	3.31
Georgia	6,326,083	1,172,221	543	7,498,847	22,327	22,703	318,183	4.24
Hawaii	5,574,617	1,206,697	79	6,781,393	85,179	1,717	824,439	12.16
Indiana	1,299,094	3,320,989		4,620,083	6,976	16,446	119,224	2.58
Kentucky	2,619,657	6,840,173		9,459,830	4,425	215,914	74,606	.79
Laredo	12,578,713	30,972	1,860	12,611,545	117,728	4,823	2,510,945	19.91
Los Angeles	73,010,874	24,966,609	101	97,977,584	1,145,201	222,640	3,324,725	3.39
Maine and New Hampshire	2,736,443	84,628		2,821,071	73,174	1,615	1,126,814	39.94
Maryland	31,001,267	11,918,956	620	42,920,843	507,250	341,135	2,241,017	5.22
Massachusetts	61,164,110	16,047,378	271	77,211,759	838,749	159,990	3,030,752	3.93
Michigan	34,474,295	76,857,608	63	111,331,966	355,354	1,426,147	2,179,569	1.96
Minnestoa	2,774,582	2,842,409		5,616,991	47,491	6,526	272,110	4.84
Mobile	3,680,492	756,951	44	4,437,487	132,397		243,405	5.49
Montana and Idaho	3,272,193	1,868		3,274,061	34,435		329,110	10.05
New Mexico	86,953	170		87,123			47,650	54.69
New Orleans	31,037,888	5,080,796	1,285	36,119,969	755,375	452,021	2,053,829	5.69

New York	541, 494, 032	134, 551, 447	988	676, 046, 467	5, 518, 868	6, 618, 763	20, 501, 866	3. 03
North Carolina	13, 996, 214	708, 720	----------	14, 704, 934	28, 571	156, 435	216, 212	1. 47
Ohio	10, 036, 395	5, 170, 934	----------	15, 207, 329	118, 637	199, 265	726, 927	4. 78
Oregon	8, 673, 602	1, 702, 538	144	10, 376, 284	85, 449	7, 190	452, 192	4. 36
Philadelphia	66, 298, 780	11, 922, 821	461	78, 222, 062	881, 475	1, 914, 126	2, 019, 066	2. 58
Pittsburgh	2, 598, 869	3, 453, 702	----------	6, 052, 571	20, 568	35, 916	147, 501	2. 44
Rhode Island	3, 103, 790	1, 341, 053	----------	4, 444, 843	34, 569	5, 404	171, 993	3. 87
Rochester	3, 002, 025	3, 070, 150	----------	6, 072, 175	12, 474	45, 177	233, 097	3. 84
Sabine	598, 183	52, 976	1, 003	652, 162	3, 499	----------	135, 348	20. 75
St. Lawrence	11, 994, 824	22, 573, 213	----------	34, 568, 037	189, 233	85, 305	1, 231, 771	3. 56
St. Louis	8, 607, 122	5, 305, 023	----------	13, 912, 145	106, 096	51, 082	306, 910	2. 21
San Diego	4, 917, 342	199, 431	1, 016	5, 117, 789	47, 327	4, 358	896, 606	17. 52
San Francisco	44, 232, 176	19, 459, 917	492	63, 692, 585	689, 700	340, 737	2, 067, 876	3. 25
South Carolina	15, 100, 741	535, 368	----------	15, 636, 109	91, 005	----------	241, 294	1. 54
Tennessee	1, 136, 726	650, 800	----------	1, 787, 526	12, 098	15, 928	88, 678	4. 96
Vermont	3, 971, 839	3, 752, 985	----------	7, 724, 824	102, 293	4, 935	1, 234, 752	15. 98
Virginia	18, 655, 599	1, 330, 016	120	19, 985, 735	144, 522	93, 303	704, 567	3. 53
Washington	19, 072, 092	12, 607, 905	129	31, 680, 126	310, 832	5, 027	1, 948, 608	6. 15
Wisconsin	3, 572, 062	1, 955, 513	----------	5, 527, 575	32, 202	114, 117	210, 209	3. 80
Puerto Rico [1]	150, 801	424	500	151, 725	2, 851	----------	----------	----------
Items not assigned to districts	23, 763	----------	----------	23, 763	1, 315	----------	[2] 4, 161, 855	----------
Total	1, 178, 777, 301	444, 828, 245	15, 177	1, 623, 620, 723	14, 562, 972	14, 756, 430	65, 917, 528	4. 06

[1] Collections of $13,224,695 deposited to the trust fund: Refunds, transfers, and expenses of operations, Puerto Rico, Bureau of Customs.
[2] Washington headquarters and foreign offices.

TABLE 22.—*Summary of customs collections and expenditures, fiscal years 1961 and 1962*

[On basis of Bureau of Customs accounts]

SCHEDULE 1.—COLLECTIONS BY CUSTOMS

Collections	1961	1962	Percentage increase, or decrease (−)
Collections:			
Duties:			
Consumption entries	$804, 997, 619	$961, 915, 647	19.5
Warehouse withdrawals	162, 883, 285	164, 969, 876	1.3
Mail entries	10, 719, 099	12, 303, 780	14.8
Passenger baggage entries	2, 506, 350	2, 934, 887	17.1
Crewmember baggage entries	n.a.	444, 517	
Informal entries	8, 992, 908	9, 338, 454	3.8
Appraisement entries	152, 460	185, 555	21.7
Supplemental duties	16, 181, 071	17, 710, 658	9.5
Withheld duties	172, 358	137, 050	−20.5
Other duties	1, 150, 064	1, 265, 493	10.0
Total duties	1, 007, 755, 214	1, 171, 205, 917	16.2
Miscellaneous: [1]			
Violations of customs laws	1, 590, 364	1, 958, 013	23.1
Marine inspection and navigation services	31, 764	29, 050	−8.6
Testing, inspecting, and grading	514, 315	495, 111	−3.7
Miscellaneous taxes	4, 529, 490	4, 771, 977	5.4
Fees	233, 171	226, 953	−2.7
Unclaimed funds	51, 012	64, 677	26.8
Recoveries	13, 332	13, 801	3.5
Sale of Government property	1, 915, 775		−100.0
All other customs receipts	32, 959	26, 979	−18.2
Total miscellaneous	8, 912, 182	7, 586, 561	−14.9
Internal revenue taxes	406, 378, 856	444, 828, 245	9.5
Total collections	1, 423, 046, 252	1, 623, 620, 723	14.1

n.a. Not available.
[1] Includes miscellaneous customs collections of Puerto Rico and the Virgin Islands and those of other Government agencies.

TABLE 22.—*Summary of customs collections and expenditures, fiscal years 1961 and 1962*—Continued

[On basis of Bureau of Customs accounts]

SCHEDULE 2.—APPROPRIATIONS AND EXPENDITURES

Appropriations and expenditures	1961	1962	Percentage increase, or decrease (−)
Appropriations:			
For salaries and expenses, Bureau of Customs	$59,815,000	$63,325,000	5.9
Transferred from Department of Commerce for export control	1,066,800	1,237,000	15.9
Transferred from Department of Agriculture for quarantine purposes	1,263,700	1,426,700	12.9
Total	62,145,500	65,988,700	6.2
Expenditures, obligations incurred by:			
Collectors of customs	41,183,796	43,205,880	4.9
Appraisers of merchandise	9,765,614	10,550,078	8.0
Comptrollers of customs	870,515	972,424	11.7
Agency Service (investigations)	6,717,658	7,231,494	7.6
Chief chemists	1,236,508	1,306,374	5.7
Executive direction	2,335,471	2,651,278	13.5
Total obligations incurred	62,109,562	65,917,528	6.1
Balance of appropriations	35,938	71,172	98.0
Expenditures (refunds):			
Excessive duties and similar refunds	13,843,869	14,562,972	5.2
Drawback payments	11,595,663	14,756,430	27.3
Total	25,439,532	29,319,402	15.2

TABLE 23.—*Deposits by the Federal Reserve Banks representing interest charges on Federal Reserve notes, fiscal years 1947–62* [1]

Federal Reserve Bank	1947-59	1960	1961	1962	Cumulative through 1962
Boston	$212, 301, 276. 75	$65, 177, 632. 98	$41, 194, 897. 08	$36, 074, 382. 32	$354, 748, 189. 13
New York	950, 530, 647. 55	271, 042, 719. 10	212, 079, 944. 17	188, 290, 233. 02	1, 621, 943, 543. 84
Philadelphia	233, 484, 673. 00	72, 840, 095. 47	45, 886, 308. 09	41, 786, 811. 68	393, 997, 888. 24
Cleveland	335, 548, 644. 28	90, 521, 189. 66	66, 597, 471. 42	59, 065, 526. 95	551, 732, 832. 31
Richmond	231, 339, 562. 88	73, 461, 162. 64	49, 090, 076. 11	45, 516, 092. 75	399, 406, 894. 38
Atlanta	191, 041, 853. 07	51, 754, 685. 08	39, 571, 839. 00	38, 261, 170. 62	320, 629, 547. 77
Chicago	641, 664, 325. 87	199, 656, 095. 46	139, 200, 110. 57	130, 138, 661. 07	1, 110, 659, 192. 97
St. Louis	162, 318, 102. 14	47, 750, 266. 32	29, 706, 375. 68	26, 509, 199. 66	266, 283, 943. 80
Minneapolis	91, 341, 297. 12	26, 147, 203. 49	16, 489, 015. 59	13, 177, 153. 54	147, 154, 669. 74
Kansas City	163, 051, 628. 12	45, 065, 009. 42	32, 574, 465. 45	30, 549, 419. 77	271, 240, 522. 76
Dallas	136, 442, 429. 64	37, 930, 193. 44	29, 729, 590. 74	25, 164, 979. 99	229, 267, 193. 81
San Francisco	376, 827, 467. 12	111, 761, 165. 15	86, 009, 391. 12	83, 816, 857. 01	658, 414, 880. 40
Total	3, 725, 891, 907. 54	1, 093, 107, 418. 21	788, 129, 485. 02	718, 350, 488. 38	6, 325, 479, 299. 15

[1] Pursuant to section 16 of the Federal Reserve Act, as amended (12 U.S.C. 414). Through 1959, consisted of approximately 90 percent of earnings of the Federal Reserve Banks after payment of necessary expenses and statutory dividends, and after provisions for restoring the surplus of each bank to 100 percent of subscribed capital where it fell below that amount. Beginning in 1960, pursuant to a decision by the Board of Governors of the Federal Reserve System, consists of all net earnings after dividends and after provision for building up surplus to 100 percent of subscribed capital at those banks where surplus is below that amount and also of the amounts by which surplus at the other banks exceeds subscribed capital.

TABLE 24.—*Postal receipts and expenditures, fiscal years 1916–62* [1]

Year	Postal revolving fund as reported to the Treasury by the Post Office Department				Surplus revenue paid into the Treasury [3]	Advances from the Treasury to cover postal deficiencies [4]
	Postal revenues	Postal expenditures [2]: Extraordinary expenditures as reported under act of June 9, 1930	Postal expenditures [2]: Other	Surplus, or deficit (−)		
1916	$312,057,689		$306,228,453	$5,829,236		$5,500,000
1917	329,726,116		319,889,904	9,836,212	$5,200,000	
1918	388,975,962		324,849,188	64,126,774	48,630,701	2,221,095
1919	436,239,126		362,504,274	73,734,852	89,906,000	343,511
1920	437,150,212		[5] 418,722,295	18,427,917	5,213,000	[5] 114,854
1921	463,491,275		[5] 619,634,948	−156,143,673		[5] 130,128,458
1922	484,853,541		[5] 545,662,241	−60,808,700	81,494	[5] 64,346,235
1923	532,827,925		[5] 556,893,129	−24,065,204		[5] 32,526,915
1924	572,948,778		[5] 587,412,755	−14,463,976		[5] 12,638,850
1925	599,591,478		[5] 639,336,505	−39,745,027		[5] 23,216,784
1926	659,819,801		[5] 679,792,180	−19,972,379		[5] 39,506,490
1927	683,121,989		714,628,189	−31,506,201		27,263,191
1928	693,633,921		725,755,017	−32,121,096		32,080,202
1929	696,947,578		782,408,754	−85,461,176		94,699,744
1930	705,484,098	$39,669,718	764,030,368	−98,215,987		91,714,451
1931	656,463,383	48,047,308	754,482,265	−146,066,190		145,643,613
1932	588,171,923	53,304,423	740,418,111	−205,550,611		202,876,341
1933	587,631,364	61,691,287	638,314,969	−112,374,892		117,380,192
1934	586,733,166	66,623,130	564,143,871	−44,033,835		52,003,296
1935	630,795,302	69,537,252	627,066,001	−65,807,951		63,970,405
1936	665,343,356	68,585,283	685,074,398	−88,316,324		86,038,862
1937	726,201,110	51,587,336	721,228,506	−46,614,732		41,896,945
1938	728,634,051	42,799,687	729,645,920	−43,811,556		44,258,861
1939	745,955,075	48,540,273	736,106,665	−38,691,863		41,237,263
1940	766,948,627	53,331,172	754,401,694	−40,784,239		40,870,336
1941	812,827,736	58,837,470	778,108,078	−24,117,812		30,064,048
1942	859,817,491	73,916,128	800,040,400	−14,139,037		18,308,869
1943	966,227,289	122,343,916	830,191,463	13,691,909		14,620,875
1944	1,112,877,174	126,639,650	942,345,968	43,891,556	1,000,000	[6] −28,999,995
1945	1,314,240,132	116,198,782	1,028,902,402	169,138,948	188,102,579	649,769
1946	1,224,572,173	100,246,983	1,253,406,696	−129,081,506		160,572,098
1947	1,299,141,041	92,198,225	1,412,600,531	−205,657,715	12,000,000	241,787,174
1948	1,410,971,284	96,222,339	1,591,583,096	−276,834,152		310,213,451
1949	1,571,851,202	120,118,663	2,029,203,465	−577,470,926		524,297,262
1950	1,677,486,967	119,960,324	2,102,988,758	−545,462,114		592,514,046
1951	1,776,816,354	104,895,553	2,236,503,513	−564,582,711		624,169,406
1952	1,947,316,280	107,209,837	2,559,650,534	−719,544,090		740,000,000
1953	2,091,714,112	103,445,741	2,638,680,670	−650,412,299		660,121,483
1954 [7]	2,263,389,229	(8)	2,575,386,760	−311,997,531		521,999,804
1955 [7]	2,336,667,658	(8)	2,692,966,698	−356,299,040		285,261,181
1956 [7]	2,419,211,749	(8)	2,882,291,063	−463,079,314		382,311,040
1957 [7]	2,547,589,618	(8)	3,065,126,065	−517,536,447		516,502,460
1958 [7]	2,583,459,773	(9)	3,257,452,203	−673,992,431		921,750,883
1959 [7]	3,061,110,753	(9)	3,834,997,671	−773,886,918		605,184,335
1960 [7]	3,334,343,038	(9)	3,821,959,408	−487,616,370		569,229,167
1961 [7]	3,482,961,182	(9)	4,347,945,979	−864,984,797		824,989,797
1962 [7]	3,609,260,097	(9)	4,343,436,402	−734,176,305		773,739,374

[1] For figures from 1789 through 1915 see annual report for 1946, p. 419.

[2] Includes adjusted losses, etc., postal funds and expenditures from postal balances, but excludes departmental expenditures in Washington, D. C., through 1922, and amounts transferred to the civil service retirement and disability fund, 1921 through 1926. From 1927 to date includes salary deductions paid to and deposited for credit to the retirement fund.

[3] On basis of warrants-issued adjusted to basis of daily Treasury statements through 1947.

[4] Advances to the Postmaster General to meet estimated deficiencies in postal revenues, reduced by repayments from prior year advances. Excludes allowances for offsets of extraordinary expenditures or the cost of free mailings. Figures are on basis of warrants-issued adjusted to basis of daily Treasury statements through 1953, and thereafter on basis of the central accounts of the U. S. Government maintained by the Treasury Department.

[5] Excludes payments from general fund appropriation "Additional Compensation, Postal Service," pursuant to act of November 8, 1919, as follows: 1920, $35,698,400; 1921, $1,374,015; and 1922, $6,700. Also excludes transfers to the civil service retirement and disability fund on account of salary deductions, as follows: 1921, $6,519,683; 1922, $7,899,006; 1923, $8,284,081; 1924, $8,679,658; 1925, $10,266,977; and 1926, $10,472,289 (see note 2).

[6] Repayment of unexpended portion of prior years' advances.

[7] Transactions for 1954 through 1962 are on the basis of cash receipts and expenditures as reported by the Post Office Department. Reports of the Postmaster General are on a modified accrual basis.

[8] See letter of the Postmaster General in exhibits in annual reports prior to 1958.

[9] Under the act of May 27, 1958 (72 Stat. 143), the Postmaster General is no longer required to certify the estimated amounts of postage that would have been collected on certain free or reduced-rate mailings.

TABLE 25.—*Cash income and outgo, fiscal years 1952–62*

[In millions of dollars. On basis of daily Treasury statements for 1952, and thereafter on basis of the daily Treasury statements and the "Monthly Statement of Receipts and Expenditures of the United States Government." See Note at end of table]

I.—SUMMARY OF FEDERAL GOVERNMENT CASH TRANSACTIONS WITH THE PUBLIC

Fiscal year	Net cash transactions with the public other than borrowing			Plus: Net cash borrowing from the public, or repayment (—)	Plus: Receipts from exercise of monetary authority	Equals: Change in cash balances	
	Federal receipts from the public [1]	Federal payments to the public [1]	Excess of receipts, or payments (—)			Treasurer's account balance, increase, or decrease (—)	Cash held outside Treasury, increase, or decrease (—)
1952	68,011	67,962	49	−505	68	−388	----------
1953	71,495	76,769	−5,274	2,919	56	−2,299	----------
1954	71,626	71,858	−232	2,512	73	2,096	257
1955	67,836	70,537	−2,702	1,809	29	−551	−312
1956	77,087	72,616	4,471	−4,366	23	331	−202
1957	82,105	80,006	2,099	−3,100	49	−956	5
1958	81,892	83,412	−1,520	5,760	59	4,159	140
1959	81,660	94,804	−13,144	8,678	44	−4,399	−23
1960	95,078	94,301	777	1,821	53	2,654	−4
1961	97,242	99,528	−2,286	698	55	−1,311	−222
1962	101,887	107,711	−5,824	9,621	58	3,736	118

[1] Figures in this column differ from those published in annual reports before 1960 because of the exclusion of a few items of budget receipts which are also budget expenditures. (See II and III.)

II.—DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC, AND RECONCILIATION TO CASH DEPOSITS IN THE ACCOUNT OF THE TREASURER OF THE UNITED STATES

Fiscal year	Receipts (net)			Less: Deductions from receipts				Equals: Federal receipts from the public [1]	Reconciliation to cash transactions in the Treasurer's account		Equals: Cash deposits in the Treasurer's account
	Budget [2]	Trust account [3]	Total [2 3]	Intragovernmental transactions (see IV) [2 3]	Excess profits tax refund bond redemptions [4]	Receipts from exercise of monetary authority [5]	Total deductions [2 3]		Plus: Receipts from exercise of monetary authority [5]	Adjustment for net difference due to reporting method (see III) [1]	
1952	61, 287	8, 804	70, 091	2, 011	1	68	2, 080	68, 011	68	2	68, 081
1953	64, 671	8, 889	73, 560	2, 008	(*)	56	2, 064	71, 495	56	−206	71, 345
1954	64, 420	9, 097	73, 517	1, 817	(*)	73	1, 891	71, 626	73	115	71, 815
1955	60, 209	9, 470	69, 678	1, 814	(*)	29	1, 843	67, 836	29	−106	67, 758
1956	67, 850	11, 607	79, 457	2, 346	(*)	23	2, 370	77, 087	23	−31	77, 079
1957	70, 562	14, 301	84, 863	2, 709	(*)	49	2, 758	82, 105	49	−279	81, 875
1958	68, 550	16, 153	84, 703	2, 751	(*)	59	2, 811	81, 892	59	142	82, 094
1959	67, 915	16, 769	84, 685	2, 980	(*)	44	3, 025	81, 660	44	−93	81, 612
1960	77, 763	[6] 20, 342	98, 105	2, 975	(*)	53	3, 027	95, 078	53	−269	94, 862
1961	77, 659	23, 583	101, 243	3, 946	(*)	55	4, 001	97, 242	55	−400	96, 897
1962	81, 409	24, 325	105, 734	3, 789	(*)	58	3, 847	101, 887	58	−337	101, 608

*Less than $500,000.

[1] Figures in this column differ from those published in annual reports before 1960 because of the exclusion of a few items of budget receipts which are also budget expenditures. (See also III.)

[2] All figures published in annual reports before 1960 were revised in the 1960 report to take account of the deduction of certain interfund transactions from both net budget receipts and budget expenditures. For further detail, see tables 4 and 5.

[3] All figures published in annual reports before 1961 were revised in the 1961 report to take account of the deduction of certain intertrust fund transactions from both trust account receipts and trust account expenditures. For further detail, see tables 7 and 10. In this report beginning with fiscal 1953, principal amounts for refunds of taxes applicable to trust accounts formerly included with trust account expenditures, are deducted from trust account receipts.

[4] Treated as noncash refund deductions from receipts when issued and as cash refund deductions when redeemed.

[5] Consists of seigniorage and the increment resulting from reduction in the weight of the gold dollar; excluded from receipts from the public but included in cash deposits in the Treasurer's account.

[6] Adjusted for reclassification of certain repayments of advances from the general fund.

TABLE 25.—*Cash income and outgo, fiscal years 1952–62*—Continued

[In millions of dollars]

III.—DERIVATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC AND RECONCILIATION TO CASH WITHDRAWALS FROM THE ACCOUNT OF THE TREASURER OF THE UNITED STATES

Fiscal year	Expenditures				Less: Deductions from expenditures		Equals: Federal payments to the public [1]	Reconciliation to cash transactions in the Treasurer's account			Equals: Cash withdrawals from the Treasurer's account
								Less: Payments to the public not reflected in the Treasurer's account			
	Budget [2]	Trust and deposit fund account [3 7 10]	Government sponsored enterprise (net) [8 10]	Total [2 3]	Intragovernmental transactions (see IV) [2 3]	Accrued interest and other noncash expenditures (see V)		From cash held outside the Treasury [9]	From proceeds of sales in the market of agency obligations and public debt securities (see VI)	Adjustment for net difference due to reporting method (see II) [1]	
1952	65,303	5,315	−366	70,252	2,011	279	67,962	------------	170	2	67,794
1953	74,120	5,248	−119	79,248	2,008	472	76,769	------------	155	−206	76,407
1954	67,537	7,146	−435	74,248	1,817	572	71,858	−257	256	115	71,974
1955	64,389	8,480	98	72,966	1,814	615	70,537	312	230	−106	69,888
1956	66,224	[11] 9,358	324	75,906	2,346	943	72,616	202	399	−31	71,984
1957	68,966	12,893	45	81,904	2,709	−811	80,006	−5	549	−279	79,183
1958	71,369	15,893	−629	86,634	2,751	470	83,412	−140	506	142	83,188
1959	80,342	18,282	1,290	99,915	2,980	2,131	94,804	23	646	−93	94,042
1960	76,539	20,698	487	97,724	2,975	449	94,301	4	520	−269	93,508
1961	81,515	23,016	−236	104,295	3,946	821	99,528	222	622	−400	98,284
1962	87,787	24,109	1,094	112,990	3,789	1,490	107,711	−118	866	−337	106,626

[1] Figures in this column differ from those published in annual reports before 1960 because of the exclusion of a few items of budget receipts which are also budget expenditures. (See also II.)

[2] All figures published in annual reports before 1960 were revised in the 1960 report to take account of the deduction of certain interfund transactions from both net budget receipts and budget expenditures. For further detail, see tables 4 and 5.

[3] See II, footnote 3.

[7] Includes net change in balances in Government-sponsored enterprise deposit fund accounts with the Treasurer of the United States.

[8] Net operating expenditures, or receipts (−), as measured by funds provided by or applied to net security transactions reflected in Treasury reports. (See VI.) To a large extent, these Government-sponsored enterprises secure funds for their operations by direct borrowing from the public or by cashing Federal securities which they hold, and they apply the net income received from operations to repayment of borrowing from the public or to investment in Federal securities. On that basis, net expenditures for operations are shown in this table in terms of the combined net of disinvestment in Federal securities and sale of agency obligations in the market, and net receipts from operations are shown in terms of the combined net of investment in Federal securities and redemption of agency obligations in the market.

[9] Not reported before 1954.

[10] Beginning with 1954, figures in this column include small amounts of net security transactions by other agencies, in accordance with the classification followed by the Bureau of the Budget. In table 15, these amounts are excluded from deposit fund expenditures and included with appropriate security transactions.

[11] Excludes revolving fund receipts representing acquired securities amounting to $1,643,070 (par value).

IV.—INTRAGOVERNMENTAL TRANSACTIONS EXCLUDED FROM BOTH RECEIPTS AND PAYMENTS

Fiscal year	Budget receipts which are also trust fund expenditures [12]	Budget receipts which are also Government-sponsored enterprise expenditures [13]	Trust fund receipts which are also budget expenditures				Total [16]
			Interest on investment in public debt securities	Interest on uninvested trust funds	Payroll deductions for employees' retirement [14]	Other [15]	
1952	25	10	987	5	411	573	2,011
1953	26	----------	1,094	5	420	463	2,008
1954	27	----------	1,188	5	430	167	1,817
1955	30	1	1,173	5	439	166	1,814
1956	36	2	1,207	5	574	521	2,346
1957	45	1	1,318	6	644	695	2,709
1958	56	1	1,342	8	662	681	2,751
1959	59	6	1,315	9	746	846	2,980
1960	69	3	1,327	10	747	[6] 819	2,975
1961	69	3	1,404	10	841	1,619	3,946
1962	79	5	1,423	10	848	1,423	3,789

[6] Adjusted for reclassification of certain repayments of advances from the general fund.

[12] Includes reimbursement by Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund for administrative expenses; reimbursement by the District of Columbia; payment of dividends, interest, etc., by Federal National Mortgage Association's secondary market operations; and Federal intermediate credit bank franchise tax and repayment of capital stock to the Treasury after December 1956 and before January 1959.

[13] Consists of payment of earnings and repayment of capital stock to the Treasury for 1952; and payment of franchise tax by banks for cooperatives beginning 1955, and by Federal intermediate credit banks beginning January 1959.

[14] Includes relatively small amounts of deductions from salaries paid by trust funds and Government-sponsored enterprises. Beginning with fiscal 1958 excludes deductions from salaries of District of Columbia employees, and beginning with fiscal year 1959 excludes voluntary contributions.

[15] Includes payments to employees' retirement funds including, Federal and Government corporation contributions and beginning with fiscal 1958 employing agency contributions; payments to the railroad retirement account (for creditable military service), the unemployment trust fund, veterans' life insurance funds, judicial survivors annuity fund, trust fund for technical services and other assistance under agricultural conservation program, and District of Columbia; and awards of Indian Claims Commission.

[16] See II and III, footnotes 2 and 3.

TABLE 25.—*Cash income and outgo, fiscal years 1952–62*—Continued

[In millions of dollars[1]]

V.—ACCRUED INTEREST AND OTHER NONCASH EXPENDITURES EXCLUDED FROM PAYMENTS

Fiscal year	Net accrued interest on savings bonds and Treasury bills [17]	Clearing account for public debt interest [18]	Noncash expenditures involving issuance of public debt securities [19]					Clearing account for checks outstanding, etc.[23]	Total
			Adjusted service bonds [20]	Armed Forces leave bonds [21]	Special notes to—[22]				
					International Monetary Fund	International Development Association	Inter-American Development Bank		
1952	758		−1	−68	−9			−401	279
1953	718		−1	−24	28			−250	472
1954	524	68	−1	−14	109			−115	572
1955	497	26	−1	−8	156			−55	615
1956	456	−15	(*)	−7	175			335	943
1957	388	234	(*)	−6	−674			−753	−811
1958	254	91	(*)	−4	−450			579	470
1959	801	87	(*)	−2	1,361			−116	2,131
1960	341	231	(*)	−2	259			−380	449
1961	222	6	(*)	−1	258	58		279	821
1962	641	18	(*)	−1	171	58	55	548	1,490

*Less than $500,000.

[17] Accrued discount on savings bonds and bills less interest paid on savings bonds and bills redeemed.

[18] Public debt interest due and accrued beginning June 30, 1955, effective date of the change in accounting and reporting from a due and payable basis to an accrual basis; for 1954, consists only of public debt interest checks and coupons outstanding; net increase, or decrease (−). Not reported as a separate clearing acount before 1954.

[19] Treated as noncash expenditures at the time of issuance of the securities and as cash expenditures at the time of their redemption; net issuance, or redemption (−).

[20] Issued in 1936 in exchange for adjusted service certificates held by veterans of World War I. The bonds matured in 1945.

[21] Issued in 1947 in payment for accumulated leave. The last of these bonds matured in 1951.

[22] Parts of the U.S. subscriptions to the International Monetary Fund (see 1947 annual report, pp. 48, 350, and 385), the International Development Association, and the Inter-American Development Bank were paid in nonnegotiable, noninterest-bearing notes of the United States, payable on demand.

[23] Checks outstanding less deposits in transit, and changes in other accounts; net increase, or decrease (−). Before 1954 includes also public debt interest due and unpaid. (See also footnote 18.)

[In millions of dollars; negative figures indicate net repayment of borrowing]

VI.—DERIVATION OF FEDERAL GOVERNMENT NET CASH DEBT TRANSACTIONS WITH THE PUBLIC AND RECONCILIATION TO NET CASH DEBT TRANSACTIONS THROUGH THE ACCOUNT OF THE TREASURER OF THE UNITED STATES

Fiscal year	Change in public debt and agency obligations held by the public						
	Public debt increase, or decrease (−)	Plus: Net sale of obligations of Government enterprises in the market		Less: Net investment in Federal securities by Government agencies			Equals: Increase in securities held by the public, or decrease (−)
		Public and trust enterprise funds	Government-sponsored enterprises	Trust funds	Public enterprise funds	Government-sponsored enterprises	
1952	3,883	114	−186	3,355	101	179	175
1953	6,966	−59	33	3,068	79	153	3,640
1954	5,189	−14	11	[10] 1,686	−77	[10] 446	3,130
1955	3,115	602	269	1,236	126	171	2,454
1956	−1,623	173	872	[24] 2,516	101	549	−3,743
1957	−2,224	1,085	86	2,262	36	41	−3,392
1958	5,816	567	−167	105	91	461	5,560
1959	8,363	71	1,222	−1,215	102	−68	10,837
1960	1,625	1,023	723	551	166	236	2,418
1961	2,640	−733	195	289	149	432	1,234
1962	9,230	658	1,122	246	191	28	10,544

[10] Beginning with 1954, in accordance with treatment in Budget documents, net investments in U.S. securities by Government-sponsored enterprises includes a small amount by other enterprises regarded as representing net transactions with the public. In table 15, these amounts are excluded from deposit fund expenditures and included with appropriate security transactions.

[24] Excludes investments representing acquired securities amounting to $1,643,070 (par value) and donation of securities amounting to $45,800 (par value).

TABLE 25.—*Cash income and outgo, fiscal years 1952–62*—Continued

[In millions of dollars; negative figures indicate net repayment of borrowing]

VI.—DERIVATION OF FEDERAL GOVERNMENT NET CASH DEBT TRANSACTIONS WITH THE PUBLIC AND RECONCILIATION TO NET CASH DEBT TRANSACTIONS THROUGH THE ACCOUNT OF THE TREASURER OF THE UNITED STATES—Continued

Fiscal year	Less: Deductions for noncash transactions								Equals: Net cash borrowing from the public, or repayment (−)	Less: Transactions not reflected in the Treasurer's account [30]	Equals: Net cash borrowing through the Treasurer's account, or repayment (−)
	Net accrued interest on savings bonds and Treasury bills [25]	Issuance of public debt securities representing expenditures, or refunds of receipts [26]						Total deductions			
		Adjusted service bonds [27]	Armed Forces leave bonds [27]	Special notes to— [28]			Excess profits tax refund bonds [29]				
				International Monetary Fund [27]	International Development Association [27]	Inter-American Development Bank [27]					
1952	758	−1	−68	−9			−1	680	−505	170	−674
1953	718	−1	−24	28			(*)	722	2,919	155	2,763
1954	524	−1	−14	109			(*)	618	2,512	256	2,255
1955	497	−1	−8	156			(*)	644	1,809	230	1,579
1956	456	(*)	−7	175			(*)	623	−4,366	399	−4,765
1957	388	(*)	−6	−674			(*)	−292	−3,100	549	−3,648
1958	254	(*)	−4	−450			(*)	−200	5,760	506	5,253
1959	801	(*)	−2	1,361			(*)	2,160	8,678	646	8,032
1960	341	(*)	−2	259			(*)	597	1,821	520	1,301
1961	222	(*)	−1	258	58		(*)	536	698	622	76
1962	641	(*)	−1	171	58	55	(*)	923	9,621	866	8,755

*Less than $500,000.

[25] Accrued discount on savings bonds and bills, which is included in the principal of the public debt, less interest paid on savings bonds and bills redeemed.

[26] Treated as noncash transactions at the time of issuance and as cash transactions at the time of redemption; net issuance, or redemption (−).

[27] Excluded from borrowing because the transactions are treated as expenditures in V.

[28] See V, footnote 22.

[29] Excluded from borrowing because the transactions are treated as deductions from receipts in II.

[30] Market transactions in public debt securities and agency obligations.

[In millions of dollars]

VII.—SUMMARY OF CASH TRANSACTIONS THROUGH THE ACCOUNT OF THE TREASURER OF THE UNITED STATES

Fiscal year	Net cash transactions other than borrowing			Plus: Net cash borrowing, or repayment of borrowing (−)	Equals: Treasurer's account balance, increase, or decrease (−)
	Cash deposits	Cash withdrawals	Excess of deposits, or withdrawals (−)		
1952	68, 081	67, 794	287	−674	−388
1953	71, 345	76, 407	−5, 062	2, 763	−2, 299
1954	71, 815	71, 974	−159	2, 255	2, 096
1955	67, 758	69, 888	−2, 130	1, 579	−551
1956	77, 079	71, 984	5, 096	−4, 765	331
1957	81, 875	79, 183	2, 692	−3, 648	−956
1958	82, 094	83, 188	−1, 094	5, 253	4, 159
1959	81, 612	94, 042	−12, 430	8, 032	−4, 399
1960	94, 862	93, 508	1, 353	1, 301	2, 654
1961	96, 897	98, 284	−1, 387	76	−1, 311
1962	101, 608	106, 626	−5, 018	8, 755	3, 736

NOTE.—The cash income and outgo data in this table are on a basis consistent with receipts from and payments to the public as derived in the 1957 and subsequent Budget documents. Reconciliation to cash deposits and withdrawals in the account of the Treasurer of the United States is shown on the same basis as in the Budget documents. There is also shown the amount of net cash borrowing from, or repayment of borrowing to, the public.

The Bureau of the Budget series of cash transactions is designed to provide information on the flow of money between the public and the Federal Government as a whole, and therefore includes transactions not cleared through the Treasurer's account. Receipts and payments include transactions both in budget accounts and in trust and deposit fund accounts. Operations of Government-sponsored enterprises are included in payments on a net basis as reflected in Treasury reports. Major intragovernmental transactions which are reported as both expenditures and receipts are eliminated from both. Noncash items representing the obligation of the Government to make payments in the future also are eliminated from expenditures but are added later when actual payments are made. Receipts from the exercise of monetary authority are excluded as not representing cash received from the public. Federal cash borrowing from the public includes net borrowing by the Treasury through public debt transactions and also net borrowing by Government agencies and Government-sponsored enterprises through sales of their own securities. It excludes changes in the public debt which do not represent direct cash borrowing from the public. The net effect of all these transactions with the public is reflected in changes in the balance in the Treasurer's account and in cash held outside the Treasury.

Cash transactions through the Treasurer's account are similar in general concept to those included in the Bureau of the Budget series, but are limited in coverage to transactions which affect the balance in that account. On the other hand, they include receipts from the exercise of monetary authority, which are excluded from receipts from the public in the Bureau of the Budget series.

Beginning with figures for the fiscal year 1953, the series of transactions with the public is based on the *Monthly Statement of Receipts and Expenditures of the United States Government*, which is compiled from reports by all collecting, disbursing, and administrative agencies, and includes those transactions not cleared through the Treasurer's account. Cash deposits and withdrawals in the Treasurer's account, beginning with figures for the same year, are reported in daily Treasury statements. For years before 1953 both cash transactions series are based on a single source, namely, the earlier basis of daily Treasury statements which reported separate classifications for budget results, trust account transactions, etc. Because of later reclassifications of certain transactions, the cash deposits and withdrawals may differ from those originally published in the daily Treasury statements.

Public Debt, Guaranteed Obligations, Etc.

I.—Outstanding

TABLE 26.—*Principal of the public debt, 1790–1962*

[On basis of Public Debt accounts from 1790 through 1915, and on basis of daily Treasury statements from 1916 to date, see "Bases of Tables" and Note]

Date	Total gross debt	Date	Total gross debt	Date	Total gross debt
December 31—		December 31—		December 31—	
1790	$75,463,477	1812	$55,962,828	1833	$4,760,082
1791	77,227,925	1813	81,487,846	1834	37,733
1792	80,358,634	1814	99,833,660	1835	37,513
1793	78,427,405	1815	127,334,934	1836	336,958
1794	80,747,587	1816	123,491,965	1837	3,308,124
1795	83,762,172	1817	103,466,634	1838	10,434,221
1796	82,064,479	1818	95,529,648	1839	3,573,344
1797	79,228,529	1819	91,015,566	1840	5,250,876
1798	78,408,670	1820	89,987,428	1841	13,594,481
1799	82,976,294	1821	93,546,677	1842	20,201,226
1800	83,038,051	1822	90,875,877	June 30—	
1801	80,712,632	1823	90,269,778	1843	32,742,922
1802	77,054,686	1824	83,788,433	1844	23,461,653
1803	86,427,121	1825	81,054,060	1845	15,925,303
1804	82,312,151	1826	73,987,357	1846	15,550,203
1805	75,723,271	1827	67,475,044	1847	38,826,535
1806	69,218,399	1828	58,421,414	1848	47,044,862
1807	65,196,318	1829	48,565,407	1849	63,061,859
1808	57,023,192	1830	39,123,192	1850	63,452,774
1809	53,173,218	1831	24,322,235	1851	68,304,796
1810	48,005,588	1832	7,011,699	1852	66,199,342
1811	45,209,738				

June 30	Interest-bearing [1]	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt	Gross debt per capita [2]
1853	$59,642,412	$162,249		$59,804,661	$2.32
1854	42,044,517	199,248		42,243,765	1.59
1855	35,418,001	170,498		35,588,499	1.30
1856	31,805,180	168,901		31,974,081	1.13
1857	28,503,377	197,998		28,701,375	.99
1858	44,743,256	170,168		44,913,424	1.50
1859	58,333,156	165,225		58,498,381	1.91
1860	64,683,256	160,575		64,843,831	2.06
1861	90,423,292	159,125		90,582,417	2.80
1862	365,356,045	230,520	$158,591,390	524,177,955	15.79
1863	707,834,255	171,970	411,767,456	1,119,773,681	32.91
1864	1,360,026,914	366,629	455,437,271	1,815,830,814	52.08
1865	2,217,709,407	2,129,425	458,090,180	2,677,929,012	75.01
1866	2,322,116,330	4,435,865	429,211,734	2,755,763,929	75.42
1867	2,238,954,794	1,739,108	409,474,321	2,650,168,223	70.91
1868	2,191,326,130	1,246,334	390,873,992	2,583,446,456	67.61
1869	2,151,495,065	5,112,034	388,503,491	2,545,110,590	65.17
1870	2,035,881,095	3,569,664	397,002,510	2,436,453,269	61.06
1871	1,920,696,750	1,948,902	399,406,489	2,322,052,141	56.72
1872	1,800,794,100	7,926,547	401,270,191	2,209,990,838	52.65
1873	1,696,483,950	51,929,460	402,796,935	2,151,210,345	50.02
1874	1,724,930,750	3,216,340	431,785,640	2,159,932,730	49.05
1875	1,708,676,300	11,425,570	436,174,779	2,156,276,649	47.84
1876	1,696,685,450	3,902,170	430,258,158	2,130,845,778	46.22
1877	1,697,888,500	16,648,610	393,222,793	2,107,759,903	44.71
1878	1,780,735,650	5,594,070	373,088,595	2,159,418,315	44.82
1879	1,887,716,110	37,015,380	374,181,153	2,298,912,643	46.72
1880	1,709,993,100	7,621,205	373,294,567	2,090,908,872	41.60
1881	1,625,567,750	6,723,615	386,994,363	2,019,285,728	39.18
1882	1,449,810,400	16,260,555	390,844,689	1,856,915,644	35.16
1883	1,324,229,150	7,831,165	389,898,603	1,721,958,918	31.83
1884	1,212,563,850	19,655,955	393,087,639	1,625,307,444	29.35
1885	1,182,150,950	4,100,745	392,299,474	1,578,551,169	27.86
1886	1,132,014,100	9,704,195	413,941,255	1,555,659,550	26.85
1887	1,007,692,350	6,114,915	451,678,029	1,465,485,294	24.75
1888	936,522,500	2,495,845	445,613,311	1,384,631,656	22.89
1889	815,853,990	1,911,235	431,705,286	1,249,470,511	20.23
1890	711,313,110	1,815,555	409,267,919	1,122,396,584	17.80
1891	610,529,120	1,614,705	393,662,736	1,005,806,561	15.63
1892	585,029,330	2,785,875	380,403,636	968,218,841	14.74
1893	585,037,100	2,094,060	374,300,606	961,431,766	14.36
1894	635,041,890	1,851,240	380,004,687	1,016,897,817	14.89
1895	716,202,060	1,721,590	378,989,470	1,096,913,120	15.76
1896	847,363,890	1,636,890	373,728,570	1,222,729,350	17.25
1897	847,365,130	1,346,880	378,081,703	1,226,793,713	16.99
1898	847,367,470	1,262,680	384,112,913	1,232,743,063	16.77
1899	1,046,048,750	1,218,300	389,433,654	1,436,700,704	19.21
1900	1,023,478,860	1,176,320	238,761,733	1,263,416,913	16.60

Footnotes at end of table.

TABLE 26.—*Principal of the public debt, 1790–1962*—Continued

June 30	Interest-bearing [1]	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt [3]	Gross debt per capita [2]
1901	$987,141,040	$1,415,620	$233,015,585	$1,221,572,245	$15.74
1902	931,070,340	1,280,860	245,680,157	1,178,031,357	14.88
1903	914,541,410	1,205,090	243,659,413	1,159,405,913	14.38
1904	895,157,440	1,970,920	239,130,656	1,136,259,016	13.83
1905	895,158,340	1,370,245	235,828,510	1,132,357,095	13.51
1906	895,159,140	1,128,135	246,235,695	1,142,522,970	13.37
1907	894,834,280	1,086,815	251,257,098	1,147,178,193	13.19
1908	897,503,990	4,130,015	276,056,398	1,177,690,403	13.28
1909	913,317,490	2,883,855	232,114,027	1,148,315,372	12.69
1910	913,317,490	2,124,895	231,497,584	1,146,939,969	12.41
1911	915,353,190	1,879,830	236,751,917	1,153,984,937	12.29
1912	963,776,770	1,760,450	228,301,285	1,193,838,505	12.52
1913	965,706,610	1,659,550	225,681,585	1,193,047,745	12.27
1914	967,953,310	1,552,560	218,729,530	1,188,235,400	11.99
1915	969,759,090	1,507,260	219,997,718	1,191,264,068	11.85
1916	971,562,590	1,473,100	252,109,877	1,225,145,568	12.02
1917	2,712,549,477	14,232,230	248,836,878	2,975,618,585	28.77
1918	12,197,507,642	20,242,550	237,475,173	12,455,225,365	119.13
1919	25,236,947,172	11,176,250	236,382,738	25,484,506,160	242.56
1920	24,062,500,285	6,745,237	230,075,945	24,299,321,467	228.23
1921	23,738,900,085	10,688,160	227,862,308	23,977,450,553	220.91
1922	22,710,338,105	25,250,880	227,792,723	22,963,381,708	208.65
1923	22,007,043,612	98,738,910	243,924,844	22,349,707,365	199.64
1924	20,981,242,042	30,278,200	239,292,747	21,250,812,989	186.23
1925	20,210,906,915	30,258,980	275,027,993	20,516,193,888	177.12
1926	19,383,770,860	13,359,900	246,085,555	19,643,216,315	167.32
1927	18,252,664,666	14,718,585	244,523,681	18,511,906,932	155.51
1928	17,317,694,182	45,335,060	241,263,959	17,604,293,201	146.09
1929	16,638,941,379	50,749,199	241,397,905	16,931,088,484	139.04
1930	15,921,892,350	31,716,870	231,700,611	16,185,309,831	131.51
1931	16,519,588,640	51,819,095	229,873,756	16,801,281,492	135.45
1932	19,161,273,540	60,079,385	265,649,519	19,487,002,444	156.10
1933	22,157,643,120	65,911,170	315,118,270	22,538,672,560	179.48
1934	26,480,487,870	54,266,830	518,386,714	27,053,141,414	214.07
1935	27,645,241,089	230,662,155	824,989,381	28,700,892,625	225.55
1936	32,988,790,135	169,363,395	620,389,964	33,778,543,494	263.79
1937	35,800,109,418	118,529,815	505,974,499	36,424,613,732	282.75
1938	36,575,925,880	141,362,460	447,451,975	37,164,740,315	286.27
1939	39,885,969,732	142,283,140	411,279,539	40,439,532,411	308.98
1940	42,376,495,928	204,591,190	386,443,919	42,967,531,038	325.23
1941	48,387,399,539	204,999,860	369,044,137	48,961,443,536	367.09
1942	71,968,418,098	98,299,730	355,727,288	72,422,445,116	537.13
1943	135,380,305,795	140,500,090	1,175,284,445	136,696,090,330	999.83
1944	199,543,355,301	200,851,160	1,259,180,760	201,003,387,221	1,452.44
1945	256,356,615,818	268,667,135	2,056,904,457	258,682,187,410	1,848.60
1946	268,110,872,218	376,406,860	934,820,095	269,422,099,173	1,905.42
1947	255,113,412,039	230,913,536	2,942,057,534	258,286,383,109	1,792.05
1948	250,063,348,379	279,751,730	1,949,146,403	252,292,246,513	1,720.71
1949	250,761,636,723	244,757,458	1,763,965,680	252,770,359,860	1,694.75
1950	255,209,353,372	264,770,705	1,883,228,274	257,357,352,351	r 1,696.61
1951	252,851,765,497	512,046,600	1,858,164,718	255,221,976,815	r 1,654.25
1952	256,862,861,128	418,692,165	1,823,625,492	259,105,178,785	r 1,650.91
1953	263,946,017,740	298,420,570	1,826,623,328	266,071,061,639	r 1,667.54
1954	268,909,766,654	437,184,655	1,912,647,799	271,259,599,108	r 1,670.44
1955	271,741,267,507	588,601,480	2,044,353,816	274,374,222,803	r 1,660.10
1956	269,883,068,041	666,051,697	2,201,693,911	272,750,813,649	r 1,621.35
1957	268,485,562,677	529,241,585	1,512,367,635	270,527,171,896	r 1,579.46
1958	274,697,560,009	597,324,889	1,048,332,847	276,343,217,746	r 1,586.78
1959	281,833,362,429	476,455,003	2,396,089,647	284,705,907,078	r 1,606.10
1960	283,241,182,755	444,608,630	2,644,969,463	286,330,760,848	r 1,584.77
1961	285,671,608,619	349,355,209	2,949,974,782	288,970,938,610	r 1,572.70
1962	294,442,000,790	437,627,514	3,321,194,417	298,200,822,721	[4] 1,598.15

r Revised.

[1] Exclusive of bonds issued to the Pacific railroads (acts of 1862, 1864, and 1878), since statutory provision was made to secure the Treasury against both principal and interest, and the Navy pension fund, which was not a debt as principal and interest were the property of the United States. The Statement of the Public Debt included the railroad bonds from issuance and the Navy fund from September 1, 1866, through June 30, 1890.

[2] See table 27, footnote 4.

[3] Includes certain obligations not subject to statutory limitation; see table 1, notes 6 and 7. Public debt includes debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury (see table 122).

[4] Subject to revision.

NOTE.—From 1789–1842, the fiscal year ended December 31; from 1843, on June 30. Detailed figures for 1790–1852 are not available on a basis comparable with those of later years. The amounts for 1790–1852, except for 1835, are from the 1900 annual report of the Secretary of the Treasury; for 1835, from the 1834–35 annual reports, pp. 504 and 629; for 1853–85, from the "Statement of Receipts and Expenditures of the Government from 1855 to 1885 and Principal of Public Debt from 1791 to 1885" compiled from the Register's official records; from 1886–1915, from the monthly debt statements and revised figures in annual reports; and since 1916, from the "Statement of the Public Debt" in the daily Treasury statements.

TABLE 27.—*Public debt and guaranteed obligations outstanding June 30, 1934–62*

[Gross public debt on basis of daily Treasury statements. Guaranteed obligations from 1934 through 1939 on basis of Public Debt accounts, and for 1940 and subsequent years on basis of daily Treasury statements]

June 30	Gross public debt [1]	Guaranteed obligations held outside the Treasury [2]			Total gross public debt and guaranteed obligations [1]	
		Interest-bearing	Matured [3]	Total	Total	Per capita [4]
1934	$27,053,141,414	$680,767,817		$680,767,817	$27,733,909,231	$219.46
1935	28,700,892,625	4,122,684,692		4,122,684,692	32,823,577,316	257.95
1936	33,778,543,494	4,718,033,242		4,718,033,242	38,496,576,735	300.63
1937	36,424,613,732	4,664,594,533	$10,000	4,664,604,533	41,089,218,265	318.95
1938	37,164,740,315	4,852,559,151	232,500	4,852,791,651	42,017,531,967	323.65
1939	40,439,532,411	5,450,012,899	821,200	5,450,834,099	45,890,366,510	350.63
1940	42,967,531,038	5,497,556,555	31,514,100	5,529,070,655	48,496,601,693	367.08
1941	48,961,443,536	6,359,619,105	10,633,475	6,370,252,580	55,331,696,116	414.85
1942	72,422,445,116	4,548,529,255	19,730,375	4,568,259,630	76,990,704,746	571.02
1943	136,696,090,330	4,091,686,621	8,256,425	4,099,943,046	140,796,033,376	1,029.82
1944	201,003,387,221	1,515,638,626	107,430,675	1,623,069,301	202,626,456,522	1,464.17
1945	258,682,187,410	409,091,867	24,066,525	433,158,392	259,115,345,802	1,851.70
1946	269,422,099,173	466,671,984	9,712,875	476,384,859	269,898,484,033	1,908.79
1947	258,286,383,109	83,212,285	6,307,900	89,520,185	258,375,903,294	1,792.67
1948	252,292,246,513	68,768,043	4,692,775	73,460,818	252,365,707,331	1,721.21
1949	252,770,359,860	23,862,383	3,413,025	27,275,408	252,797,635,268	1,694.93
1950	257,357,352,351	17,077,809	2,425,225	19,503,034	257,376,855,385	r 1,696.74
1951	255,221,976,815	27,364,069	1,863,100	29,227,169	255,251,203,984	r 1,654.44
1952	259,105,178,785	44,092,646	1,472,700	45,565,346	259,150,744,131	r 1,651.20
1953	266,071,061,639	50,881,686	1,191,075	52,072,761	266,123,134,400	r 1,667.87
1954	271,259,599,108	80,415,386	1,026,000	81,441,386	271,341,040,495	r 1,670.94
1955	274,374,222,803	43,257,786	885,175	44,142,961	274,418,365,764	r 1,660.36
1956	272,750,813,649	73,100,900	787,575	73,888,475	272,824,702,124	r 1,621.78
1957	270,527,171,896	106,434,150	703,800	107,137,950	270,634,309,846	r 1,580.83
1958	276,343,217,746	100,565,250	655,350	101,220,600	276,444,438,346	r 1,587.36
1959	284,705,907,078	110,429,100	590,050	111,019,150	284,816,926,228	r 1,606.73
1960	286,330,760,848	139,305,000	536,775	139,841,775	286,470,602,623	r 1,585.55
1961	288,970,938,610	239,694,000	521,450	240,215,450	289,211,154,060	r 1,574.01
1962	298,200,822,721	443,688,500	530,425	444,218,925	298,645,041,646	[5] 1,600.53

r Revised.

1 Includes certain obligations not subject to statutory limitation. For amounts subject to limitation, see table 1. Public debt includes debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury (see table 122).

2 Consists of obligations issued by certain Government corporations and credit agencies, obligations which are guaranteed by the United States as to both principal and interest. They were first authorized in 1932, but none were outstanding June 30, 1932 and 1933.

3 Amounts shown represent outstanding principal on which interest has ceased. The amount of accrued interest as of June 30, 1962, was $134,455.

4 Based on the Bureau of the Census estimated population. Through 1958 the estimated population is for the "conterminous" United States (that is, exclusive of Alaska, Hawaii, and the outlying areas, such as Puerto Rico, Guam, and the Virgin Islands). Beginning with 1959 the estimates include Alaska, and with 1960, Hawaii.

5 Subject to revision.

TABLE 28.—*Public debt outstanding by security classes, June 30, 1952–62*

[In millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Class	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Interest-bearing:											
Public issues:											
Marketable issues:											
Treasury bills:											
Regular weekly	17,219	18,906	19,515	19,514	20,808	21,919	22,406	25,006	25,903	26,914	32,225
Tax anticipation	-----	800	-----	-----	-----	1,501	-----	3,002	-----	1,503	1,802
Other	-----	-----	-----	-----	-----	-----	-----	4,009	7,512	8,307	8,009
Certificates of indebtedness (regular)	28,423	15,854	18,405	13,836	16,303	20,473	32,920	33,843	17,650	13,338	13,547
Treasury notes	18,963	30,425	31,960	40,729	35,952	30,973	20,416	27,314	51,483	56,257	65,464
Treasury bonds:											
Bank eligible	48,200	63,980	71,706	81,057	81,840	80,789	90,883	84,803	81,247	80,830	75,025
Bank restricted [1]	27,460	17,245	8,672	-----	-----	-----	-----	-----	-----	-----	-----
Panama Canal bonds	50	50	50	50	50	50	50	50	50	-----	-----
Postal savings bonds	92	74	46	21	-----	-----	-----	-----	-----	-----	-----
Total marketable issues	140,407	147,335	150,354	155,206	154,953	155,705	166,675	178,027	183,845	187,148	196,072
Nonmarketable issues:											
Certificates of indebtedness, foreign series	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	860
Certificates of indebtedness, foreign currency series	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	[2] 75
Treasury notes—tax and savings	6,612	4,453	5,079	1,913	-----	-----	-----	-----	-----	-----	-----
U.S. savings bonds	57,685	57,886	58,061	58,365	57,497	54,622	51,984	50,503	47,544	47,514	47,607
Depositary bonds	373	447	411	417	310	196	171	183	170	117	138
Treasury bonds, R.E.A. series	-----	-----	-----	-----	-----	-----	-----	-----	-----	19	25
Treasury bonds, investment series	14,046	13,288	12,775	12,589	12,009	11,135	9,621	8,365	6,783	5,830	4,727
Total nonmarketable issues	78,717	76,073	76,326	73,285	69,817	65,953	61,777	59,050	54,497	53,481	53,431
Total public issues	219,124	223,408	226,681	228,491	224,769	221,658	228,452	237,078	238,342	240,629	249,503
Special issues:											
Adjusted service certificate fund certificates	5	5	5	5	5	-----	-----	-----	-----	-----	-----
Canal Zone Postal Savings System notes	1	1	1	1	1	(*)	-----	(*)	-----	-----	-----
Civil service retirement fund:											
Certificates	-----	846	2,268	4,055	6,051	5,707	4,249	298	186	170	210
Notes	4,998	4,739	3,571	2,097	596	740	1,540	2,072	1,892	1,608	1,236
Bonds	-----	-----	-----	-----	-----	925	1,925	6,212	7,289	8,604	9,899
Farm tenant mortgage insurance fund notes	1	1	1	1	-----	-----	-----	-----	-----	-----	-----
Federal Deposit Insurance Corporation notes	888	846	892	835	673	718	673	629	694	556	500
Federal disability insurance trust fund:											
Certificates	-----	-----	-----	-----	-----	258	658	89	56	34	1
Notes	-----	-----	-----	-----	-----	30	150	394	437	464	336
Bonds	-----	-----	-----	-----	-----	38	188	1,050	1,474	1,801	1,967

Footnotes at end of table.

TABLE 28.—*Public debt outstanding by security classes, June 30, 1952–62*—Continued

[In millions of dollars]

Class	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Interest-bearing—Continued											
Special issues—Continued											
Federal home loan banks:											
Certificates	-	-	-	-	2	10	-	-	59	50	74
Notes	50	50	232	200	50	40	165	165	-	-	-
Federal Housing Administration notes:											
Apartment unit insurance fund	-	-	-	-	-	-	-	-	-	-	1
Armed services housing mortgage insurance fund	-	-	-	-	2	3	1	(*)	(*)	26	10
Experimental housing insurance fund	-	-	-	-	-	-	-	-	-	-	1
Housing insurance fund	(*)	2	(*)	-	1	2	1	4	4	4	4
Housing investment insurance fund	-	(*)	-	-	-	-	(*)	(*)	(*)	(*)	(*)
Military housing insurance fund	-	2	-	2	-	-					-
Mutual mortgage insurance fund	-	16	10	16	26	26	18	15	15	15	15
National defense housing insurance fund	-	2	5	2	2	2	4	1	1	(*)	(*)
Section 203 home improvement account	-	-	-	-	-	-	-	-	-	-	1
Section 220 home improvement account	-	-	-	-	-	-	-	-	-	-	1
Section 220 housing insurance fund	-	-	-	1	1	1	1	1	1	1	1
Section 221 housing insurance fund	-	-	-	1	1	1	1	1	1	-	-
Servicemen's mortgage insurance fund	-	-	-	1	1	2	3	2	1	2	2
Title I housing insurance fund	-	-	-	1	1	1	1	1	1	1	1
Title I insurance fund	-	-	-	38	43	43	34	29	23	23	23
War housing insurance fund	2	4	-	3	8	8	7	6	6	15	10
Federal old-age and survivors insurance trust fund:											
Certificates	14,047	15,532	17,054	18,239	19,467	14,963	9,925	400	270	441	1,080
Notes	-	-	-	-	-	2,000	3,860	4,032	2,428	1,387	257
Bonds	-	-	-	-	-	2,500	4,825	12,795	13,715	14,372	13,737
Federal Savings and Loan Insurance Corporation notes	79	61	84	94	103	103	112	116	104	138	182
Foreign service retirement fund:											
Certificates	-	3	9	10	16	22	24	26	29	32	37
Notes	17	13	6	6	4	-	-	-	-	-	-
Government life insurance fund:											
Certificates	1,300	1,299	1,234	1,233	1,217	1,200	1,144	1,127	1	-	7
Notes	-	-	-	-	-	-	-	-	295	222	142
Bonds	-	-	-	-	-	-	-	-	811	849	879
Highway trust fund certificates	-	-	-	-	-	404	822	429	1	234	436
National service life insurance fund:											
Certificates	-	-	-	-	-	-	-	-	8	-	1
Notes	5,191	5,249	5,272	5,346	5,481	5,570	5,665	5,742	1,547	1,168	782
Bonds	-	-	-	-	-	-	-	-	4,248	4,591	5,021
Postal Savings System notes	551	451	212	90	5	5	-	-	-	-	26
Railroad retirement account notes	2,863	3,128	3,345	3,486	3,600	3,475	3,531	3,417	3,586	3,504	3,316
Unemployment trust fund certificates	7,745	8,287	8,024	7,479	7,737	7,996	6,671	5,636	5,580	4,625	4,657
Veterans' special term insurance fund certificates	-	(*)	3	10	20	34	48	66	85	106	88
Total special issues	37,739	40,538	42,229	43,250	45,114	46,827	46,246	44,756	44,899	45,043	44,939
Total interest-bearing debt	256,863	263,946	268,910	271,741	269,883	268,486	274,698	281,833	283,241	285,672	294,442
Matured debt on which interest has ceased	419	298	437	589	666	529	597	476	445	349	438

Debt bearing no interest:											
Special notes of the United States:											
International Monetary Fund series	1,274	1,302	1,411	1,567	1,742	1,068	618	1,979	2,238	2,496	2,667
International Development Association series										58	115
Inter-American Development Bank series											55
U.S. savings stamps [3]	50	50	50	48	49	51	51	50	53	52	53
Excess profits tax refund bonds	2	1	1	1	1	1	1	1	1	1	1
U.S. notes (less gold reserve)	191	191	191	191	191	191	191	191	191	191	191
Deposits for retirement of national bank and Federal Reserve Bank notes	301	277	254	232	213	196	182	169	157	147	139
Other debt bearing no interest	6	6	6	6	6	6	6	6	6	6	[4] 101
Total debt bearing no interest	1,824	1,827	1,913	2,044	2,202	1,512	1,048	2,396	2,645	2,950	3,321
Total gross debt [5]	259,105	266,071	271,260	274,374	272,751	270,527	276,343	284,706	286,331	288,971	298,201

*Less than $500,000.

[1] See 1946 annual report, pp. 42, 43, and 654, and 1955 annual report, p. 515, footnote 5.

[2] Dollar equivalent of certificates issued and payable in the amount of 46,500,000,000 Italian lire.

[3] On October 1, 1942, they replaced postal savings stamps which had been Postal Savings System's obligations.

[4] Includes $95,655,198 of old series currency which by authority of the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912-916), was transferred to public debt bearing no interest. See table 61, footnote 7.

[5] Includes certain obligations not subject to statutory limitation; for amounts subject to limitation, see table 1. Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury; see table 122.

NOTE.—For comparable data 1931–43, see 1943 annual report, p. 564, and for 1944–51, see 1954 annual report, p. 472. Composition of the public debt 1916–45, is shown in the 1947 annual report, p. 361. For reconciliation with Public Debt accounts for 1962, see table 32.

TABLE 29.—*Guaranteed obligations issued by Government corporations and other business-type activities and held outside the Treasury,*[1] *June 30, 1952–62*

[Face amount, in thousands of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Issuing agency	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
UNMATURED OBLIGATIONS											
Commodity Credit Corporation notes, etc.	558										
District of Columbia Armory Board stadium bonds								(2)	476	19,800	19,800
Federal Housing Administration debentures:											
Mutual mortgage insurance fund	9,180	8,127	8,501	9,021	8,471	10,638	9,987	8,699	11,411	25,389	194,716
Armed services housing mortgage insurance fund				725	9,695	10,209	8,324	10,466	19,368	62,420	47,277
Housing insurance fund		1,632	1,742	2,317	5,838	10,135	8,987	9,970	9,232	23,406	35,299
National defense housing insurance fund				1,462	16,108	40,738	47,734	[3] 59,446	71,737	75,393	92,551
Section 220 housing insurance fund									10		66
Section 221 housing insurance fund							8	8	217	4,780	23,353
Servicemen's mortgage insurance fund						12	78	38	680	1,673	12,609
Title I housing insurance fund		23	31	35	224	482	377	213	411	186	633
War housing insurance fund	34,355	41,100	70,141	29,697	32,765	34,220	25,070	21,591	25,762	26,647	17,385
Total unmatured obligations	44,093	50,882	80,415	43,258	73,101	106,434	100,565	[2] 110,429	139,305	239,694	443,688
MATURED OBLIGATIONS [4]											
Federal Farm Mortgage Corporation	521	434	383	333	295	265	240	214	193	174	170
Federal Housing Administration									12	25	57
Home Owners' Loan Corporation	952	757	643	552	493	438	415	376	331	323	303
Total matured obligations [5]	1,473	1,191	1,026	885	788	704	655	590	537	521	530
Total based on guarantees [5]	45,565	52,073	81,441	44,143	73,888	107,138	101,221	[2] 111,019	139,842	240,215	444,219

[1] For obligations held by the Treasury, see table 122.
[2] Excludes guaranteed obligations of the District of Columbia Armory Board in the amount of $96 thousand not reported in the daily Treasury statement of June 30, 1959.
[3] Includes $179 thousand face amount redeemed as of June 30, 1959, but omitted from transactions cleared on that date.
[4] Funds are on deposit with the Treasurer of the United States for payment of these obligations.
[5] Consists of principal only.

NOTE.—For figures for 1946–51, see 1958 annual report, p. 474.

TABLE 30.—*Interest-bearing securities outstanding issued by Federal agencies but not guaranteed by the United States Government, fiscal years 1953–62*

[In millions of dollars]

Fiscal year or month	Banks for coopera-tives	Federal home loan banks [1]	Federal interme-diate credit banks	Federal land banks [2]	Federal National Mortgage Association		Tennes-see Valley Author-ity	Total
					Manage-ment and liquida-tion pro-gram	Second-ary mar-ket pro-gram		
1953	110	251	781	861				2,003
1954	120	115	725	1,007				1,967
1955	110	341	793	1,061	570			2,876
1956	133	929	834	1,322	570	100		3,889
1957	179	738	924	1,552	570	1,050		5,013
1958	199	456	1,159	1,646	797	1,165		5,423
1959	284	992	1,456	1,888	797	1,290		6,708
1960	330	1,259	1,600	2,137	797	2,284		8,407
1961	382	1,055	1,723	2,357		2,198	50	7,765
1962	430	1,797	1,855	2,550		2,556	145	9,332
1961—July	380	1,054	1,767	2,357		2,179	100	7,837
August	384	1,093	1,795	2,357		2,197	100	7,925
September	384	1,335	1,782	2,431		2,281	100	8,312
October	445	1,334	1,715	2,431		2,287	100	8,311
November	439	1,573	1,623	2,431		2,300	100	8,466
December	434	1,571	1,585	2,431		2,453	100	8,574
1962—January	434	1,683	1,569	2,431		2,602	100	8,819
February	452	1,443	1,602	2,495		2,633	145	8,770
March	452	1,602	1,644	2,495		2,658	145	8,995
April	441	1,501	1,718	2,495		2,612	145	8,911
May	441	1,566	1,781	2,550		2,566	145	9,049
June	430	1,797	1,855	2,550		2,556	145	9,332

[1] The proprietary interest of the United States in these banks ended in July 1951.
[2] The proprietary interest of the United States in these banks ended in June 1947. Excludes securities which are issued for use as collateral for commercial bank borrowing and not as a part of public offerings.

NOTE.—The securities shown in the table are public offerings.

TABLE 31.—*Maturity distribution of marketable interest-bearing public debt and guaranteed obligations,*[1] *June 30, 1946–62*

[In millions of dollars. On basis of daily Treasury statements]

Fiscal year	Within 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 years and over	Various [2]	Total
	By call classes (due or first becoming callable)							
1946	62,091	35,057	32,847	16,012	21,227	22,372	43	189,649
1947	52,442	42,522	18,932	13,326	27,076	14,405	38	168,740
1948	49,870	46,124	10,464	12,407	41,481		27	160,373
1949	52,302	39,175	15,067	13,715	34,888		13	155,160
1950	42,448	51,802	15,926	19,281	25,853		16	155,325
1951	60,860	31,022	16,012	21,226	8,797		27	137,944
1952	70,944	29,434	13,321	20,114	6,594		44	140,451
1953	76,017	30,162	13,018	26,546		1,592	51	147,386
1954	63,291	38,407	27,113	19,937		1,606	80	150,435
1955	51,152	46,399	42,755	11,371		3,530	43	155,250
1956	64,910	36,942	40,363	8,387		4,351	73	155,026
1957	76,697	41,497	26,673	6,488		4,349	106	155,811
1958	73,050	39,401	45,705	657	2,258	5,604	101	166,776
1959	81,678	58,256	28,075	1,276	2,256	6,485	110	178,138
1960	79,182	81,295	14,173	1,123	2,484	5,588	139	183,985
1961	84,855	70,760	18,411	1,123	3,125	8,893	220	187,388
1962	89,905	67,759	18,675	1,641	4,956	13,157	424	196,516
	By maturity classes [3]							
1946	61,974	24,763	41,807	8,707	8,754	43,599	43	189,649
1947	51,211	21,851	35,562	13,009	5,688	41,481	38	168,740
1948	48,742	21,630	32,264	14,111	2,118	41,481	27	160,373
1949	48,130	32,562	16,746	14,111	8,710	34,888	13	155,160
1950	42,338	51,292	7,792	10,289	17,746	25,853	16	155,325
1951	43,908	46,526	8,707	8,754	21,226	8,797	27	137,944
1952	46,367	47,814	13,933	5,586	20,114	6,594	44	140,451
1953	65,270	36,161	15,651	2,117	26,546	1,592	51	147,386
1954	62,734	29,866	27,515	8,696	19,937	1,606	80	150,435
1955	49,703	39,107	34,253	17,242	11,371	3,530	43	155,250
1956	58,714	34,401	28,908	20,192	8,387	4,351	73	155,026
1957	71,952	40,669	12,328	19,919	6,488	4,349	106	155,811
1958	67,782	42,557	21,476	26,999	654	7,208	101	166,776
1959	72,958	58,304	17,052	20,971	654	8,088	110	178,138
1960	70,467	72,844	20,246	11,746	884	7,658	139	183,985
1961	81,120	58,400	26,435	8,706	1,547	10,960	220	187,388
1962	88,442	57,041	26,049	5,957	3,381	15,221	424	196,516

[1] Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury; guaranteed securities are those held outside the Treasury.
[2] Consists of Federal Housing Administration guaranteed obligations with various maturity or call dates.
[3] All issues classified to final maturity except partially tax-exempt bonds which are classified to earliest call date.

TABLE 32.—*Summary of public debt and guaranteed obligations by security classes, June 30, 1962*

Class of security	Computed rate of interest [1]	Amount outstanding on basis of Public Debt accounts	Net adjustment to basis of daily Treasury statement [2]	Amount outstanding on basis of daily Treasury statement
PUBLIC DEBT				
INTEREST-BEARING DEBT				
Public issues:				
Marketable obligations:				
Treasury bills:				
Regular weekly	[3] 2.860	$32,225,157,000		$32,225,157,000
Tax anticipation	[3] 2.980	1,801,986,000		1,801,986,000
Other	[3] 3.188	8,008,988,000		8,008,988,000
Certificates of indebtedness (regular)	3.377	13,547,047,000		13,547,047,000
Treasury notes	3.680	65,465,380,000	−$1,709,000	65,463,671,000
Treasury bonds	3.122	75,024,077,650	+1,203,000	75,025,280,650
Subtotal	3.285	196,072,635,650	−506,000	196,072,129,650
Nonmarketable obligations:				
Certificates of indebtedness:				
Foreign series	2.488	860,000,000		860,000,000
Foreign currency series	2.717	74,942,500		74,942,500
U.S. savings bonds	3.449	47,553,158,392	+53,555,748	47,606,714,140
Depositary bonds	2.000	117,836,500	+19,998,000	137,834,500
Treasury bonds, R.E.A. series	2.000	24,281,000	+410,000	24,691,000
Treasury bonds, investment series	2.726	4,725,288,000	+1,709,000	4,726,997,000
Subtotal	3.364	53,355,506,392	+75,672,748	53,431,179,140
Total public issues	3.302	249,428,142,042	+75,166,748	249,503,308,790
Special issues:				
Civil service retirement fund	2.810	11,345,705,000		11,345,705,000
Federal Deposit Insurance Corp	2.000	500,200,000		500,200,000
Federal disability insurance trust fund	2.895	2,304,492,000		2,304,492,000
Federal home loan banks	2.206	74,000,000		74,000,000
Federal Housing Administration funds	2.000	68,523,000		68,523,000
Federal old-age and survivors insurance trust fund	2.772	15,073,637,000		15,073,637,000
Federal Savings and Loan Insurance Corp	2.000	181,500,000		181,500,000
Foreign service retirement fund	3.958	36,710,000		36,710,000
Government life insurance fund	3.520	1,027,809,000		1,027,809,000
Highway trust fund	3.250	435,935,000		435,935,000
National service life insurance fund	3.088	5,803,529,000		5,803,529,000
Postal Savings System	2.000	26,000,000		26,000,000
Railroad retirement account	3.000	3,315,785,000		3,315,785,000
Unemployment trust fund	3.125	4,656,911,000		4,656,911,000
Veterans' special term insurance fund	3.125	87,956,000		87,956,000
Subtotal	2.891	44,938,692,000		44,938,692,000
Total interest-bearing debt	3.239	294,366,834,042	+75,166,748	294,442,000,790

Footnotes at end of table.

TABLE 32.—*Summary of public debt and guaranteed obligations by security classes, June 30, 1962*—Continued

Class of security	Computed rate of interest [1]	Amount outstanding on basis of Public Debt accounts	Net adjustment to basis of daily Treasury statement [2]	Amount outstanding on basis of daily Treasury statement
PUBLIC DEBT—Continued				
Matured debt on which interest has ceased		$449, 089, 075	−$11, 461, 561	$437, 627, 514
DEBT BEARING NO INTEREST				
International Monetary Fund		2, 667, 000, 000		2, 667, 000, 000
International Development Association		115, 304, 400		115, 304, 400
Inter-American Development Bank		55, 000, 000		55, 000, 000
Other		483, 652, 784	+237, 233	483, 890, 017
Total gross public debt		298, 136, 880, 301	+63, 942, 420	298, 200, 822, 721
GUARANTEED OBLIGATIONS NOT OWNED BY THE TREASURY				
Interest-bearing debt:				
Federal Housing Administration	3.468	423, 888, 500		[4] 423, 888, 500
D.C. Armory Board bonds	4.200	19, 800, 000		19, 800, 000
Matured debt on which interest has ceased		530, 425		530, 425
Subtotal		444, 218, 925		444, 218, 925
Total gross public debt and guaranteed obligations		298, 581, 099, 226	+63, 942, 420	298, 645, 041, 646
Deduct debt not subject to statutory limitation		433, 322, 384	−48, 001	433, 274, 383
Total debt subject to limitation		298, 147, 776, 842	+63, 990, 421	298, 211, 767, 263

[1] On daily Treasury statement basis.
[2] Items in transit on June 30, 1962.
[3] Included in debt outstanding at face amount, but the annual interest rate is computed on the discount value.
[4] Components shown in table 34.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962*[1]

[On basis of Public Debt accounts,[2] see "Bases of Tables"]

Security and rate of interest	Date of security	When redeemable or payable[3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT[a]							
Public Issues							
Marketable:							
Treasury bills: Series maturing and approximate yield to maturity (%):[4 5 6]							
Regular weekly:							
July 5, 1962 2.941	Jan. 4, 1962	July 5, 1962		$98.513 Cash	$554,320,000.00	----------	$1,801,102,000.00
				Exchange	46,144,000.00		
2.757	Apr. 5, 1962			99.303 Cash	1,061,937,000.00		
				Exchange	138,701,000.00		
July 12, 1962 3.073	Jan. 11, 1962	July 12, 1962		98.447 Cash	597,360,000.00	----------	1,800,212,000.00
				Exchange	2,579,000.00		
2.720	Apr. 12, 1962			99.312 Cash	1,134,663,000.00		
				Exchange	65,610,000.00		
Other:							
July 15, 1962 2.908	July 15, 1961	July 15, 1962		97.051 Cash	1,993,947,000.00	----------	2,003,516,000.00
				Exchange	9,569,000.00		
Regular weekly:							
July 19, 1962 2.970	Jan. 18, 1962	July 19, 1962	Sold at a discount; payable at par on maturity.	98.949 Cash	546,707,000.00	----------	1,801,436,000.00
				Exchange	53,747,000.00		
2.723	Apr. 19, 1962			99.312 Cash	1,093,815,000.00		
				Exchange	107,167,000.00		
July 26, 1962 2.875	Jan. 25, 1962	July 26, 1962		98.546 Cash	548,460,000.00	----------	1,800,773,000.00
				Exchange	51,561,000.00		
2.740	Apr. 26, 1962			99.307 Cash	1,074,953,000.00		
				Exchange	125,799,000.00		
Aug. 2, 1962 2.939	Feb. 1, 1962	Aug. 2, 1962		98.514 Cash	524,471,000.00	----------	1,801,910,000.00
				Exchange	75,839,000.00		
2.748	May 3, 1962			99.305 Cash	1,018,109,000.00		
				Exchange	183,491,000.00		
Aug. 9, 1962 2.898	Feb. 8, 1962	Aug. 9, 1962		98.535 Cash	522,308,000.00	----------	1,804,290,000.00
				Exchange	77,772,000.00		
2.719	May 10, 1962			99.313 Cash	1,056,982,000.00		
				Exchange	147,228,000.00		
Aug. 16, 1962 2.952	Feb. 15, 1962	Aug. 16, 1962		98.508 Cash	598,117,000.00	----------	1,800,826,000.00
				Exchange	2,306,000.00		
2.646	May 17, 1962			99.331 Cash	1,101,540,000.00		
				Exchange	98,863,000.00		

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)		Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [6]**—Continued**								
Public Issues—Continued								
Marketable—Continued								
Treasury bills: Series maturing and approximate yield to maturity (%): [4 5 6]—Continued								
Regular weekly—Continued								
Aug. 23, 1962 3.301	Feb. 23, 1962	Aug 23, 1962		$98.476	Cash	$557,365,000.00		$1,901,349,000.00
					Exchange	43,572,000.00		
Aug. 23, 1962 2.700	May 24, 1962			99.317	Cash	1,131,715,000.00		
					Exchange	168,697,000.00		
Aug. 30, 1962 2.847	Mar. 1, 1962	Aug. 30, 1962		98.561	Cash	547,917,000.00		1,901,386,000.00
					Exchange	52,314,000.00		
Aug. 30, 1962 2.656	May 31, 1962			99.329	Cash	1,206,713,000.00		
					Exchange	94,442,000.00		
Sept. 6, 1962 2.883	Mar. 8, 1962	Sept. 6, 1962		98.543	Cash	547,848,000.00		1,901,854,000.00
					Exchange	53,003,000.00		
Sept. 6, 1962 2.691	June 7, 1962			99.320	Cash	1,213,664,000.00		
					Exchange	87,339,000.00		
Sept. 13, 1962 2.972	Mar. 15, 1962	Sept. 13, 1962		98.498	Cash	597,104,000.00		1,900,696,000.00
					Exchange	3,187,000.00		
Sept. 13, 1962 2.671	June 14, 1962			99.325	Cash	1,187,561,000.00		
					Exchange	112,844,000.00		
Sept. 20, 1962 2.854	Mar. 22, 1962	Sept. 20, 1962		98.557	Cash	535,724,000.00		1,900,824,000.00
					Exchange	64,357,000.00		
Sept. 20, 1962 2.721	June 21, 1962			99.312	Cash	1,091,096,000.00		
					Exchange	209,647,000.00		
Tax anticipation:								
Sept. 21, 1962 2.896	Mar. 23, 1962	Sept. 21, 1962		98.536	Cash	1,633,956,000.00		1,801,986,000.00
					Exchange	168,030,000.00		
Regular weekly:								
Sept. 27, 1962 2.857	Mar. 29, 1962	Sept. 27, 1962		98.555	Cash	557,241,000.00		1,900,712,000.00
					Exchange	42,989,000.00		
Sept. 27, 1962 2.792	June 28, 1962		Sold at a discount; payable at par on maturity.	99.294	Cash	1,217,777,000.00		
					Exchange	82,705,000.00		
Oct. 4, 1962 2.875	Apr. 5, 1962	Oct. 4, 1962		98.546	Cash	557,596,000.00		600,567,000.00
					Exchange	42,971,000.00		
Oct. 11, 1962 2.814	Apr. 12, 1962	Oct. 11, 1962		98.577	Cash	597,155,000.00		600,202,000.00
					Exchange	3,047,000.00		

Other:							
Oct. 15, 1962 2.975	Oct. 16, 1961	Oct. 15, 1962		96.992 Cash	1,992,636,000.00		
				Exchange	10,827,000.00		2,003,463,000.00
Regular weekly:							
Oct. 18, 1962 2.825	Apr. 19, 1962	Oct. 18, 1962		98.572 Cash	556,959,000.00		
				Exchange	43,350,000.00		600,309,000.00
Oct. 25, 1962 2.837	Apr. 26, 1962	Oct. 25, 1962		98.566 Cash	534,863,000.00		
				Exchange	65,545,000.00		600,408,000.00
Nov. 1, 1962 2.845	May 3, 1962	Nov. 1, 1962		98.562 Cash	527,557,000.00		
				Exchange	72,491,000.00		600,048,000.00
Nov. 8, 1962 2.816	May 10, 1962	Nov. 8, 1962		98.576 Cash	537,783,000.00		
				Exchange	63,856,000.00		601,639,000.00
Nov. 15, 1962 2.744	May 17, 1962	Nov. 15, 1962		98.613 Cash	537,611,000.00		
				Exchange	62,529,000.00		600,140,000.00
Nov. 23, 1962 2.795	May 24, 1962	Nov. 23, 1962		98.579 Cash	537,588,000.00		
				Exchange	62,728,000.00		600,316,000.00
Nov. 29, 1962 2.743	May 31, 1962	Nov. 29, 1962		98.613 Cash	538,691,000.00		
				Exchange	62,633,000.00		601,324,000.00
Dec. 6, 1962 2.787	June 7, 1962	Dec. 6, 1962		98.591 Cash	674,259,000.00		
				Exchange	27,708,000.00		701,967,000.00
Dec. 13, 1962 2.758	June 14, 1962	Dec. 13, 1962		98.606 Cash	681,307,000.00		
				Exchange	18,811,000.00		700,118,000.00
Dec. 20, 1962 2.800	June 21, 1962	Dec. 20, 1962		98.585 Cash	617,574,000.00		
				Exchange	82,978,000.00		700,552,000.00
Dec. 27, 1962 2.872	June 28, 1962	Dec. 27, 1962		98.548 Cash	668,348,000.00		
				Exchange	31,849,000.00		700,197,000.00
Other:							
Jan. 15, 1963 3.366	Jan. 15, 1962	Jan. 15, 1963		96.588 Cash	1,862,566,000.00		
				Exchange	138,689,000.00		2,001,255,000.00
Apr. 15, 1963 2.943	Apr. 15, 1962	Apr. 15, 1963		97.017 Cash	1,920,608,000.00		
				Exchange	80,146,000.00		2,000,754,000.00
Total Treasury bills					42,036,131,000.00		42,036,131,000.00
Certificates of indebtedness: [f]							
Regular:							
3½% Series A–1963	Feb. 15, 1962	Feb. 15, 1963	Feb. 15, Aug. 15	Exchange at par	6,861,555,000.00		6,861,555,000.00
3¼% Series B–1963	May 15, 1962	May 15, 1963	May 15, Nov. 15	Exchange at par	6,685,492,000.00		6,685,492,000.00
Total certificates of indebtedness.					13,547,047,000.00		13,547,047,000.00
Treasury notes: [f]							
4% Series B–1962	Sept. 27, 1957	On Feb. 15, 1960, at option of holder on 3 months' notice; on Aug. 15, 1962.[6]	Feb. 15, Aug. 15	Par	2,000,387,000.00	$1,842,214,000.00	158,173,000.00
3¾% Series C–1962	Nov. 29, 1957	Nov. 15, 1962	May 15, Nov. 15	do	1,142,956,000.00		1,142,956,000.00
3¼% Series G–1962	Feb. 15, 1961	Aug. 15, 1962	Feb. 15, Aug. 15	Exchange at par	7,324,862,000.00		7,324,862,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury notes—Continued							
3¼% Series H-1962	Aug. 1, 1961	Nov. 15, 1962	May 15, Nov. 15	Exchange at par	$6,081,795,000.00		$6,081,795,000.00
2⅝% Series A-1963	Apr. 15, 1958	Feb. 15, 1963	Feb. 15, Aug. 15	Par	3,970,698,000.00	$1,131,345,000.00	2,839,353,000.00
4% Series B-1963	Apr. 1, 1959	May 15, 1963	May 15, Nov. 15	do	1,743,040,000.00		1,743,040,000.00
4⅞% Series C-1963	Nov. 15, 1959	Nov. 15, 1963	do	Exchange at par	3,011,432,000.00		3,011,432,000.00
3¼% Series D-1963 (effective rate 3.2868%).	May 15, 1961	May 15, 1963	do	Par	2,752,808,000.00		
				99.875	2,294,644,000.00		
					5,047,452,000.00		5,047,452,000.00
3¼% Series E-1963	Nov. 15, 1961	Feb. 15, 1963	Feb. 15, Aug. 15	Exchange at par	3,642,464,000.00		3,642,464,000.00
4¾% Series A-1964 (effective rate 4.7596%).	July 20, 1959	May 15, 1964	May 15, Nov. 15	do	4,184,244,000.00		
					[7] 748,751,000.00		
					4,932,995,000.00		4,932,995,000.00
5% Series B-1964	Oct. 15, 1959	Aug. 15, 1964	Feb. 15, Aug. 15	Par	2,315,724,000.00		2,315,724,000.00
4⅞% Series C-1964 (effective rate 4.9347%).	Feb. 15, 1960	Nov. 15, 1964	May 15, Nov. 15	Exchange at par	4,195,320,000.00		4,195,320,000.00
3¾% Series D-1964 [g]	June 23, 1960	May 15, 1964	do	do	3,893,341,000.00		3,893,341,000.00
3¾% Series E-1964	Aug. 1, 1961	Aug. 15, 1964	Feb. 15, Aug. 15	do	5,018,682,000.00		5,018,682,000.00
4⅝% Series A-1965	May 15, 1960	May 15, 1965	May 15, Nov. 15	do	2,112,741,000.00		2,112,741,000.00
4% Series A-1966	Feb. 15, 1962	Aug. 15, 1966	Feb. 15, Aug. 15	do	4,454,410,000.00		4,454,410,000.00
3⅝% Series B-1966 (effective rate 3.6825%).	May 15, 1962	Feb. 15, 1966	do	Exchange at 99.80	3,113,202,000.00		3,113,202,000.00
1½% Series EO-1962	Oct. 1, 1957	Oct. 1, 1962	Apr. 1, Oct. 1	Exchange at par	590,195,000.00		590,195,000.00
1½% Series EA-1963	Apr. 1, 1958	Apr. 1, 1963	do	do	533,150,000.00		533,150,000.00
1½% Series EO-1963	Oct. 1, 1958	Oct. 1, 1963	do	do	505,574,000.00		505,574,000.00
1½% Series EA-1964	Apr. 1, 1959	Apr. 1, 1964	do	do	456,514,000.00		456,514,000.00
1½% Series EO-1964	Oct. 1, 1959	Oct. 1, 1964	do	do	489,777,000.00		489,777,000.00
1½% Series EA-1965	Apr. 1, 1960	Apr. 1, 1965	do	do	465,673,000.00		465,673,000.00
1½% Series EO-1965	Oct. 1, 1960	Oct. 1, 1965	do	do	315,094,000.00		315,094,000.00
1½% Series EA-1966	Apr. 1, 1961	Apr. 1, 1966	do	do	674,981,000.00		674,981,000.00
1½% Series EO-1966	Oct. 1, 1961	Oct. 1, 1966	do	do	356,530,000.00		356,530,000.00
1½% Series EA-1967	Apr. 1, 1962	Apr. 1, 1967	do	do	49,950,000.00		49,950,000.00
Total Treasury notes					68,438,939,000.00	2,973,559,000.00	65,465,380,000.00

Treasury bonds: [f]							
2¼% of 1959–62	Nov. 15, 1945	On and after Dec. 15, 1959; on Dec. 15, 1962.[8]	June and Dec. 15	Par	3,469,671,000.00	1,199,588,000.00	2,270,083,000.00
2¾% of 1960–65 [h] (effective rate 2.6746%)	Dec. 15, 1938	On and after Dec. 15, 1960; on Dec. 15, 1965.[9]	do	do	402,892,800.00		
				Exchange at par	188,196,700.00		
				Exchange at 102.375.	894,295,600.00		
					1,485,385,100.00	2,000.00	1,485,383,100.00
2½% of 1962–67	May 5, 1942	On and after June 15, 1962; on June 15, 1967.[8] [9]	do	Par	2,118,164,500.00	655,420,200.00	1,462,744,300.00
2½% of 1963	Dec. 15, 1954	On Aug. 15, 1963	Feb. and Aug. 15	Exchange at par	6,754,695,500.00	2,437,629,500.00	4,317,066,000.00
2½% of 1963–68	Dec. 1, 1942	On and after Dec. 15, 1963; on Dec. 15, 1968 [8]	June and Dec. 15	Par	2,830,914,000.00	1,013,774,000.00	1,817,140,000.00
3% of 1964	Feb. 14, 1958	On Feb. 15, 1964	Feb. and Aug. 15	Exchange at par	3,854,181,500.00	1,154,257,500.00	2,699,924,000.00
2½% of 1964–69	Apr. 15, 1943	On and after June 15, 1964; on June 15, 1969 [8]	June and Dec. 15	Par	3,761,904,000.00	1,127,298,000.00	2,634,606,000.00
Do	Sept. 15, 1943	On and after Dec. 15, 1964; on Dec. 15, 1969 [8]	do	do	3,778,754,000.00		
				Exchange at par	59,444,000.00		
					3,838,198,000.00	1,286,665,500.00	2,551,532,500.00
2⅝% of 1965	June 15, 1958	On Feb. 15, 1965	Feb. and Aug. 15	do	7,387,534,000.00	2,705,264,500.00	4,682,269,500.00
2½% of 1965–70	Feb. 1, 1944	On and after Mar. 15, 1965; on Mar. 15, 1970 [8]	Mar. and Sept. 15	Par	5,120,861,500.00		
				Exchange at par	76,533,000.00		
					5,197,394,500.00	2,771,607,500.00	2,425,787,000.00
3¾% of 1966 (effective rate 3.7904%).	Nov. 15, 1960	On May 15, 1966	May and Nov. 15	do	1,213,109,500.00		
				Exchange at 99.75	2,384,364,000.00		
					3,597,473,500.00		3,597,473,500.00
3% of 1966	Feb. 28, 1958	On Aug. 15, 1966	Feb. and Aug. 15	Par	1,484,298,000.00		1,484,298,000.00
3⅜% of 1966 [g]	Mar. 15, 1961	On Nov. 15, 1966	May and Nov. 15	Exchange at par	2,437,629,500.00		2,437,629,500.00
2½% of 1966–71	Dec. 1, 1944	On and after Mar. 15, 1966; on Mar. 15, 1971 [8]	Mar. and Sept. 15	Par	3,447,511,500.00		
				Exchange at par	33,353,500.00		
					3,480,865,000.00	2,065,014,000.00	1,415,851,000.0
2½% of 1967–72	June 1, 1945	On and after June 15, 1967; on June 15, 1972 [8]	June and Dec. 15	Par	7,967,261,000.00	6,631,840,500.00	1,335,420,500.00
Do	Oct. 20, 1941	On and after Sept. 15, 1967; on Sept. 15, 1972	Mar. and Sept. 15	do	2,527,073,950.00		
				Exchange at par	188,971,200.00		
					2,716,045,150.00	764,227,900.00	1,951,817,250.00
Do	Nov. 15, 1945	On and after Dec. 15, 1967; on Dec. 15, 1972 [8]	June and Dec. 15	Par	11,688,868,500.00	8,855,332,000.00	2,833,536,500.00
3⅝% of 1967 [g] (effective rate 3.6083%).	Mar. 15, 1961	On Nov. 15, 1967	May and Nov. 15	Exchange at par	2,426,887,500.00		
				Exchange at 100.30	1,176,657,000.00		
					3,603,544,500.00		3,603,544,500.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds [f]—Continued							
3⅝% of 1968 [g] (effective rate 3.9187%).	June 23, 1960	On May 15, 1968	May and Nov. 15	Par	$1,041,697,000.00		
				Exchange at par	348,710,500.00		
				Exchange at 99.50	[10] 320,407,000.00		
				Exchange at 99.375	749,121,000.00		
					2,459,935,500.00		$2,459,935,500.00
3¾% of 1968	Apr. 18, 1962	On Aug. 15, 1968	Feb. and Aug. 15	Par	1,257,539,500.00		1,257,539,500.00
4% of 1969 (effective rate 4.0128%).	Oct. 1, 1957	On Oct. 1, 1969 [8]	Apr. and Oct. 1	do	656,933,000.00		
				Exchange at par	619,461,000.00		
				Exchange at 100.50.[11]	147,697,000.00		
				Exchange at 99.75	1,114,335,500.00		
					2,538,426,500.00	$733,000.00	2,537,693,500.00
4% of 1971 [g] (effective rate 3.8499%).	Mar. 1, 1962	On Aug. 15, 1971	Feb. and Aug. 15	Exchange at par	1,154,253,000.00		
				Exchange at 102.0	1,651,373,500.00		
					2,805,626,500.00		2,805,626,500.00
3⅞% of 1971 (effective rate 3.9386%).	May 15, 1962	On Nov. 15, 1971	May and Nov. 15	Exchange at 99.50	1,204,092,500.00		1,204,092,500.00
3⅞% of 1974 (effective rate 3.9186%).	Dec. 2, 1957	On Nov. 15, 1974 [8]	do	Par	653,811,500.00		
				Exchange at 99.00	517,421,500.00		
					1,171,233,000.00	204,000.00	1,171,029,000.00
4¼% of 1975–85	Apr. 5, 1960	On and after May 15, 1975; on May 15, 1985.[8]	do	Par	469,533,000.00	5,000.00	469,528,000.00
3¼% of 1978–83	May 1, 1953	On and after June 15, 1978; on June 15, 1983.[8]	June and Dec. 15	do	1,188,769,175.00		
				Exchange at par	417,314,825.00		
					1,606,084,000.00	12,127,000.00	1,593,957,000.00
4% of 1980 [g] (effective rate 4.0356%).	Jan. 23, 1959	On Feb. 15, 1980 [8]	Feb. and Aug. 15	99.00	884,115,500.00		
				Exchange at 100.25	562,595,500.00		
					1,446,711,000.00	509,000.00	1,446,202,000.00
3½% of 1980 [g] (effective rate 3.3819%).	Oct. 3, 1960	On Nov. 15, 1980 [8]	May and Nov. 15	Exchange at par	643,406,000.00		
				Exchange at 102.25	1,034,722,000.00		
				Exchange at 103.50	237,815,000.00		
					1,915,943,000.00	447,000.00	1,915,496,000.00
3¼% of 1985 (effective rate 3.2222%).	June 3, 1958	On May 15, 1985 [8]	do	100.50	1,134,867,500.00	3,508,500.00	1,131,359,000.00

3½% of 1990 [g] (effective rate 3.4907%).	Feb. 14, 1958	On Feb. 15, 1985 [8]	Feb. and Aug. 15	Exchange at par	2,719,730,000.00		
				Exchange at 99.00	721,728,500.00		
				Exchange at 100.25	575,798,000.00		
				Exchange at 101.25	233,324,500.00		
				Exchange at 101.50	344,638,000.00		
				Exchange at 101.75	322,185,500.00		
					4,917,404,500.00	2,238,000.00	4,915,166,500.00
3% of 1995	Feb. 15, 1955	On Feb. 15, 1995 [8]	do	Par	821,474,500.00		
				Exchange at par	1,923,642,500.00		
					2,745,117,000.00	96,418,500.00	2,648,698,500.00
3½% of 1998 [g] (effective rate 3.5152%).	Oct. 3, 1960	On Nov. 15, 1998 [8]	May and Nov. 15	Exchange at par	2,523,024,000.00		
				Exchange at 98.00	494,811,500.00		
				Exchange at 99.00	692,069,500.00		
				Exchange at 100.25	419,518,000.00		
				Exchange at 100.50	333,416,000.00		
					4,462,839,000.00	1,191,000.00	4,461,648,000.00
Total Treasury bonds					107,809,379,750.00	32,785,302,100.00	75,024,077,650.00
Total marketable obligations					231,831,496,750.00	35,758,861,100.00	196,072,635,650.00
Nonmarketable: [f]							
Certificates of indebtedness:							
2.75% Foreign series	May 8, 1962	On 3 days' notice; on Aug. 8, 1962.	Aug. 8, 1962	Par	350,000,000.00	100,000,000.00	250,000,000.00
2.00% Foreign series	May 31, 1962	On 2 days' notice; on Aug. 30, 1962.	Aug. 30, 1962	Par	50,000,000.00		50,000,000.00
2.70% Foreign series	June 1, 1962	On 2 days' notice; on Sept. 4, 1962.	Sept. 4, 1962	Par	50,000,000.00		50,000,000.00
2.00% Foreign series	June 14, 1962	On 2 days' notice; on Sept. 14, 1962.	Sept. 14, 1962	Par	10,000,000.00		10,000,000.00
2.00% Foreign series	June 26, 1962	On 2 days' notice; on Sept. 26, 1962.	Sept. 26, 1962	Par	250,000,000.00		250,000,000.00
2.80% Foreign series	June 26, 1962	On 2 days' notice; on Sept. 26, 1962.	Sept. 26, 1962	Par	100,000,000.00		100,000,000.00
2.80% Foreign series	June 27, 1962	On 2 days' notice; on Sept. 27, 1962.	Sept. 27, 1962	Par	100,000,000.00		100,000,000.00
2.75% Foreign series	June 20, 1962	On 2 days' notice; on Dec. 20, 1962.	Dec. 20, 1962	Par	50,000,000.00		50,000,000.00
Total Foreign series					960,000,000.00	100,000,000.00	860,000,000.00
2.75% Foreign currency series.	Apr. 26, 1962	On July 26, 1962	July 26, 1962	1611.50 Italian lire	24,978,250.00		24,978,250.00
2.75% Foreign currency series.	June 8, 1962	On Sept. 7, 1962	Sept. 7, 1962	1611.75 Italian lire	49,964,250.00		49,964,250.00
Total Foreign currency series.					74,942,500.00		74,942,500.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [2]—Continued							
Public Issues—Continued							
Nonmarketable [7]—Continued							
Depositary bonds:							
2% First Series	Various dates from: July 1950	At option of United States or owner any time upon 30 to 60 days' notice; 12 yrs. from issue date.	June and Dec. 1	Par	$680,189,500.00	$562,353,000.00	$117,836,500.00
Treasury bonds:							
2% R.E.A. series	July 1, 1960	do	Jan. and July 1	do	25,927,000.00	1,646,000.00	24,281,000.00
Treasury bonds, investment series:							
2½% Series A-1965	Oct. 1, 1947	On and after Apr. 1, 1948, on demand at option of owner on 1 month's notice; payable on Oct. 1, 1965.	Apr. and Oct. 1	do	969,960,000.00	512,595,000.00	457,365,000.00
2¾% Series B-1975-80	Apr. 1, 1951	Apr. 1, 1975, exchangeable at any time at option of owner for marketable Treasury notes; payable on Apr. 1, 1980. [8 12]	do	do	451,397,500.00		
				Exchange at par	14,879,956,500.00		
					15,331,354,000.00	[13] 11,063,431,000.00	4,267,923,000.00
Total Treasury bonds, investment series.					16,301,314,000.00	11,576,026,000.00	4,725,288,000.00
U.S. savings bonds: Series and approximate yield to maturity (%): [14]	First day of each month:						
E-1941, 3.223 [16]	May to Dec. 1941	After 60 days from issue date, on demand at option of owner; 10 years from issue date but may be held for	Sold at a discount; payable at par on maturity.	$75.00	1,814,834,125.17	1,509,726,398.44	305,107,726.73

		additional period.[15]					
E-1942, 3.252 [16]	Jan. to Apr. 1942	do	do	$75.00	2,230,980,239.80	1,822,222,667.95	408,757,571.85
E-1942, 3.252 [16]	May to Dec. 1942	do	do	$75.00	5,781,229,020.27	4,839,004,542.41	942,224,477.86
E-1943, 3.276 [16]	Jan. to Dec. 1943	do	do	$75.00	12,895,143,048.15	10,756,235,928.68	2,138,907,119.47
E-1944, 3.298 [16]	Jan. to Dec. 1944	do	do	$75.00	15,014,690,385.32	12,424,771,372.72	2,589,919,012.60
E-1945, 3.316 [16]	Jan. to Dec. 1945	do	do	$75.00	11,754,967,440.37	9,508,597,348.62	2,246,370,091.75
E-1946, 3.327 [16]	Jan. to Dec. 1946	do	do	$75.00	5,271,304,824.48	4,032,933,611.69	1,238,371,212.79
E-1947, 3.346 [16]	Jan. to Dec. 1947	do	do	$75.00	4,956,928,008.12	3,603,789,056.49	1,353,138,951.63
E-1948, 3.366 [16]	Jan. to Dec. 1948	do	do	$75.00	5,104,919,794.70	3,595,100,447.88	1,509,819,346.82
E-1949, 3.344 [16]	Jan. to Dec. 1949	do	do	$75.00	5,015,418,817.09	3,437,553,367.16	1,577,865,449.93
E-1950, 3.347 [16]	Jan. to Dec. 1950	do	do	$75.00	4,365,889,542.24	2,896,003,181.76	1,469,886,360.48
E-1951, 3.378 [16]	Jan. to Dec. 1951	do	do	$75.00	3,781,358,679.66	2,474,278,114.29	1,307,080,565.37
E-1952, 3.400 (Jan. to Apr.)	Jan. to Apr. 1952	do	do	$75.00	1,297,409,572.95	831,665,083.35	465,744,489.60
E-1952, 3.451 [16] (May to Dec.).	May to Dec. 1952	do	do	$75.00	2,653,393,064.37	1,622,677,393.82	1,030,715,670.55
E-1953, 3.468 [16]	Jan. to Dec. 1953	do	do	$75.00	4,458,480,283.39	2,641,686,375.81	1,816,793,907.58
E-1954, 3.497 [16]	Jan. to Dec. 1954	do	do	$75.00	4,510,800,874.87	2,608,002,063.10	1,902,798,811.77
E-1955, 3.522 [16]	Jan. to Dec. 1955	do	do	$75.00	4,678,419,006.39	2,659,090,305.53	2,019,328,700.86
E-1956, 3.546 [16]	Jan. to Dec. 1956	do	do	$75.00	4,496,700,676.66	2,554,547,921.25	1,942,152,755.41
E-1957, 3.560 (Jan.)	Jan. 1957	do	do	$75.00	370,475,679.90	203,167,903.22	167,307,776.68
E-1957, 3.653 [1] (Feb. to Dec.).	Feb. to Dec. 1957	After 2 months from issue date, on demand at option of owner; 8 years, 11 months from issue date but may be held for additional period.[15]	do	$75.00	3,844,996,074.12	2,078,795,509.95	1,766,200,564.17
E-1958, 3.690 [16]	Jan. to Dec. 1958	do	do	$75.00	4,065,339,758.45	2,038,556,747.70	2,026,783,010.75
E-1959, 3.730 (Jan. to May)	Jan. to May 1959	do	do	$75.00	1,626,827,343.67	790,464,169.87	836,363,173.80
E-1959, 3.750 (June to Dec.)	June to Dec. 1959	After 2 months from issue date, on demand at option of owner; 7 years, 9 months from issue date but may be held for additional period.[15]	do	$75.00	2,168,862,333.28	1,025,991,109.24	1,142,871,224.04
E-1960, 3.750	Jan. to Dec. 1960	do	do	$75.00	3,766,394,832.50	1,605,475,798.63	2,160,919,033.87
E-1961, 3.750	Jan. to Dec. 1961	do	do	$75.00	3,773,059,601.45	1,247,356,205.01	2,525,703,396.44
E-1962, 3.750	Jan. to June 1962	do	do	$75.00	1,555,281,337.50	222,289,125.00	1,332,992,212.50
Unclassified sales and redemptions.					21,959,628.00	−156,787.41	22,116,415.41
Total Series E					121,276,063,992.87	83,029,824,962.16	38,246,239,030.71

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [2]—Continued							
Public Issues—Continued							
Nonmarketable [4]—Continued							
U.S. savings bonds: Series and approximate yield to maturity (%) [14]—Con.	First day of each month:						
F-1950, 2.53	Jan. to Dec. 1950	After 6 months from issue date on demand at option of owner on 1 month's notice; 12 years from issue date.	Sold at a discount; payable at par on maturity.	$74.00	$325, 377, 904. 67	$243, 475, 458. 17	$81, 902, 446. 50
F-1951, 2.53	Jan. to Dec. 1951	do	do	$74.00	147, 959, 251. 84	80, 194, 001. 30	67, 765, 250. 54
F-1952, 2.53	Jan. to Apr. 1952	do	do	$74.00	47, 883, 399. 06	24, 871, 534. 87	23, 011, 864. 19
Unclassified redemptions						888, 013. 56	−888, 013. 56
Total Series F					521, 220, 555. 57	349, 429, 007. 90	171, 791, 547. 67
G-1950, 2.50	Jan. to Dec. 1950	do	Semiannually	Par	1, 105, 735, 300. 00	862, 116, 500. 00	243, 618, 800. 00
G-1951, 2.50	Jan. to Dec. 1951	do	do	do	644, 428, 000. 00	339, 907, 200. 00	304, 520, 800. 00
G-1952, 2.50	Jan. to Apr. 1952	do	do	do	163, 428, 200. 00	79, 448, 600. 00	83, 979, 600. 00
Unclassified redemptions						38, 778. 75	−38, 778. 75
Total Series G					1, 913, 591, 500. 00	1, 281, 511, 078. 75	632, 080, 421. 25
H-1952, 3.123 [16]	June to Dec. 1952	After 6 months from issue date, on demand at option of owner on 1 month's notice; 9 years 8 months from issue date.[17]	do	do	191, 480, 500. 00	86, 255, 500. 00	105, 225, 000. 00
H-1953, 3.161 [16]	Jan. to Dec. 1953	do	do	do	470, 499, 500. 00	170, 856, 000. 00	299, 643, 500. 00
H-1954, 3.211 [16]	Jan. to Dec. 1954	do	do	do	877, 680, 500. 00	303, 534, 500. 00	574, 146, 000. 00
H-1955, 3.258 [16]	Jan. to Dec. 1955	do	do	do	1, 173, 084, 000. 00	387, 746, 500. 00	785, 337, 500. 00
H-1956, 3.317 [16]	Jan. to Dec. 1956	do	do	do	893, 176, 000. 00	251, 663, 000. 00	641, 513, 000. 00
H-1957, 3.360 (Jan.)	Jan. 1957	do	do	do	64, 506, 000. 00	15, 794, 000. 00	48, 712, 000. 00

H-1957, 3.626 [16] (Feb. to Dec.).	Feb. to Dec. 1957	After 6 months from issue date, on demand at option of owner on 1 month's notice; 10 years from issue date.	do	do	567, 682, 000. 00	113, 075, 000. 00	454, 607, 000. 00
H-1958, 3.679 [16]	Jan. to Dec. 1958	do	do	do	890, 252, 500. 00	165, 783, 500. 00	724, 469, 000. 00
H-1959, 3.720 (Jan. to May)	Jan. to May 1959	do	do	do	356, 318, 500. 00	44, 978, 500. 00	311, 340, 000. 00
H-1959, 3.750 (June to Dec.)	June to Dec. 1959	do	do	do	362, 413, 000. 00	35, 633, 000. 00	326, 780, 000. 00
H-1960, 3.750	Jan. to Dec. 1962	do	do	do	1, 006, 765, 000. 00	58, 255, 000. 00	948, 510, 000. 00
H-1961, 3.750	Jan. to Dec. 1961	do	do	do	1, 041, 569, 500. 00	23, 947, 000. 00	1, 017, 622, 500. 00
H-1962, 3.750	Jan. to June 1962	do	do	do	430, 635, 500. 00	429, 000. 00	430, 206, 500. 00
Unclassified sales and redemptions.					36, 592, 000. 00	1, 000. 00	36, 591, 000. 00
Total Series H					8, 362, 654, 500. 00	1, 657, 951, 500. 00	6, 704, 703, 000. 00
J-1952, 2.76	May to Dec. 1952	After 6 months from issue date on demand at option of owner on 1 month's notice; 12 years from issue date.	Sold at a discount; payable at par on maturity.	$72.00	104, 745, 118. 57	59, 116, 464. 58	45, 628, 653. 99
J-1953, 2.76	Jan. to Dec. 1953	do	do	$72.00	153, 336, 677. 30	75, 147, 363. 00	78, 189, 314. 30
J-1954, 2.76	Jan. to Dec. 1954	do	do	$72.00	371, 219, 138. 93	223, 890, 515. 73	147, 328, 623. 20
J-1955, 2.76	Jan. to Dec. 1955	do	do	$72.00	266, 085, 441. 68	134, 824, 114. 37	131, 261, 327. 31
J-1956, 2.76	Jan. to Dec. 1956	do	do	$72.00	167, 363, 701. 09	65, 583, 357. 69	101, 780, 343. 40
J-1957, 2.76	Jan. to Apr. 1957	do	do	$72.00	35, 161, 569. 44	11, 522, 409. 44	23, 639, 160. 00
Unclassified redemptions						2, 030. 00	−2, 030. 00
Total Series J					1, 097, 911, 647. 01	570, 086, 254. 81	527, 825, 392. 20
K-1952, 2.76	May to Dec. 1952	do	Semiannually	Par	291, 932, 000. 00	156, 076, 500. 00	135, 855, 500. 00
K-1953, 2.76	Jan. to Dec. 1953	do	do	do	302, 931, 500. 00	140, 434, 000. 00	162, 497, 500. 00
K-1954, 2.76	Jan. to Dec. 1954	do	do	do	981, 680, 000. 00	584, 037, 000. 00	397, 643, 000. 00
K-1955, 2.76	Jan. to Dec. 1955	do	do	do	633, 925, 500. 00	303, 546, 000. 00	330, 379, 500. 00
K-1956, 2.76	Jan. to Dec. 1956	do	do	do	318, 825, 500. 00	114, 530, 500. 00	204, 295, 000. 00
K-1957, 2.76	Jan. to Apr. 1957	do	do	do	53, 978, 500. 00	14, 130, 000. 00	39, 848, 500. 00
Unclassified redemptions							
Total Series K					2, 583, 273, 000. 00	1, 312, 754, 000. 00	1, 270, 519, 000. 00
Total U.S. savings bonds					135, 754, 715, 195. 45	88, 201, 556, 803. 62	47, 553, 158, 391. 83
Total nonmarketable obligations.					153, 797, 088, 195. 45	100, 441, 581, 803. 62	53, 355, 506, 391. 83
Total public issues					385, 628, 584, 945. 45	136, 200, 442, 903. 62	249, 428, 142, 041. 83

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962*[1]—Continued

Security and rate of interest	Date of security	When redeemable or payable[3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT[a]—Continued							
Special Issues[1]							
Civil service retirement fund:							
Certificates:							
3¾% Series 1963	June 30, 1962	On demand; on June 30, 1963.	June 30	Par	$210,441,000.00		$210,441,000.00
Notes:		Redeemable after 1 year from date of issue and payable on June 30:					
3¾% Series 1964	do	1964	do	do	60,976,000.00		60,976,000.00
3¾% Series 1965	do	1965	do	do	60,976,000.00		60,976,000.00
3¾% Series 1966	do	1966	do	do	60,976,000.00		60,976,000.00
3¾% Series 1967	do	1967	do	do	60,976,000.00		60,976,000.00
2⅞% Series 1963	June 30, 1961	1963	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1964	do	1964	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1965	do	1965	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1966	do	1966	do	do	69,913,000.00		69,913,000.00
2⅝% Series 1963	Various dates from June 30, 1959.	1963	do	do	230,527,000.00		230,527,000.00
2⅝% Series 1964	do	1964	do	do	230,527,000.00		230,527,000.00
2⅝% Series 1965	June 30, 1960	1965	do	do	51,316,000.00		51,316,000.00
2½% Series 1963	June 30, 1958	1963	do	do	200,000,000.00		200,000,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1968	June 30, 1962	1968	do	do	60,976,000.00		60,976,000.00
3¾% Series 1969	do	1969	do	do	60,976,000.00		60,976,000.00
3¾% Series 1970	do	1970	do	do	60,976,000.00		60,976,000.00
3¾% Series 1971	do	1971	do	do	60,976,000.00		60,976,000.00
3¾% Series 1972	do	1972	do	do	60,976,000.00		60,976,000.00
3¾% Series 1973	do	1973	do	do	60,976,000.00		60,976,000.00
3¾% Series 1974	do	1974	do	do	60,976,000.00		60,976,000.00
3¾% Series 1975	do	1975	do	do	60,976,000.00		60,976,000.00
3¾% Series 1976	do	1976	do	do	60,976,000.00		60,976,000.00
3¾% Series 1977	do	1977	do	do	746,416,000.00		746,416,000.00
2⅞% Series 1967	June 30, 1961	1967	do	do	69,913,000.00		69,913,000.00
2⅞% Series 1968	do	1968	do	do	69,913,000.00		69,913,000.00

2⅞% Series 1969	do	1969	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1970	do	1970	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1971	do	1971	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1972	do	1972	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1973	do	1973	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1974	do	1974	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1975	do	1975	do	do	69, 913, 000. 00		69, 913, 000. 00
2⅞% Series 1976	do	1976	do	do	685, 440, 000. 00		685, 440, 000. 00
2⅝% Series 1965	June 30, 1959	1965	do	do	179, 211, 000. 00		179, 211, 000. 00
2⅝% Series 1966	Various dates from June 30, 1959.	1966	do	do	230, 527, 000. 00		230, 527, 000. 00
2⅝% Series 1967	do	1967	do	do	230, 527, 000. 00		230, 527, 000. 00
2⅝% Series 1968	do	1968	do	do	415, 527, 000. 00		415, 527, 000. 00
2⅝% Series 1969	do	1969	do	do	615, 527, 000. 00		615, 527, 000. 00
2⅝% Series 1970	do	1970	do	do	615, 527, 000. 00		615, 527, 000. 00
2⅝% Series 1971	do	1971	do	do	615, 527, 000. 00		615, 527, 000. 00
2⅝% Series 1972	do	1972	do	do	615, 527, 000. 00		615, 527, 000. 00
2⅝% Series 1973	do	1973	do	do	615, 527, 000. 00		615, 527, 000. 00
2⅝% Series 1974	do	1974	do	do	615, 527, 000. 00		615, 527, 000. 00
2⅝% Series 1975	June 30, 1960	1975	do	do	615, 527, 000. 00		615, 527, 000. 00
2½% Series 1963	June 30, 1957	1963	do	do	185, 000, 000. 00		185, 000, 000. 00
2½% Series 1964	Various dates from June 30, 1957.	1964	do	do	385, 000, 000. 00		385, 000, 000. 00
2½% Series 1965	do	1965	do	do	385, 000, 000. 00		385, 000, 000. 00
2½% Series 1966	do	1966	do	do	385, 000, 000. 00		385, 000, 000. 00
2½% Series 1967	do	1967	do	do	385, 000, 000. 00		385, 000, 000. 00
2½% Series 1968	June 30, 1958	1968	do	do	200, 000, 000. 00		200, 000, 000. 00
Federal Deposit Insurance Corporation:		Redeemable after 1 year from date of issue and payable on Dec. 1:					
Notes:	Various dates from Dec. 1:						
2% Series 1963	1958	1963	June 1, Dec. 1	do	128, 500, 000. 00	$102, 400, 000. 00	26, 100, 000. 00
2% Series 1964	1959	1964	do	do	196, 000, 000. 00	1, 000, 000. 00	195, 000, 000. 00
2% Series 1965	1960	1965	do	do	151, 200, 000. 00		151, 200, 000. 00
2% Series 1966	1961	1966	do	do	243, 800, 000. 00	115, 900, 000. 00	127, 900, 000. 00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [a]**—Continued**							
Special Issues [i]**—Continued**							
Federal disability insurance trust fund:							
Certificates:							
3¾% Series 1963	June 30, 1962	On demand; on June 30 1963.	June 30, Dec. 31	Par	$1,361,000.00		$1,361,000.00
Notes:		Redeemable after 1 year from date of issue and payable on June 30:					
3¾% Series 1963	June 30, 1961	1963	do	do	19,389,000.00		19,389,000.00
3¾% Series 1964	do	1964	do	do	20,738,000.00		20,738,000.00
3¾% Series 1965	do	1965	do	do	20,738,000.00		20,738,000.00
3¾% Series 1966	do	1966	do	do	20,738,000.00		20,738,000.00
3¾% Series 1967	June 30, 1962	1967	do	do	1,349,000.00		1,349,000.00
2⅝% Series 1963	Various dates from June 30, 1959.	1963	do	do	95,394,000.00		95,394,000.00
2⅝% Series 1964	do	1964	do	do	95,394,000.00		95,394,000.00
2⅝% Series 1965	June 30, 1960	1965	do	do	32,394,000.00		32,394,000.00
2½% Series 1963	Various dates from June 30, 1958.	1963	do	do	30,000,000.00		30,000,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1967	June 30, 1961	1967	do	do	19,389,000.00		19,389,000.00
3¾% Series 1968	do	1968	do	do	20,738,000.00		20,738,000.00
3¾% Series 1969	do	1969	do	do	20,738,000.00		20,738,000.00
3¾% Series 1970	do	1970	do	do	20,738,000.00		20,738,000.00
3¾% Series 1971	do	1971	do	do	20,738,000.00		20,738,000.00
3¾% Series 1972	do	1972	do	do	20,738,000.00		20,738,000.00
3¾% Series 1973	do	1973	do	do	20,738,000.00		20,738,000.00
3¾% Series 1974	do	1974	do	do	20,738,000.00		20,738,000.00
3¾% Series 1975	do	1975	do	do	20,738,000.00		20,738,000.00
3¾% Series 1976	do	1976	do	do	153,632,000.00		153,632,000.00
3¾% Series 1977	June 30, 1962	1977	do	do	153,632,000.00		153,632,000.00
2⅝% Series 1965	June 30, 1959	1965	do	do	63,000,000.00		63,000,000.00

2⅝% Series 1966	Various dates from June 30, 1959.	1966	do	do	95,394,000.00		95,394,000.00
2⅝% Series 1967	do	1967	do	do	95,394,000.00		95,394,000.00
2⅝% Series 1968	do	1968	do	do	102,894,000.00		102,894,000.00
2⅝% Series 1969	do	1969	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1970	do	1970	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1971	do	1971	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1972	do	1972	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1973	do	1973	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1974	do	1974	do	do	132,894,000.00		132,894,000.00
2⅝% Series 1975	June 30, 1960	1975	do	do	132,894,000.00		132,894,000.00
2½% Series 1963	June 30, 1957	1963	do	do	7,500,000.00		7,500,000.00
2½% Series 1964	Various dates from June 30, 1957	1964	do	do	37,500,000.00		37,500,000.00
2½% Series 1965	do	1965	do	do	37,500,000.00		37,500,000.00
2½% Series 1966	do	1966	do	do	37,500,000.00		37,500,000.00
2½% Series 1967	do	1967	do	do	37,500,000.00		37,500,000.00
2½% Series 1968	June 30, 1958	1968	do	do	30,000,000.00		30,000,000.00
Federal home loan banks:							
Certificates:							
2⅜% Series 1963	June 30, 1962	1963	do	do	24,000,000.00		24,000,000.00
2⅛% Series 1963	do	1963	do	do	50,000,000.00		50,000,000.00
Federal Housing Administration:		Redeemable after 1 year from date of issue and payable on June 30:					
Apartment unit insurance fund (notes):							
2% Series 1966	Aug. 21, 1961	1966	do	do	850,000.00		850,000.00
Armed services housing mortgage insurance fund (notes):							
2% Series 1965	Various dates from Dec. 21, 1960.	1965	do	do	27,411,000.00	$17,676,000.00	9,735,000.00
Experimental housing insurance fund (notes):							
2% Series 1966	Aug. 21, 1961	1966	do	do	850,000.00		850,000.00
Housing insurance fund (notes):							
2% Series 1963	Various dates from July 23, 1958.	1963	do	do	3,620,000.00	550,000.00	3,070,000.00
2% Series 1965	Sept. 6, 1960	1965	do	do	460,000.00		460,000.00
2% Series 1967	June 30, 1962	1967	do	do	148,000.00		148,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT [a]—Continued							
Special Issues [i]—Continued							
Federal Housing Administration—Continued		Redeemable after 1 year from date of issue and payable on June 30:					
Housing investment insurance fund (notes):							
2% Series 1967	June 30, 1962	1967	June 30, Dec. 31	Par	$70,000.00		$70,000.00
Mutual mortgage insurance fund (notes):							
2% Series 1967	do	1967	do	do	15,109,000.00		15,109,000.00
National defense housing insurance fund (notes):							
2% Series 1966	Various dates from Aug. 21, 1961.	1966	do	do	860,000.00	$770,000.00	90,000.00
Section 203 home improvement account (notes):							
2% Series 1966	do	1966	do	do	850,000.00		850,000.00
Section 220 home improvement account (notes):							
2% Series 1966	do	1966	do	do	850,000.00		850,000.00
Section 220 housing insurance fund (notes):							
2% Series 1963	July 23, 1958	1963	do	do	140,000.00		140,000.00
2% Series 1964	June 30, 1959	1964	do	do	550,000.00		550,000.00
2% Series 1965	Various dates from Sept. 9, 1960.	1965	do	do	250,000.00		250,000.00
2% Series 1967	June 30, 1962	1967	do	do	450,000.00		450,000.00
Servicemen's mortgage insurance fund (notes):							
2% Series 1965	Sept. 6, 1961	1965	do	do	100,000.00		100,000.00
2% Series 1966	June 30, 1961	1966	do	do	550,000.00		550,000.00
2% Series 1967	June 30, 1962	1967	do	do	925,000.00		925,000.00
Title I housing insurance fund (notes):							
2% Series 1963	Various dates from July 23, 1958.	1963	do	do	190,000.00		190,000.00
2% Series 1966	June 30, 1961	1966	do	do	500,000.00		500,000.00
Title I insurance fund (notes):							
2% Series 1967	June 30, 1962	1967	do	do	23,179,000.00		23,179,000.00

War housing insurance fund (notes):							
2% Series 1963	Various dates from July 23, 1958.	1963	do	do	12,375,000.00	11,403,000.00	972,000.00
2% Series 1965	Sept. 6, 1960	1965	do	do	8,635,000.00		8,635,000.00
Federal old-age and survivors insurance trust fund:							
Certificates:							
3¾% Series 1963	June 30, 1962	On demand; on June 30, 1963.	do	do	1,080,011,000.00		1,080,011,000.00
Notes:		Redeemable after 1 year from date of issue and payable on June 30:					
3¾% Series 1964	June 30, 1962	1964	do	do	88,796,000.00		88,796,000.00
2⅝% Series 1964	June 30, 1959	1964	do	do	168,000,000.00		168,000,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1975	June 30, 1961	1975	do	do	160,077,000.00		160,077,000.00
3¾% Series 1976	do	1976	do	do	1,080,011,000.00		1,080,011,000.00
2⅝% Series 1965	June 30, 1959	1965	do	do	168,000,000.00		168,000,000.00
2⅝% Series 1966	do	1966	do	do	168,000,000.00		168,000,000.00
2⅝% Series 1967	do	1967	do	do	168,000,000.00		168,000,000.00
2⅝% Series 1968	do	1968	do	do	668,000,000.00		668,000,000.00
2⅝% Series 1969	do	1969	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1970	do	1970	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1971	do	1971	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1972	do	1972	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1973	do	1973	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1974	do	1974	do	do	1,133,000,000.00	52,989,000.00	1,080,011,000.00
2⅝% Series 1975	June 30, 1960	1975	do	do	919,934,000.00		919,934,000.00
2½% Series 1964	Various dates from June 30, 1957.	1964	do	do	965,000,000.00	188,302,000.00	776,698,000.00
2½% Series 1965	do	1965	do	do	965,000,000.00	52,989,000.00	912,011,000.00
2½% Series 1966	do	1966	do	do	965,000,000.00	52,989,000.00	912,011,000.00
2½% Series 1967	do	1967	do	do	965,000,000.00	52,989,000.00	912,011,000.00
2½% Series 1968	June 30, 1958	1968	do	do	465,000,000.00	52,989,000.00	412,011,000.00
Federal Savings and Loan Insurance Corporation (notes):							
2% Series 1966	Various dates from July 5, 1961.	Redeemable after 1 year from date of issue and payable on June 30, 1966.	do	do	182,000,000.00	500,000.00	181,500,000.00
Foreign service retirement fund (certificates):		On demand; on June 30:					
4% Series 1963	June 30, 1962	1963	June 30	do	35,166,000.00		35,166,000.00
3% Series 1963	do	1963	do	do	1,544,000.00		1,544,000.00
Government life insurance fund:							
Certificates:							
3½% Series 1963	do	1963	do	do	6,774,000.00		6,774,000.00

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Security and rate of interest	Date of security	When redeemable or payable [3]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT[a]—**Continued**							
Special Issues [i]—**Continued**							
Government life insurance fund—Continued		Redeemable after 1 year from date of issue and payable on June 30:					
Notes:							
3¾% Series 1963	June 30, 1960	1963	June 30	Par	$670,000.00		$670,000.00
3¾% Series 1964	do	1964	do	do	670,000.00		670,000.00
3¾% Series 1965	do	1965	do	do	670,000.00		670,000.00
3½% Series 1963	Feb. 1, 1960	1963	do	do	73,100,000.00	$5,774,000.00	67,326,000.00
3½% Series 1964	do	1964	do	do	73,100,000.00		73,100,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1966	June 30, 1960	1966	do	do	670,000.00		670,000.00
3¾% Series 1967	do	1967	do	do	670,000.00		670,000.00
3¾% Series 1968	do	1968	do	do	670,000.00		670,000.00
3¾% Series 1969	do	1969	do	do	670,000.00		670,000.00
3¾% Series 1970	do	1970	do	do	670,000.00		670,000.00
3¾% Series 1971	do	1971	do	do	670,000.00		670,000.00
3¾% Series 1972	do	1972	do	do	670,000.00		670,000.00
3¾% Series 1973	do	1973	do	do	670,000.00		670,000.00
3¾% Series 1974	do	1974	do	do	670,000.00		670,000.00
3¾% Series 1975	do	1975	do	do	73,770,000.00		73,770,000.00
3½% Series 1965	Feb. 1, 1960	1965	do	do	73,100,000.00		73,100,000.00
3½% Series 1966	do	1966	do	do	73,100,000.00		73,100,000.00
3½% Series 1967	do	1967	do	do	73,100,000.00		73,100,000.00
3½% Series 1968	do	1968	do	do	73,100,000.00		73,100,000.00
3½% Series 1969	do	1969	do	do	73,100,000.00		73,100,000.00
3½% Series 1970	do	1970	do	do	73,100,000.00		73,100,000.00
3½% Series 1971	do	1971	do	do	73,100,000.00		73,100,000.00
3½% Series 1972	do	1972	do	do	73,100,000.00		73,100,000.00
3½% Series 1973	do	1973	do	do	73,100,000.00		73,100,000.00
3½% Series 1974	do	1974	do	do	73,100,000.00		73,100,000.00
3½% Series 1976	June 30, 1961	1976	do	do	67,799,000.00		67,799,000.00
Highway trust fund (certificates):							
3¼% Series 1963	June 30, 1962	1963	June 30, Dec. 31	do	435,935,000.00		435,935,000.00
National service life insurance fund:							
Certificates:							
3¼% Series 1963	do	1963	June 30	do	1,000,000.00		1,000,000.00
		Redeemable after 1 year from date of issue and payable on June 30:					
Notes:							
3¾% Series 1963	June 30, 1960	1963	do	do	7,873,000.00		7,873,000.00
3¾% Series 1964	do	1964	do	do	7,873,000.00		7,873,000.00
3¾% Series 1965	do	1965	do	do	7,873,000.00		7,873,000.00

3% Series 1963	Feb. 1, 1960	1963	do	do	379,000,000.00		379,000,000.00
3% Series 1964	do	1964	do	do	379,000,000.00		379,000,000.00
Bonds:		On demand; on June 30:					
3¾% Series 1966	June 30, 1960	1966	do	do	7,873,000.00		7,873,000.00
3¾% Series 1967	do	1967	do	do	7,873,000.00		7,873,000.00
3¾% Series 1968	do	1968	do	do	7,873,000.00		7,873,000.00
3¾% Series 1969	do	1969	do	do	7,873,000.00		7,873,000.00
3¾% Series 1970	do	1970	do	do	7,873,000.00		7,873,000.00
3¾% Series 1971	do	1971	do	do	7,873,000.00		7,873,000.00
3¾% Series 1972	do	1972	do	do	7,873,000.00		7,873,000.00
3¾% Series 1973	do	1973	do	do	7,873,000.00		7,873,000.00
3¾% Series 1974	do	1974	do	do	7,873,000.00		7,873,000.00
3¾% Series 1975	do	1975	do	do	386,873,000.00		386,873,000.00
3¼% Series 1976	June 30, 1962	1976	do	do	43,724,000.00		43,724,000.00
3¼% Series 1977	do	1977	do	do	386,307,000.00		386,307,000.00
3⅛% Series 1976	June 30, 1961	1976	do	do	343,149,000.00		343,149,000.00
3% Series 1965	Feb. 1, 1960	1965	do	do	379,000,000.00		379,000,000.00
3% Series 1966	do	1966	do	do	379,000,000.00		379,000,000.00
3% Series 1967	do	1967	do	do	379,000,000.00		379,000,000.00
3% Series 1968	do	1968	do	do	379,000,000.00		379,000,000.00
3% Series 1969	do	1969	do	do	379,000,000.00		379,000,000.00
3% Series 1970	do	1970	do	do	379,000,000.00		379,000,000.00
3% Series 1971	do	1971	do	do	379,000,000.00		379,000,000.00
3% Series 1972	do	1972	do	do	379,000,000.00		379,000,000.00
3% Series 1973	do	1973	do	do	379,000,000.00		379,000,000.00
3% Series 1974	do	1974	do	do	379,000,000.00		379,000,000.00
Postal savings system: Notes:		Redeemable after 1 year from date of issue and payable on June 30:					
2% Series 1966	Mar. 29, 1962	1966	June 30, Dec. 31	do	56,000,000.00	30,000,000.00	26,000,000.00
Railroad retirement account: Notes:	Various dates from:						
3% Series 1964	June 30, 1959	1964	June 30	do	1,411,532,000.00	321,928,000.00	1,089,604,000.00
3% Series 1965	June 30, 1960	1965	do	do	1,066,645,000.00		1,066,645,000.00
3% Series 1966	June 30, 1961	1966	do	do	698,618,000.00		698,618,000.00
3% Series 1967	June 30, 1962	1967	do	do	460,918,000.00		460,918,000.00
Unemployment trust fund: Certificates:							
3⅛% Series 1963	do	1963	June 30, Dec. 31	do	4,656,911,000.00		4,656,911,000.00
Veterans' special term insurance fund: Certificates:							
3⅛% Series 1963	do	1963	June 30	do	87,956,000.00		87,956,000.00
Total special issues					46,264,785,000.00	1,326,093,000.00	44,938,692,000.00
Total interest-bearing debt outstanding.					431,893,369,945.45	137,526,535,903.62	294,366,834,041.83

Footnotes at end of table.

TABLE 33.—*Description of public debt issues outstanding June 30, 1962* [1]—Continued

Title	Amount outstanding	Title	Amount outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED		**MATURED DEBT ON WHICH INTEREST HAS CEASED**	
Old debt matured (issued prior to Apr. 1, 1917) [18 b]	[19] $1,530,690.26	Treasury notes, tax series [a]	$134,325.00
2½% postal savings bonds [c]	[19] 419,760.00	Certificates of indebtedness, at various interest rates [a]	2,094,550.00
First Liberty bonds, at various interest rates [d]	[19] 643,550.00	Treasury bills [a]	47,880,000.00
Other Liberty bonds and Victory notes, at various interest rates [a]	4,801,800.00	Treasury savings certificates [a]	[19] 73,075.00
Treasury bonds, at various interest rates [a]	103,489,650.00	U.S. savings bonds [a]	257,164,500.00
Adjusted service bonds of 1945 [a]	1,746,450.00	Armed Forces leave bonds [a]	8,741,175.00
Treasury notes, at various interest rates [a]	19,367,150.00		
Treasury savings notes [a]	1,002,400.00	Total matured debt on which interest has ceased	449,089,075.26

Title	Amount outstanding
DEBT BEARING NO INTEREST	
Special notes of the United States:	
International Monetary Fund series (issued pursuant to the provisions of the Bretton Woods Agreements Act, approved July 31, 1945 (22 U.S.C. 286e), and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand)	$2,667,000,000.00
International Development Association series (issued pursuant to the provisions of the International Development Association Act, approved June 30, 1960 (22 U.S.C. 284e) and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand)	115,304,400.00
Inter-American Development Bank series (issued pursuant to the provisions of the Inter-American Development Bank Act, approved Aug. 7, 1959 (22 U.S.C. 283e), and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand)	55,000,000.00
United States savings stamps (Public Debt Act of 1942 (31 U.S.C. 757c))	52,364,916.66
Excess profits tax refund bonds were issued under authority of and subject to the provisions of the Second Liberty Bond Act, as amended, and sections 780 to 783, inclusive, of the Internal Revenue Code of 1939, as amended. These bonds did not bear interest and were payable at the option of the owner after Jan. 1, 1946. The first series matured on Dec. 31, 1948, and the second series on Dec. 31, 1949.	
First Series	405,916.15
Second Series	322,644.88
Total excess profits tax refund bonds	728,561.03
Old demand notes (acts of July 17, 1861 (12 Stat. 259); Aug. 5, 1861 (12 Stat. 313); Feb. 12, 1862 (12 Stat. 338)). (The $60,030,000 issued includes $60,000,000 authorized to be outstanding and amounts issued on deposits including reissues)	[19] 52,917.50
Fractional currency (acts of July 17, 1862 (12 Stat. 592); Mar. 3, 1863 (12 Stat. 711); June 30, 1864 (13 Stat. 220)). (The $368,724,080 issued includes $50,000,000 authorized to be outstanding and amounts issued on deposits including reissues)	[19 20] 1,965,314.82
Legal tender notes (acts of Feb. 25, 1862 (12 Stat. 345); July 11, 1862 (12 Stat. 532); Mar. 3, 1863 (12 Stat. 719); May 31, 1878 (31 U.S.C. 404); Mar. 14, 1900 (31 U.S.C. 408); Mar. 4, 1907 (31 U.S.C. 403)). (Greatest amount ever authorized to be outstanding, $450,000,000)	346,681,016.00
Less gold reserve	156,039,430.93
Total legal tender notes less gold reserve	[19] 190,641,585.07

Old Series Currency (31 U.S.C. 912–916)	[19] [20] 95, 655, 198. 00
National bank notes, redemption account (act of July 14, 1890 (31 U.S.C. 408))	[19] 53, 155, 087. 50
Federal Reserve Bank notes, redemption account (act of Dec. 23, 1913 (12 U.S.C. 467))	[19] 85, 386, 083. 00
Thrift and Treasury savings stamps	[19] 3, 703, 120. 00
Total debt bearing no interest	3, 320, 957, 183. 58
Gross debt (including $28,634,027,316.93 debt incurred to finance expenditures of Government corporations for which obligations of such corporations are held by the Treasury)	298, 136, 880, 300. 67
Guaranteed obligations not owned by the Treasury	444, 218, 925. 00
Total gross public debt and guaranteed obligations	298, 581, 099, 225. 67
Deduct debt not subject to statutory limitation [21]	433, 322, 384. 15
Total debt subject to limitation [21]	298, 147, 776, 841. 52

[1] Interest rates on Series E and H savings bonds were increased on Sept. 22, 1959, retroactive to June 1, 1959 (see also footnote 15).

[2] Reconciliation by security classes to the basis of daily Treasury statement is shown in table 32.

[3] Redeemable at the option of the United States on and after dates indicated, except where otherwise stated. Treasury bonds and Treasury Bonds, Investment Series B-1975-80 now outstanding may be redeemed only on interest dates and 4 months' notice of redemption must be given.

[4] Treasury bills shown in this table are sold on a discount basis with competitive bids for each issue. The average sale price on these series gives an approximate yield on a bank discount basis (360 days a year) as indicated opposite each issue of bills. This yield differs slightly from the yield on a discount basis (365 days a year) which is shown in the summary table 32.

[5] Treasury bills are shown at maturity value.

[6] Owners have exercised the option to redeem $158,660,000 of these notes.

[7] Of this amount, $745,427,300 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar year 1960, and $3,323,700 face amount was issued for cash.

[8] Redeemable, at par and accrued interest, to date of payment, at any time upon the death of the owner at the option of the duly constituted representative of the deceased owner's estate, provided entire proceeds of redemption are applied to payment of Federal estate taxes due from the estate.

[9] Not called for redemption on first call date. Callable on succeeding interest payment dates.

[10] Of this amount, $320,098,000 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar year 1962, and $309,000 face amount was issued for cash.

[11] Of this amount, $147,331,500 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar year 1961, and $365,500 face amount was issued for cash.

[12] May be exchanged at option of owner for marketable 1½ percent 5-year Treasury notes, dated Apr. 1 and Oct. 1, next preceding the date of exchange.

[13] Includes $316,389,000 of securities received by Federal National Mortgage Association in exchange for mortgages.

[14] Amounts issued and retired for Series E, F, and J include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G, H, and K are stated at par value.

[15] At option of owner, bonds dated May 1, 1941, through May 1, 1949, may be held and will accrue interest for additional 20 years; bonds dated on and after June 1, 1949, may be held and will accrue interest for additional 10 years.

[16] Represents a weighted average of the approximate yields of bonds of various issue dates within the yearly series if held to maturity or if held from issue date to end of applicable extension period, computed on the basis of bonds outstanding June 30, 1961. (For details of yields by issue dates see Treasury Circulars Nos. 653 and 905 revised Sept. 23, 1959, and first amendments thereto dated Mar. 21, 1961, and Aug. 2, 1961, respectively.)

[17] At option of owner series E bonds dated June 1, 1952, through Jan. 1, 1957, may be held and will accrue interest for additional 10 years.

[18] For detailed information see 1956 annual report, page 435.

[19] Not subject to the statutory debt limitation.

[20] After deducting amounts officially estimated to have been lost or irrevocably destroyed.

[21] For statutory limit on the public debt, see tables 36 and 37.

AUTHORIZING ACTS:

(a) Sept. 24, 1917, as amended.
(b) Various.
(c) June 25, 1910.
(d) Apr. 24, 1917.

TAX STATUS:

(e) Any income derived from Treasury bills, whether interest or gain from their sale or other disposition does not have any exemption, as such, and loss from the sale or other disposition of any such bills does not have any special treatment, as such, under the Internal Revenue Code or laws amendatory or supplementary thereto. 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 the bills are originally sold by the United States is considered to be interest.

Table 33 Footnotes—Continued

(*f*) Income derived from these securities is subject to all taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto. The securities 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. The following is applicable to savings bonds only: For the purposes of taxation any increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest. For exception, see Treasury bonds, 2¾ percent of 1960-65, and footnote *h*.

Attention is invited to Treasury Decision 4550, May 21, 1935, ruling that bonds, notes, bills, and certificates of indebtedness of the Federal Government or its agencies, and the interest thereon, are not exempt from the gift tax.

(*g*) Any gain or loss derived from the exchange of the following securities will be taken into account for Federal income tax purposes upon the disposition or redemption of the new obligations. However, section 1031(b) of the Code requires recognition of any gain realized on the exchange to the extent that money (other than interest) is received by the bondholder in connection with the exchanges.

New Security	*Effective Date of Exchange*	*Security Exchanged*
3¾% Notes D-1964 3⅞% Bonds 1968	June 23, 1960	2½% Bonds 1961
3½% Bonds 1980	Oct. 3, 1960	2½% Bonds 1962-67
3½% Bonds 1990	Oct. 3, 1960	2½% Bonds 1963-68
3½% Bonds 1998	Oct. 3, 1960	2½% Bonds June 15, 1964-69 2½% Bonds Dec. 15, 1964-69
3⅜% Bonds 1966	Mar. 15, 1961	2½% Bonds 1963
3⅝% Bonds 1967	Mar. 15, 1961	2¼% Bonds June 15, 1959-62 2¼% Bonds Dec. 15, 1959-62 2⅝% Notes A-1963
3½% Bonds 1980 3½% Bonds 1990 3½% Bonds 1998	Sept. 5, 1961	2½% Bonds 1965-70 2½% Bonds 1966-71
4% Bonds 1971	Mar. 1, 1962	3% Bonds 1964 2⅝% Bonds 1965
4% Bonds 1980	Mar. 1, 1962	2⅝% Bonds 1965
3½% Bonds 1990 3½% Bonds 1998	Mar. 1, 1962	2½% Bonds Sept. 15, 1967-72 2½% Bonds June 15, 1967-72 2½% Bonds Dec. 15, 1967-72

(*h*) Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess profits and war profits taxes, now or hereafter imposed by the United States upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the act approved Sept. 24, 1917, as amended, the principal of which does not exceed in the aggregate $5,000 owned by any individual, partnership, association, or corporation shall be exempt from the taxes as provided for in clause (b) above.

(*i*) These issues, being investments of various Government funds and payable only for the account of such funds, have no present tax liability.

In hands of foreign holders.—Applicable only to securities issued before Mar. 1, 1941: Bonds, notes, and certificates of indebtedness of the United States, shall while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association not engaged in business in the United States, be exempt both as to principal and interest from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

MEMORANDUM RELATING TO OTHER OBLIGATIONS:

Obligations of the United States payable on presentation:	
U.S. registered interest checks payable	$766,626,754.92
U.S. interest coupons due and outstanding	112,179,747.58
Interest payable with and accrued discount added to principal of U.S. securities	6,622,442.49
Total	885,428,944.99

TABLE 34.—*Description of guaranteed obligations held outside the Treasury, June 30, 1962*

[On basis of daily Treasury statements, see "Bases of Tables"]

Security	Rate of interest	Amount
UNMATURED OBLIGATIONS		
District of Columbia Armory Board Stadium bonds of 1970-79 issued under the act of September 7, 1957, as amended (2 D.C. Code 1722-1727) [1 2]	*Percent* 4.20	$19,800,000.00
Federal Housing Administration debentures issued under the act of June 27, 1934, as amended (12 U.S.C. 1701-1750g): [3 4]		
Mutual mortgage insurance fund:		
Series A [5]	3	5,800.00
Series AA	2½	734,750.00
Series AA	2⅝	977,500.00
Series AA	2¾	690,550.00
Series AA	2⅞	2,238,150.00
Series AA	3	1,848,950.00
Series AA	3⅛	5,577,850.00
Series AA	3¼	1,467,800.00
Series AA	3⅜	5,805,550.00
Series AA	3½	19,890,250.00
Series AA	3¾	33,802,500.00
Series AA	3⅞	3,620,850.00
Series AA	4	100,100.00
Series AA	4⅛	117,955,300.00
Armed services housing mortgage insurance fund:		
Series FF	2½	2,625,200.00
Series FF	2¾	11,828,550.00
Series FF	3⅛	4,057,700.00
Series FF	3¼	11,900.00
Series FF	3⅜	108,950.00
Series FF	3½	149,700.00
Series FF	3¾	19,612,000.00
Series FF	4⅛	8,882,800.00
Housing insurance fund:		
Series BB	2½	3,009,750.00
Series BB	2⅝	18,850.00
Series BB	2¾	3,001,700.00
Series BB	3	1,043,950.00
Series BB	3⅛	3,896,300.00
Series BB	3¼	943,400.00
Series BB	3⅜	3,233,800.00
Series BB	3½	7,734,250.00
Series BB	3¾	2,209,500.00
Series BB	3⅞	378,250.00
Series BB	4⅛	9,828,850.00
National defense housing insurance fund:		
Series GG	2½	44,129,050.00
Series GG	2⅝	1,092,450.00
Series GG	2¾	42,132,900.00
Series GG	2⅞	4,394,050.00
Series GG	3¼	300,150.00
Series GG	3⅜	9,050.00
Series P	2½	493,750.00
Section 220 housing insurance fund:		
Series CC	3¼	7,600.00
Series CC	3⅜	14,450.00
Series CC	3½	7,600.00
Series CC	3¾	8,500.00
Series CC	4⅛	28,200.00
Section 221 housing insurance fund:		
Series DD	3⅛	33,050.00
Series DD	3¼	77,400.00
Series DD	3⅜	971,000.00
Series DD	3½	7,446,250.00
Series DD	3¾	2,295,700.00
Series DD	3⅞	963,800.00
Series DD	4⅛	11,565,600.00
Servicemen's mortgage insurance fund:		
Series EE	2⅝	36,600.00
Series EE	2⅞	212,000.00
Series EE	3	240,650.00
Series EE	3⅛	864,800.00
Series EE	3¼	287,400.00
Series EE	3⅜	755,100.00
Series EE	3½	1,743,750.00
Series EE	3¾	2,073,250.00
Series EE	3⅞	279,550.00
Series EE	4⅛	6,115,550.00

Footnotes at end of table.

TABLE 34.—*Description of guaranteed obligations held outside the Treasury, June 30, 1962*—Continued

Security	Rate of interest	Amount
Title I housing insurance fund:	*Percent*	
Series L	2½	$60,000.00
Series R	2¾	208,250.00
Series T	3	365,150.00
War housing insurance fund:		
Series H	2½	17,384,600.00
Subtotal		[6] 423,888,500.00
Total unmatured obligations		443,688,500.00
MATURED OBLIGATIONS [7]		
Commodity Credit Corporation, interest		11.25
District of Columbia Armory Board, interest		22,680.00
Federal Farm Mortgage Corporation:		
Principal		170,000.00
Interest		38,328.94
Federal Housing Administration:		
Principal		57,150.00
Interest		979.66
Home Owners' Loan Corporation:		
Principal		303,275.00
Interest		72,436.06
Reconstruction Finance Corporation, interest		19.25
Total matured obligations (principal and interest)		664,880.16
Total based on guarantees		444,353,380.16

[1] Issued on June 1, 1960, at a price to yield 4.1879 percent, but sale was not consummated until Aug. 2, 1960. Interest is payable semiannually on June 1 and Dec. 1. These bonds are redeemable on and after June 1, 1970, and mature on Dec. 1, 1979.

[2] The securities and the income derived therefrom, and gain from the sale or other disposition thereof or transfer as by inheritance or gift, are subject to taxation by the United States, but are exempt both as to principal and interest from all taxation, except estate and inheritance taxes, imposed by the District of Columbia.

[3] Issued and payable on various dates. Interest is payable semiannually on Jan. 1 and July 1. All unmatured debentures are redeemable on any interest day or days, on 3 months' notice, except the Series A debentures which are not redeemable until maturity.

[4] Under the Public Debt Act of 1941 (31 U.S.C. 742a), income or gain derived from these securities except mutual mortgage insurance fund debentures, Series A, is subject to all Federal taxes now or hereafter imposed. The securities are subject to surtaxes, 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, municipality, or local taxing authority. Debentures issued on contracts entered into before Mar. 1, 1941, are exempt from all taxation except surtaxes, estate, inheritance, and gift taxes.

[5] Series A debentures are subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holders of the debentures.

[6] Includes Series A debentures amounting to $5,800, maturing on July 1, 1962; and debentures called for redemption on July 1, 1962, at par plus accrued interest, as follows: Series AA, $27,146,500; Series BB, $3,293,850; Series CC, $14,450; Series EE, $3,249,250; Series L, $38,000; Series R, $111,150; Series T, $187,600; and Series H, $1,104,950.

[7] Funds are on deposit with the Treasurer of the United States for payment of principal of $530,425 and interest of $134,455.16.

NOTE.—For obligations held by the Treasury, see table 122.

TABLE 35.—*Postal savings systems' deposits and Federal Reserve notes outstanding, June 30, 1946–62*

[Face amount in thousands of dollars. On basis of reports received by the Treasury]

June 30	Deposits in postal savings systems [1]			Federal Reserve notes [4]
	U.S. Postal Savings System [2]	Canal Zone Postal Savings System [3]	Total	
1946	3,119,656	9,612	3,129,268	23,434,613
1947	3,392,773	9,602	3,402,375	23,444,193
1948	3,379,130	9,129	3,388,259	23,136,167
1949	3,277,402	8,943	3,286,346	22,783,823
1950	3,097,316	8,643	3,105,959	22,398,284
1951	2,788,199	7,044	2,795,244	22,975,292
1952	2,617,564	7,005	2,624,569	24,135,367
1953	2,457,548	6,848	2,464,396	25,040,465
1954	2,251,419	6,506	2,257,926	24,726,731
1955	2,007,996	6,290	2,014,286	25,030,031
1956	1,765,470	6,313	1,771,783	25,523,779
1957	1,462,268	6,139	1,468,408	25,836,574
1958	1,212,672	5,713	1,218,385	25,862,932
1959	1,041,792	5,492	1,047,284	26,479,923
1960	835,800	5,067	840,867	26,569,479
1961	699,528	4,695	704,223	26,735,869
1962	[5] 581,177	[6] 4,275	585,452	[7] 27,852,820

[1] The faith of the United States is solemnly pledged to the payment of deposits (plus accrued interest at the rate of 2 percent) made in postal savings depositary offices. Interest is payable quarterly from the first day of the month next following date of deposit, and on deposits made after Mar. 1, 1941 (under the Public Debt Act of 1941 (31 U.S.C. 742(a)), is subject to all Federal taxes.

[2] Established by the act of June 25, 1910, as amended (39 U.S.C. 751–771).

[3] Established by the act of June 13, 1940 (2 Canal Zone Code 273–280).

[4] Authority for the issuance of Federal Reserve notes was given under the act of Dec. 23, 1913, as amended (12 U.S.C. 411–416). The notes are obligations of the United States and are receivable by all national and member banks and Federal Reserve Banks and for all taxes, customs, and other public dues. They are redeemable in lawful money on demand at the Treasury Department, Washington, D.C., or at any Federal Reserve Bank.

[5] Funds due depositors on June 30, 1962, including interest of $64,803,856 totaling $645,980,829, are offset by cash in designated depositary banks amounting to $18,620,747, which is secured by the pledge of collateral as provided in the regulations of the Postal Savings System, having a face value of $18,728,500; Government securities with a face value of $599,017,000; and cash in possession of the System and other net assets of $28,343,082.

[6] Funds due depositors on June 30, 1962, including interest of $253,749 totaling $4,528,474, are offset by Government securities having a face value of $4,750,000 and other assets.

[7] In actual circulation, exclusive of $1,168,398,114 redemption fund deposited in the Treasury and $1,140,395,760 of their own Federal Reserve notes held by the issuing banks. Also excludes $36,140,470 held by the Treasurer of the United States for the redemption of all series of Federal Reserve notes before Series of 1928. See table 63, footnote 9. The collateral security for Federal Reserve notes issued consists of $7,745,000,000 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates, $23,410,000,000 face amount of U.S. Government securities, and $7,900,000 face amount of commercial paper. Notes issued by a Federal Reserve Bank are a first lien against the assets of such Bank.

TABLE 36.—*Statutory limitation on the public debt and guaranteed obligations, June 30, 1962*

[In millions of dollars]

PART I.—STATUS UNDER LIMITATION, JUNE 30, 1962

Maximum amount of securities which may be outstanding at any one time under limitations imposed by section 21 of the Second Liberty Bond Act, as amended by the acts of June 30, 1959, June 30, 1961 and March 13, 1962 (31 U.S.C. 757b). (The following table lists the amendments)	[1] 300,000
Amount of securities outstanding subject to such statutory debt limitation:	
U.S. Government securities issued under the Second Liberty Bond Act, as amended	297,768
Guaranteed obligations held outside the Treasury	444
Total amount of securities outstanding subject to statutory debt limitation	298,212
Balance issuable under limitation	1,788

PART II.—APPLICATION OF LIMITATION TO PUBLIC DEBT AND GUARANTEED OBLIGATIONS OUTSTANDING JUNE 30, 1962

Class of Security	Subject to statutory debt limitation	Not subject to statutory debt limitation	Total outstanding
Public debt:			
Interest-bearing securities:			
Marketable:			
Treasury bills	42,036		42,036
Certificates of indebtedness	13,547		13,547
Treasury notes	65,464		65,464
Treasury bonds	75,025		75,025
Total marketable	196,072		196,072
Nonmarketable:			
Certificates of indebtedness, foreign series	860		860
Certificates of indebtedness, foreign currency series	75		75
U.S. savings bonds (current redemption value)	47,607		47,607
Depositary bonds	138		138
Treasury bonds, R.E.A., series	25		25
Treasury bonds, investment series	4,727		4,727
Total nonmarketable	53,431		53,431
Special issues to Government agencies and trust funds	44,939		44,939
Total interest-bearing securities	294,442		294,442
Matured debt on which interest has ceased	435	3	438
Debt bearing no interest:			
U.S. savings stamps	53		53
Excess profits tax refund bonds	1		1
Special notes of the United States:			
International Monetary Fund Series	2,667		2,667
International Development Association Series	115		115
Inter-American Development Bank Series	55		55
U.S. notes (less gold reserve)		191	191
Deposits for retirement of national bank and Federal Reserve Bank notes		139	139
Other debt bearing no interest		101	101
Total debt bearing no interest	2,891	431	3,321
Total public debt [2]	297,768	433	298,201
Guaranteed obligations held outside the Treasury:			
Interest-bearing	444		444
Matured	1		1
Total guaranteed obligations	444		444
Total public debt and guaranteed obligations	298,212	433	298,645

[1] For debt limit effective July 1, 1962, see following table.
[2] Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which obligations of the corporations and activities were issued to the Treasury. See table 122.

TABLE 37.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–62*

Enactment date and statute	Provisions of legislation	Amount and kind of limitation
Sept. 24, 1917:		
(40 Stat. 288)	Sec. 1 authorized bonds in the amount of	[1] $7,538,945,460
(40 Stat. 290)	Sec. 5 authorized certificates of indebtedness outstanding at any one time (revolving authority)	[2] 4,000,000,000
Apr. 4, 1918:		
(40 Stat. 502)	Sec. 1 amended to increase authorized amount of bonds to	[1] 12,000,000,000
(40 Stat. 504)	Sec. 5 amended to increase authorized amount of certificates outstanding to	[2] 8,000,000,000
July 9, 1918 (40 Stat. 844)	Sec. 1 amended to increase authorized amount of bonds to	[1] 20,000,000,000
Mar. 3, 1919:		
(40 Stat. 1311)	Sec. 5 amended to increase authorized amount of certificates outstanding to	[2] 10,000,000,000
(40 Stat. 1309)	Sec. 18 (new) authorized notes in the amount of	[1] 7,000,000,000
Nov. 23, 1921 (42 Stat. 321)	Sec. 18 amended to establish revolving authority for the issuance of notes and limited amount outstanding at any one time to	[2] 7,500,000,000
June 17, 1929 (46 Stat. 19)	Sec. 5 amended to authorize issuance of Treasury bills, as well as certificates of indebtedness, and limited amount of both outstanding at any one time to	[2] 10,000,000,000
Mar. 3, 1931 (46 Stat. 1506)	Sec. 1 amended to increase authorized amount of bonds to	[1] 28,000,000,000
Jan. 30, 1934 (48 Stat. 343)	Sec. 18 amended to increase authorized amount of notes outstanding to	[2] 10,000,000,000
Feb. 4, 1935:		
(49 Stat. 20)	Sec. 1 amended to establish revolving authority for the issuance of bonds and limited the amount outstanding at any one time to	[2] 25,000,000,000
(49 Stat. 21)	Sec. 21 (new) consolidated limitation on issuance of bills and certificates (sec. 5) and limitation on issuance of notes (sec. 18). Aggregate amount outstanding of securities under both sections	[2] 20,000,000,000
Do	Sec. 22 (new) authorized issuance of U.S. savings bonds, the amount issued to be included in the limitation in sec. 1.	
May 26, 1938 (52 Stat. 447)	Secs. 1 and 21 amended to consolidate in sec. 21 all limitations on bills, certificates, notes, and bonds; limited bonds outstanding to $30 billion, and aggregate total to	[2] 45,000,000,000
June 20, 1939 (53 Stat. 1071)	Sec. 21 amended to remove limitation on bonds without changing limitation on aggregate total of	[2] 45,000,000,000
June 25, 1940 (54 Stat. 526)	Sec. 21 amended to insert "(a)" after 21, and to add at end of sec. 21(a): "(b) In addition to the amount authorized by the preceding paragraph of this section, any obligations authorized by sections 5 and 18 of this act, as amended, not to exceed in the aggregate $4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under section 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor. Any such obligations so issued shall be designated 'National Defense Series'."	4,000,000,000
Feb. 19, 1941 (55 Stat. 7)	Sec. 21 amended to eliminate separate authority for $4 billion of National Defense Series obligations and provided that the face amount of obligations issued under this act outstanding at any one time shall not exceed in the aggregate	[2] 65,000,000,000

Footnotes at end of table.

TABLE 37.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–62*—Continued

Enactment date and statute	Provisions of legislation	Amount and kind of limitation
Mar. 28, 1942 (56 Stat. 189)	Sec. 21 amended to increase limitation on aggregate outstanding at any one time to	[2] $125,000,000,000
Apr. 11, 1943 (57 Stat. 63)	Sec. 21 amended to increase limitation on aggregate outstanding at any one time to	[2] 210,000,000,000
June 9, 1944 (58 Stat. 272)	Sec. 21 amended to increase limitation on aggregate outstanding at any one time to	[2] 260,000,000,000
Apr. 3, 1945 (59 Stat. 47)	Sec. 21 amended to provide that the face amount of obligations issued under this act and the face amount of obligations guaranteed as to principal and interest (except such guaranteed obligations as may be held by the Secretary of the Treasury) outstanding at any one time shall not exceed in the aggregate	[2] 300,000,000,000
June 26, 1946 (60 Stat. 316)	Sec. 21 amended to add: "The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation." Amendment decreased the limitation to	[2] 275,000,000,000
Aug. 28, 1954 (68 Stat. 895)	Sec. 21 amended, effective Aug. 28, 1954, and ending June 30, 1955, to increase the limitation temporarily by $6 billion to	[2] 281,000,000,000
June 30, 1955 (69 Stat. 241)	Sec. 21 act of Aug. 28, 1954, amended to extend until June 30, 1956, the increase in limitation to	[2] 281,000,000,000
July 9 ,1956 (70 Stat. 519)	Sec. 21 act of Aug. 28, 1954, amended to increase the limitation temporarily, beginning July 1, 1956, and ending June 30, 1957, by $3 billion to	[2] 278,000,000,000
	Temporary increase terminated June 30, 1957; and the limitation on the aggregate outstanding at any one time reverted to that under the act of June 26, 1946 (60 Stat. 316)	[2] 275,000,000,000
Feb. 26, 1958 (72 Stat. 27)	Sec. 21 amended to increase the limitation temporarily, beginning Feb. 26, 1958, and ending June 30, 1959, by $5 billion to	[2] 280,000,000,000
Sept. 2, 1958 (72 Stat. 1758)	Sec. 21 amended, effective Sept. 2, 1958, to increase the limitation on the aggregate amount outstanding at any one time to	[2] 283,000,000,000
	The increase in the limitation on the aggregate outstanding, together with the temporary increase of $5 billion beginning Feb. 26, 1958, and ending June 30, 1959, provided an operating limitation of	[2] 288,000,000,000
June 30, 1959 (73 Stat. 156-7)	Sec. 21 amended, effective June 30, 1959, to increase the limitation on the aggregate amount outstanding to	[2] 285,000,000,000
	With the temporary increase of $5 billion, act of Feb. 26, 1958 (72 Stat. 27), which ended June 30, 1959, the operating limitation on June 30, 1959, was	[2] 290,000,000,000
	Sec. 21 amended also to increase the limitation temporarily, beginning July 1, 1959, and ending June 30, 1960, by $10 billion, providing an operating limitation of	[2] 295,000,000,000
June 30, 1960 (74 Stat. 290)	Sec. 21 amended to increase the limitation temporarily, beginning July 1, 1960, and ending June 30, 1961, by $8 billion, providing an operating limitation of	[2] 293,000,000,000

Footnotes at end of table.

TABLE 37.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–62*—Continued

Enactment date and statute	Provisions of legislation	Amount and kind of limitation
June 30, 1961 (75 Stat. 148)	Sec. 21 amended to increase the limitation temporarily, beginning July 1, 1961, and ending June 30, 1962, by $13 billion, providing an operating limitation of	[2] $298,000,000,000
Mar. 13, 1962 (76 Stat. 23)	Sec. 21 amended to increase the limitation temporarily, beginning Mar. 13, 1962, and ending June 30, 1962, by $2 billion, providing an operating limitation of	[2] 300,000,000,000
July 1, 1962 (76 Stat. 124)	Sec. 21 amended to increase the limitation temporarily as follows:	
	Beginning July 1, 1962, through Mar. 31, 1963, to $308 billion	[2] 308,000,000,000
	Beginning Apr. 1, 1963, through June 24, 1963, to $305 billion	[2] 305,000,000,000
	Beginning June 25, 1963, through June 30, 1963, to $300 billion	[2] 300,000,000,000

[1] Limitation on issue.
[2] Limitation on outstanding.
[3] Limitation on issues less retirements.

II.—Operations

TABLE 38.—*Public debt receipts and expenditures by security classes, monthly for fiscal year 1962 and totals for 1961 and 1962*

[On basis of daily Treasury statements, see "Bases of Tables"]

Receipts (issues)	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	$6,103,107,000.00	$7,889,067,000.00	$6,441,709,000.00	$6,259,519,000.00	[1]$8,416,917,000.00	$6,253,410,000.00	$6,299,081,000.00
Tax anticipation	3,502,886,000.00		2,510,805,000.00	50,000.00			
Other	1,993,947,000.00			1,992,636,000.00			1,862,566,000.00
Certificates of indebtedness							
Treasury notes				2,294,680,000.00		−36,000.00	
Treasury bonds						243,500.00	1,114,353,000.00
Subtotal	11,599,940,000.00	7,889,067,000.00	8,952,514,000.00	10,546,885,000.00	8,416,917,000.00	6,253,617,500.00	9,276,000,000.00
Exchanges:							
Treasury bills:							
Regular weekly	298,305,000.00	615,334,000.00	364,455,000.00	543,473,000.00	890,173,000.00	560,099,000.00	506,772,000.00
Tax anticipation							
Other	9,569,000.00			10,827,000.00			138,689,000.00
Certificates of indebtedness							
Treasury notes	37,854,000.00	11,168,596,000.00	139,756,000.00	376,882,000.00	3,680,211,000.00	38,801,000.00	47,998,000.00
Treasury bonds		746,121,000.00	3,757,025,500.00	−1,668,000.00	2,910,526,500.00	306,031,500.00	9,937,000.00
Subtotal	345,728,000.00	12,530,051,000.00	4,261,236,500.00	929,514,000.00	7,480,910.500.00	904,931,500.00	703,396,000.00
Total marketable	11,945,668,000.00	20,419,118,000.00	13,213,750,500.00	11,476,399,000.00	15,897,827,500.00	7,158,549,000.00	9,979,396,000.00
Nonmarketable obligations:							
Adjusted service bonds				1,250.00			
Certificates of indebtedness:							
Foreign series		450,000,000.00			575,000,000.00		
Foreign currency series				46,285,000.00			48,128,250.00
Depositary bonds	25,272,500.00	1,130,000.00	15,346,000.00	10,987,000.00	59,000.00	1,201,000.00	875,000.00
Special notes:							
Inter-American Development Bank series				25,000,000.00			
International Development Association series					57,652,200.00		
International Monetary Fund series	64,000,000.00			21,000,000.00	308,000,000.00	30,000,000.00	20,000,000.00
Treasury bonds, R.E.A. series	722,000.00	504,000.00	533,000.00	748,000.00	347,000.00	664,000.00	971,000.00

Receipts (issues)	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	$6,442,952,000.00	$8,172,385,000.00	$6,611,941,000.00	$8,194,289,000.00	$7,351,586,000.00	[1] $84,435,963,000.00	$74,946,416,000.00
Tax anticipation	---	1,633,956,000.00	---	---	---	7,647,697,000.00	8,518,415,000.00
Other	---	---	1,920,608,000.00	---	---	7,769,757,000.00	6,090,448,000.00
Certificates of indebtedness	---	---	---	---	---		5,805,882,000.00
Treasury notes	---	---	---	---	---	2,294,644,000.00	5,557,758,000.00
Treasury bonds	3,000.00	---	1,257,584,500.00	---	---	2,372,184,000.00	1,042,062,500.00
Subtotal	6,442,955,000.00	9,806,341,000.00	9,790,133,500.00	8,194,289,000.00	7,351,586,000.00	104,520,245,000.00	101,960,981,500.00
Exchanges:							
Treasury bills:							
Regular weekly	762,008,000.00	831,667,000.00	592,190,000.00	1,016,958,000.00	653,881,000.00	7,635,315,000.00	7,300,227,000.00
Tax anticipation	---	168,030,000.00	---	---	---	168,030,000.00	---
Other	---	---	80,146,000.00	---	---	239,231,000.00	414,360,000.00
Certificates of indebtedness	6,866,274,000.00	−5,069,000.00	350,000.00	6,685,492,000.00	---	13,547,047,000.00	7,532,111,000.00
Treasury notes	4,471,120,000.00	137,488,000.00	59,836,000.00	3,134,010,000.00	29,092,000.00	23,321,644,000.00	14,407,930,000.00
Treasury bonds	6,000.00	5,201,952,500.00	−69,000.00	1,204,249,000.00	131,000.00	14,134,243,000.00	11,408,906,000.00
Subtotal	12,099,408,000.00	6,334,068,500.00	732,453,000.00	12,040,709,000.00	683,104,000.00	59,045,510,000.00	41,063,534,000.00
Total marketable	18,542,363,000.00	16,140,409,500.00	10,522,586,500.00	20,234,998,000.00	8,034,690,000.00	163,565,755,000.00	143,024,515,500.00
Nonmarketable obligations:							
Adjusted service bonds	---	---	---	---	550.00	1,800.00	850.00
Certificates of indebtedness:							
Foreign series	450,000,000.00	50,000,000.00	---	400,000,000.00	560,000,000.00	2,485,000,000.00	---
Foreign currency series	---	49,941,000.00	24,978,250.00	---	49,964,250.00	219,296,750.00	---
Depositary bonds	15,000.00	561,000.00	525,000.00	218,000.00	43,000.00	56,232,500.00	34,564,000.00
Special notes:							
Inter-American Development Bank series	---	---	---	30,000,000.00	---	55,000,000.00	---
International Development Association series	---	---	---	---	---	57,652,200.00	57,652,200.00
International Monetary Fund series	21,000,000.00	209,000,000.00	---	28,000,000.00	27,000,000.00	728,000,000.00	335,000,000.00
Treasury bonds, R.E.A. series	408,000.00	300,000.00	623,000.00	274,000.00	491,000.00	6,585,000.00	19,351,000.00

Footnotes at end of table.

TABLE 38.—*Public debt receipts and expenditures by security classes, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

Receipts (issues)	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Public issues—Continued							
Nonmarketable obligations—Con.							
U.S. savings bonds:							
Issue price	$341,678,357.30	$392,366,683.08	$337,739,690.02	$369,036,657.05	$357,330,281.25	$341,229,898.51	$474,817,103.04
Accrued discount	134,519,597.53	102,059,785.01	99,760,500.15	101,055,038.44	101,654,426.77	130,273,525.55	134,835,024.54
Exchanges, Series H	17,280,000.00	17,369,500.00	16,912,500.00	19,424,500.00	17,207,500.00	17,189,000.00	29,664,500.00
U.S. savings stamps	938,307.25	427,886.60	665,486.75	961,853.40	2,179,246.85	1,695,565.75	1,620,464.00
Total nonmarketable	584,410,762.08	963,857,854.69	470,957,176.92	594,499,298.89	1,419,429,654.87	522,252,989.81	710,911,341.58
Total public issues	12,530,078,762.08	21,382,975,854.69	13,684,707,676.92	12,070,898,298.89	17,317,257,154.87	7,680,801,989.81	10,690,307,341.58
Special issues:							
Civil service retirement fund:							
Certificates	119,384,000.00	198,264,000.00	146,415,000.00	135,123,000.00	141,576,000.00	159,006,000.00	151,841,000.00
Notes							
Bonds							
Federal Deposit Insurance Corporation notes		7,000,000.00		4,000,000.00	17,000,000.00	7,800,000.00	37,600,000.00
Federal disability insurance trust fund:							
Certificates	64,137,000.00	157,330,000.00	70,452,000.00	51,770,000.00	93,791,000.00	70,069,000.00	42,743,000.00
Notes							
Bonds							
Federal home loan banks certificates			219,000,000.00		224,500,000.00	35,000,000.00	27,900,000.00
Federal Housing Administration funds notes		3,190,000.00	190,000.00	290,000.00	100,000.00		400,000.00
Federal old-age and survivors insurance trust fund:							
Certificates	580,867,000.00	1,824,895,000.00	714,883,000.00	508,145,000.00	1,121,450,000.00	738,896,000.00	390,740,000.00
Notes							
Bonds							
Federal Savings and Loan Insurance Corporation notes	8,000,000.00	4,000,000.00					
Foreign service retirement fund certificates	664,000.00	498,000.00	571,000.00	2,423,000.00	508,000.00	629,000.00	530,000.00
Government life insurance fund:							
Certificates				800,000.00			
Bonds							
Highway trust fund certificates		8,000,000.00				1,183,000.00	5,000,000.00

Receipts (issues)	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Public issues—Continued							
Nonmarketable obligations—Con.							
U.S. savings bonds:							
Issue price	$361,459,894.48	$372,137,410.27	$348,079,868.25	$352,351,220.95	$362,738,524.80	$4,410,965,589.00	$4,454,284,162.51
Accrued discount	104,977,746.68	111,543,136.65	106,849,341.76	100,841,480.31	130,017,354.58	1,358,386,957.97	1,285,748,739.74
Exchanges, Series H	22,101,500.00	21,094,000.00	17,755,500.00	16,003,000.00	17,142,500.00	229,144,000.00	197,697,000.00
U.S. savings stamps	1,767,365.75	3,379,673.75	2,089,982.10	1,197,606.00	1,228,649.70	18,152,087.90	18,266,110.65
Total nonmarketable	961,729,506.91	817,956,220.67	500,900,942.11	928,885,307.26	1,148,625,829.08	9,624,416,884.87	6,402,564,062.90
Total public issues	19,504,092,506.91	16,958,365,720.67	11,023,487,442.11	21,163,883,307.26	9,183,315,829.08	173,190,171,884.87	149,427,079,562.90
Special issues:							
Civil service retirement fund:							
Certificates	140,642,000.00	148,962,000.00	202,042,000.00	154,283,000.00	359,707,000.00	2,057,245,000.00	2,013,347,000.00
Notes					243,904,000.00	243,904,000.00	279,652,000.00
Bonds					1,295,200,000.00	1,295,200,000.00	1,314,657,000.00
Federal Deposit Insurance Corporation notes	58,500,000.00		4,000,000.00	16,000,000.00	4,000,000.00	155,900,000.00	143,700,000.00
Federal disability insurance trust fund:							
Certificates	127,890,000.00	108,641,000.00	77,559,000.00	169,996,000.00	112,627,000.00	1,147,005,000.00	1,093,181,000.00
Notes					5,396,000.00	5,396,000.00	77,556,000.00
Bonds					165,773,000.00	165,773,000.00	326,784,000.00
Federal home loan banks certificates	83,000,000.00	147,500,000.00	7,700,000.00	110,700,000.00	292,500,000.00	1,147,800,000.00	647,400,000.00
Federal Housing Administration funds notes	90,000.00				39,881,000.00	44,141,000.00	38,416,000.00
Federal old-age and survivors insurance trust fund:							
Certificates	1,491,670,000.00	1,216,237,000.00	885,212,000.00	2,267,505,000.00	2,055,413,000.00	13,795,913,000.00	11,236,093,000.00
Notes					88,796,000.00	88,796,000.00	
Bonds							1,240,088,000.00
Federal Savings and Loan Insurance Corporation notes				46,000,000.00	124,000,000.00	182,000,000.00	55,000,000.00
Foreign service retirement fund certificates	635,000.00	521,000.00	708,000.00	559,000.00	37,361,000.00	45,607,000.00	38,509,000.00
Government life insurance fund:							
Certificates	100,000.00				6,774,000.00	7,674,000.00	4,500,000.00
Bonds					29,146,000.00	29,146,000.00	38,653,000.00
Highway trust fund certificates	38,427,000.00	98,106,000.00	111,000,000.00	89,700,000.00	513,315,000.00	864,731,000.00	471,834,000.00

Footnotes at end of table.

TABLE 38.—*Public debt receipts and expenditures by security classes, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

Receipts (issues) and Expenditures (retirements)	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
RECEIPTS (ISSUES)							
Special issues—Continued							
National service life insurance fund:							
Certificates	$7,000,000.00	$5,000,000.00	$4,000,000.00	$5,800,000.00	$5,400,000.00	$1,100,000.00	$5,300,000.00
Bonds							
Postal savings system notes							
Railroad retirement account notes	7,765,000.00	84,023,000.00	63,890,000.00	11,975,000.00	79,858,000.00	38,431,000.00	24,063,000.00
Unemployment trust fund certificates		484,000,000.00			287,300,000.00	78,991,000.00	
Veterans' special term insurance fund certificates	800,000.00	1,500,000.00	1,400,000.00	1,500,000.00	2,200,000.00	1,600,000.00	1,800,000.00
Total special issues	788,617,000.00	2,777,700,000.00	1,220,801,000.00	721,826,000.00	1,973,683,000.00	1,132,705,000.00	687,917,000.00
Other obligations	[2] 97,478,969.00						
Total public debt receipts	13,416,174,731.08	24,160,675,854.69	14,905,508,676.92	12,792,724,298.89	19,290,940,154.87	8,813,506,989.81	11,378,224,341.58
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	6,005,031,000.00	7,677,904,000.00	6,541,131,000.00	6,057,705,000.00	7,600,724,000.00	6,254,763,000.00	6,168,265,000.00
Tax anticipation	23,614,000.00	792,000.00	1,496,759,000.00	6,265,000.00	52,000.00	30,000.00	20,000.00
Other	1,489,231,000.00	2,372,000.00	448,000.00	1,500,999,000.00	1,381,000.00	585,000.00	1,499,159,000.00
Certificates of indebtedness:							
Regular	1,339,000.00	86,413,000.00	1,485,000.00	952,000.00	451,000.00	154,000.00	229,000.00
Tax anticipation							
Treasury notes	1,987,000.00	175,858,000.00	10,502,600.00	54,694,000.00	3,862,000.00	2,466,000.00	2,302,000.00
Treasury bonds	15,704,400.00	19,612,950.00	309,949,300.00	40,096,300.00	243,660,450.00	89,475,650.00	36,752,900.00
Other	2,204,303.00	452,575.75	48,814.25	48,317.00	21,327.75	12,530.50	50,409.75
Subtotal	7,539,110,703.00	7,963,404,525.75	8,360,323,714.25	7,660,759,617.00	7,950,151,777.75	6,347,486,180.50	7,706,778,309.75
Exchanges:							
Treasury bills:							
Regular weekly	298,305,000.00	615,334,000.00	364,455,000.00	543,473,000.00	890,173,000.00	560,099,000.00	506,772,000.00
Tax anticipation							
Other	9,569,000.00			10,827,000.00			138,689,000.00
Treasury certificates, regular		7,740,839,000.00					

Receipts (issues) and Expenditures (retirements)	Fiscal year 1962: February 1962	March 1962	April 1962	May 1962	June 1962	Total fiscal year 1962	Total fiscal year 1961
RECEIPTS (ISSUES)							
Special issues—Continued							
National service life insurance fund:							
Certificates	$200,000.00	$450,000.00	$2,857,000.00	$2,791,000.00	$3,229,000.00	$43,127,000.00	$20,500,000.00
Bonds	-----	-----	-----	-----	430,031,000.00	430,031,000.00	343,149,000.00
Postal savings system notes	-----	56,000,000.00	-----	-----	-----	56,000,000.00	-----
Railroad retirement account notes	65,787,000.00	72,512,000.00	23,661,000.00	89,850,000.00	512,805,000.00	1,074,620,000.00	1,065,263,000.00
Unemployment trust fund certificates	336,100,000.00	209,411,000.00	84,984,000.00	1,043,247,000.00	4,736,602,000.00	7,260,635,000.00	6,247,485,000.00
Veterans' special term insurance fund certificates	300,000.00	75,000.00	1,194,000.00	1,158,000.00	88,625,000.00	102,152,000.00	125,080,000.00
Total special issues	2,343,341,000.00	2,058,415,000.00	1,400,917,000.00	3,991,789,000.00	11,145,085,000.00	30,242,796,000.00	26,820,847,000.00
Other obligations	-----	-----	-----	-----	-----	[2] 97,478,969.00	-----
Total public debt receipts	21,847,433,506.91	19,016,780,720.67	12,424,404,442.11	25,155,672,307.26	20,328,400,829.08	203,530,446,853.87	176,247,926,562.90
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable obligations:							
Treasury bills:							
Regular weekly	6,139,925,000.00	7,507,405,000.00	6,122,640,000.00	7,876,527,000.00	6,567,708,000.00	80,519,728,000.00	75,625,308,000.00
Tax anticipation	-----	3,498,953,000.00	3,809,000.00	130,000.00	2,474,714,000.00	7,505,138,000.00	3,554,652,000.00
Other	1,862,000.00	406,000.00	1,997,487,000.00	3,279,000.00	448,000.00	6,497,657,000.00	7,113,433,000.00
Certificates of indebtedness:							
Regular	247,000.00	457,500.00	112,000.00	97,352,000.00	827,000.00	190,018,500.00	7,048,728,000.00
Tax anticipation	-----	3,000.00	3,000.00	-----	-----	6,000.00	5,000.00
Treasury notes	290,757,200.00	23,601,400.00	90,843,000.00	145,292,600.00	12,870,000.00	815,035,800.00	5,819,839,600.00
Treasury bonds	16,351,150.00	19,038,700.00	19,439,000.00	18,379,750.00	349,958,350.00	1,278,418,900.00	441,742,450.00
Other	27,020.25	56,594.12	16,427.75	70,143.88	18,907.00	3,027,371.00	46,987,902.00
Subtotal	6,449,169,370.25	11,049,921,194.12	8,234,349,427.75	8,141,030,493.88	9,406,544,257.00	96,809,029,571.00	99,650,695,952.00
Exchanges:							
Treasury bills:							
Regular weekly	762,008,000.00	831,667,000.00	592,190,000.00	1,016,958,000.00	653,881,000.00	7,635,315,000.00	7,300,227,000.00
Tax anticipation	-----	168,030,000.00	-----	-----	-----	168,030,000.00	-----
Other	-----	-----	80,146,000.00	-----	-----	239,231,000.00	414,360,000.00
Treasury certificates, regular	-----	-----	-----	5,410,186,000.00	-----	13,151,025,000.00	10,599,685,000.00

Footnotes at end of table.

TABLE 38.—*Public debt receipts and expenditures by security classes, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

Expenditures (retirements)	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Public issues—Continued							
Marketable obligations—Continued							
Exchanges—Continued							
Treasury notes	$20,000.00	$2,217,565,000.00					
Treasury bonds	−20,000.00	1,888,204,000.00	$3,757,025,500.00	−$1,668,000.00	$6,553,703,500.00	$5,824,500.00	−$10,695,000.00
Subtotal	307,874,000.00	12,461,942,000.00	4,121,480,500.00	552,632,000.00	7,443,876,500.00	565,923,500.00	634,766,000.00
Total marketable	7,846,984,703.00	20,425,346,525.75	12,481,804,214.25	8,213,391,617.00	15,394,028,277.75	6,913,409,680.50	8,341,544,309.75
Nonmarketable obligations:							
Adjusted service bonds	18,450.00	13,150.00	21,500.00	14,500.00	16,550.00	17,900.00	8,900.00
Armed Forces leave bonds	94,025.00	104,450.00	92,050.00	105,725.00	88,300.00	54,575.00	90,950.00
Certificates of indebtedness:							
Foreign series					450,000,000.00	125,000,000.00	
Foreign currency series							46,285,000.00
Depositary bonds	3,942,500.00	3,150,000.00	2,192,000.00	3,472,000.00	3,551,000.00	886,000.00	6,178,000.00
Excess profits tax refund bonds	968.38	1,732.29	747.71	1,153.07	6,067.36	1,380.52	161.71
Special notes, International Monetary Fund series	19,000,000.00	470,000,000.00	17,000,000.00	15,000,000.00		10,000,000.00	18,000,000.00
Treasury bonds:							
Investment series	119,000.00	23,558,000.00	10,157,000.00	6,940,000.00	7,078,000.00	9,854,000.00	17,080,000.00
R.E.A. series		45,000.00		50,000.00		25,000.00	
Treasury tax and savings notes	6,600.00	4,125.00	18,350.00	48,725.00	4,250.00	29,600.00	24,925.00
U.S. savings bonds:							
Matured:							
Issue price	103,480,704.25	160,163,888.75	126,508,051.50	164,863,867.25	104,873,326.50	87,847,494.25	131,745,075.00
Accrued discount	36,580,561.32	58,174,150.04	47,033,050.42	62,156,985.84	39,375,413.69	33,769,432.13	47,401,898.92
Series H							
Unmatured:							
Issue price	215,808,567.00	271,689,267.75	225,123,369.75	322,892,128.00	214,660,954.75	174,981,324.25	239,184,684.00
Accrued discount	11,245,776.14	15,748,279.20	13,461,401.21	18,783,790.31	12,120,967.75	9,829,268.90	11,075,294.24
Exchanges:							
Series E, F, and J, for Series H:							
Issue price	9,741,082.00	15,211,325.50	11,867,308.00	16,562,831.25	12,737,857.50	10,830,765.25	11,981,269.50
Accrued discount	4,240,272.82	6,675,233.79	5,107,824.42	7,166,848.40	5,530,574.33	4,741,369.76	5,269,701.07
Series F and G for Treasury bonds							319,166,150.00

Expenditures (retirements)	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Public issues—Continued							
Marketable obligations—Continued							
Exchanges—Continued							
Treasury notes	$11,315,690,000.00	−$75,000.00	$350,000.00	$2,053,614,000.00		$15,587,164,000.00	$9,378,712,000.00
Treasury bonds	−10,000.00	5,201,942,500.00	−24,000.00	3,539,143,000.00	$130,000.00	20,933,556,000.00	12,431,450,500.00
Subtotal	12,077,688,000.00	6,201,564,500.00	672,662,000.00	12,019,901,000.00	654,011,000.00	57,714,321,000.00	40,124,434,500.00
Total marketable	18,526,857,370.25	17,251,485,694.12	8,907,011,427.75	20,160,931,493.88	10,060,555,257.00	154,523,350,571.00	139,775,130,452.00
Nonmarketable obligations:							
Adjusted service bonds	17,050.00	6,900.00	10,050.00	13,550.00	11,800.00	170,300.00	188,600.00
Armed Forces leave bonds	90,900.00	118,725.00	62,800.00	52,700.00	68,200.00	1,023,400.00	1,430,675.00
Certificates of indebtedness:							
Foreign series	450,000,000.00			450,000,000.00	150,000,000.00	1,625,000,000.00	
Foreign currency series		23,150,000.00	24,978,250.00		49,941,000.00	144,354,250.00	
Depositary bonds	2,557,000.00	2,635,000.00	1,066,000.00	567,000.00	5,021,000.00	35,217,500.00	87,670,000.00
Excess profits tax refund bonds	1,101.75	3,338.42	2,943.01	1,789.95	10.89	21,395.06	29,093.12
Special notes, International Monetary Fund series					8,000,000.00	557,000,000.00	77,000,000.00
Treasury bonds:							
Investment series	14,624,000.00		2,167,000.00	113,000.00	530,000.00	92,220,000.00	160,848,000.00
R.E.A. series	20,000.00	100,000.00	60,000.00	578,000.00	237,000.00	1,115,000.00	130,000.00
Treasury tax and savings notes	9,800.00	12,700.00	5,575.00	11,475.00	7,725.00	183,850.00	492,225.00
U.S. savings bonds:							
Matured:							
Issue price	228,152,376.00	141,376,894.50	144,530,460.75	139,510,937.00	117,172,411.00	1,650,225,486.75	1,897,167,361.50
Accrued discount	78,457,633.54	53,350,683.56	54,150,062.89	57,122,004.96	47,595,862.71	615,167,740.02	628,474,372.40
Series H		2,016,000.00	2,548,000.00	1,572,500.00	1,466,000.00	7,602,500.00	
Unmatured:							
Issue price	226,010,818.50	250,538,379.50	252,914,568.75	245,672,084.50	257,253,961.00	2,896,730,107.75	3,183,331,490.75
Accrued discount	15,485,462.07	14,174,339.24	13,759,366.75	14,718,273.28	13,060,562.79	163,462,781.88	165,303,117.21
Exchanges:							
Series E, F, and J, for Series H:							
Issue price	21,072,016.25	14,494,404.00	14,379,479.50	12,125,177.50	9,551,382.25	160,554,898.50	140,685,158.50
Accrued discount	9,706,177.14	6,520,669.89	6,379,112.38	5,427,547.01	4,316,266.91	71,081,597.92	58,529,735.03
Series F and G for Treasury bonds	916,800.00	4,000.00	10,125.00	−75.00	1,000.00	320,098,000.00	147,331,500.00

Footnotes at end of table.

TABLE 38.—*Public debt receipts and expenditures by security classes, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

Expenditures (retirements)	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Public issues—Continued							
Nonmarketable obligations—Con.							
U.S. savings bonds—Continued							
Unclassified:[3]							
Cash	$55,229,727.64	−$68,617,258.85	$2,077,382.31	−$163,353,610.71	$11,870,562.41	$101,319,462.50	$170,928,088.06
Exchanges:							
Series E, F, and J, for Series H	3,298,765.43	−4,517,225.46	−62,349.84	−4,305,509.77	−1,060,686.82	1,616,623.27	12,413,452.33
Series F and G for Treasury bonds						300,288,000.00	−299,328,150.00
U.S. savings stamps	1,369,846.70	1,215,702.30	967,174.30	1,051,688.93	1,183,622.42	1,391,809.90	1,714,612.10
Subtotal	464,176,846.68	952,619,820.31	461,564,859.78	451,451,122.57	862,036,759.89	872,484,005.73	739,220,011.93
Exchanges:							
Treasury bonds, investment series	37,854,000.00	68,109,000.00	139,756,000.00	376,882,000.00	37,034,000.00	38,720,000.00	48,792,000.00
Total nonmarketable	502,030,846.68	1,020,728,820.31	601,320,859.78	828,333,122.57	899,070,759.89	911,204,005.73	788,012,011.93
Total public issues	8,349,015,549.68	21,446,075,346.06	13,083,125,074.03	9,041,724,739.57	16,293,099,037.64	7,824,613,686.23	9,129,556,321.68
Special issues:							
Civil service retirement fund:							
Certificates			44,637,000.00				43,485,000.00
Notes	69,000,000.00	101,379,000.00	87,000,000.00	112,621,000.00	91,500,000.00	92,000,000.00	62,027,000.00
Federal Deposit Insurance Corporation notes			2,500,000.00	42,000,000.00		4,300,000.00	43,300,000.00
Federal disability insurance trust fund:							
Certificates		37,921,000.00	81,600,000.00	82,761,000.00	85,800,000.00	148,120,000.00	110,075,000.00
Notes	85,815,000.00	47,079,000.00					
Federal home loan banks certificates			118,500,000.00	99,500,000.00	68,000,000.00	192,500,000.00	
Federal Housing Administration funds notes	2,000,000.00	5,000,000.00	2,000,000.00	8,000,000.00	1,000,000.00	3,900,000.00	
Federal old-age and survivors insurance trust fund:							
Certificates	477,869,000.00	1,050,000,000.00	1,085,253,000.00	1,174,718,000.00	1,082,000,000.00	791,510,000.00	659,224,000.00
Notes	639,319,000.00					312,490,000.00	99,521,000.00
Bonds							481,405,000.00

Expenditures (retirements)	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Public issues—Continued							
Nonmarketable obligations—Con.							
U.S. savings bonds—Continued							
Unclassified: [3]							
Cash	−$107,009,212.79	$16,433,356.18	−$11,080,064.38	$1,066,721.79	$43,730,939.02	$52,596,093.18	−$212,332,064.64
Exchanges:							
Series E, F, and J, for Series H	−8,919,847.31	78,750.05	−3,003,055.84	−1,550,006.04	3,275,090.11	−2,735,999.89	−1,517,750.95
Series F and G for Treasury bonds	−667,300.00	−237,500.00	−55,050.00				
U.S. savings stamps	1,380,368.10	1,682,465.70	1,630,179.25	1,711,756.80	2,200,649.20	17,499,875.70	19,426,718.30
Subtotal	931,905,143.25	526,459,106.04	504,515,803.06	928,714,436.75	713,440,860.88	8,408,588,776.87	6,354,188,231.22
Exchanges:							
Treasury bonds, investment series	21,714,000.00	132,494,000.00	59,836,000.00	20,808,000.00	29,092,000.00	1,011,091,000.00	791,768,000.00
Total nonmarketable	953,619,143.25	658,953,106.04	564,351,803.06	949,522,436.75	742,532,860.88	9,419,679,776.87	7,145,956,231.22
Total public issues	19,480,476,513.50	17,910,438,800.16	9,471,363,230.81	21,110,453,930.63	10,803,088,117.88	163,943,030,347.87	146,921,086,683.22
Special issues:							
Civil service retirement fund:							
Certificates	87,000,000.00	88,240,000.00	93,241,000.00	92,500,000.00	1,567,398,000.00	2,016,501,000.00	2,029,402,000.00
Notes						615,527,000.00	564,211,000.00
Federal Deposit Insurance Corporation notes		32,000,000.00	73,000,000.00	15,000,000.00		212,100,000.00	281,600,000.00
Federal disability insurance trust fund:							
Certificates	89,960,000.00	94,350,000.00	107,480,000.00	95,600,000.00	246,073,000.00	1,179,740,000.00	1,115,479,000.00
Notes						132,894,000.00	100,500,000.00
Federal home loan banks certificates	82,900,000.00	100,000,000.00	76,200,000.00	91,700,000.00	294,500,000.00	1,123,800,000.00	656,400,000.00
Federal Housing Administration funds notes					39,881,000.00	61,781,000.00	5,825,000.00
Federal old-age and survivors insurance trust fund:							
Certificates	1,134,000,000.00	1,161,668,000.00	889,451,000.00	1,165,000,000.00	2,485,907,000.00	13,156,600,000.00	11,065,395,000.00
Notes			168,000,000.00			1,219,330,000.00	1,040,330,000.00
Bonds			153,908,000.00			635,313,000.00	582,879,000.00

Footnotes at end of table.

TABLE 38.—*Public debt receipts and expenditures by security classes, monthly for fiscal year 1962 and totals for 1961 and 1962*—Continued

Expenditures (retirements)	Fiscal year 1962						
	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961	January 1962
Special issues—Continued							
Federal Savings and Loan Insurance Corporation notes				$30,000,000.00			
Foreign service retirement fund certificates	$425,000.00	$440,000.00	$425,000.00	425,000.00	$460,000,00	$410,000.00	$485,000.00
Government life insurance fund:							
Certificates							
Notes	30,000,000.00	3,000,000.00	3,000,000.00	3,900,000.00	3,000,000.00	3,900,000.00	4,400,000.00
Highway trust fund certificates	7,000,000.00	7,200,000.00	65,351,000.00	22,114,000.00	66,569,000.00		
National service life insurance fund:							
Certificates							
Notes	101,000,000.00	3,000,000.00	1,000,000.00		500,000.00	2,700,000,00	8,100,000.00
Postal savings system notes							
Railroad retirement account notes	93,600,000.00	103,520,000.00	86,800,000.00	126,786,000.00	151,189,000.00	92,961,000.00	113,579,000.00
Unemployment trust fund certificates	127,500,000.00	44,500,000.00	208,500,000.00	135,388,000.00	67,000,000.00	185,300,000.00	277,583,000.00
Veterans' special term insurance fund certificates					30,000,000.00		
Total special issues	1,633,528,000.00	1,403,039,000.00	1,786,566,000.00	1,838,213,000.00	1,647,018,000.00	1,830,091,000.00	1,903,184,000.00
Other obligations	476,500.00	1,200,385.00	411,040.00	[4] 2,275,572.00	686,733.68	549,437.50	768,916.00
Total public debt expenditures	9,983,020,049.68	22,850,314,731.06	14,870,102,114.03	10,882,213,311.57	17,940,803,771.32	9,655,254,123.73	11,033,509,237.68
Excess of receipts, or expenditures (—)	3,433,154,681.40	1,310,361,123.63	35,406,562.89	1,910,510,987.32	1,350,136,383.55	—841,747,133,92	344,715,103.90

Expenditures (retirements)	Fiscal year 1962					Total fiscal year 1962	Total fiscal year 1961
	February 1962	March 1962	April 1962	May 1962	June 1962		
Special issues—Continued							
Federal Savings and Loan Insurance Corporation notes		$28,000,000.00	$48,000,000.00	$16,500,000.00	$16,000,000.00	$138,500,000.00	$21,000,000.00
Foreign service retirement fund certificates	$450,000.00	450,000.00	470,000.00	524,000.00	36,113,000.00	41,077,000.00	35,507,000.00
Government life insurance fund:							
Certificates					900,000.00	900,000.00	5,160,000.00
Notes	4,500,000.00	4,424,000.00	5,776,000.00	5,841,000.00	7,803,000.00	79,544,000.00	73,100,000.00
Highway trust fund certificates					494,596,000.00	662,830,000.00	239,135,000.00
National service life insurance fund:							
Certificates					42,127,000.00	42,127,000.00	28,367,000.00
Notes	11,300,000.00	9,520,000.00	11,388,000.00	11,063,000.00	227,302,000.00	386,873,000.00	379,000,000.00
Postal savings system notes			9,000,000.00	12,000,000.00	9,000,000.00	30,000,000.00	
Railroad retirement account notes	114,639,000.00	93,030,000.00	99,680,000.00	96,585,000.00	90,000,000.00	1,262,369,000.00	1,147,696,000.00
Unemployment trust fund certificates	371,400,000.00	388,596,000.00	348,409,000.00	219,927,000.00	4,854,606,000.00	7,228,709,000.00	7,202,807,000.00
Veterans' special term insurance fund certificates	530,000.00	364,000.00	4,098,000.00		85,484,000.00	120,476,000.00	103,413,000.00
Total special issues	1,896,679,000.00	2,000,642,000.00	2,088,101,000.00	1,822,240,000.00	10,497,690,000.00	30,346,991,000.00	26,677,206,000.00
Other obligations	532,964.00	1,296,806.00	705,777.00	897,115.00	740,149.00	[4] 10,541,395.18	9,456,118.00
Total public debt expenditures	21,377,688,477.50	19,912,377,606.16	11,560,170,007.81	22,933,591,045.63	21,301,518,266.88	194,300,562,743.05	173,607,748,801.22
Excess of receipts, or expenditures (−)	469,745,029.41	−895,596,885.49	864,234,434.30	2,222,081,261.63	−973,117,437.80	9,229,884,110.82	2,640,177,761.68

[1] Includes $800,136,000 of 8 series of weekly bills issued in a strip on Nov. 15, 1961.

[2] Includes $29,959,809 gold certificates issued before Jan. 30, 1934, $1,141,667 Treasury notes of 1890, $36,419,050 Federal Reserve notes of series before Series of 1928, and $29,958,443 silver certificates issued before July 1, 1929, transferred to the general fund of the Treasury and credited as a public debt receipt as authorized by the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912).

[3] Redemptions (all series) not yet classified as between matured and unmatured or as between issue price and accrued discount.

[4] Includes $1,000,000 of Treasury notes of 1890 determined by the Secretary of the Treasury on Oct. 20, 1961, pursuant to the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912–916), to have been destroyed or irretrievably lost and so will never be presented for redemption.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]

[On basis of Public Debt accounts,[2] see "Bases of Tables"]

Security	Outstanding June 30, 1961	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1962
INTEREST-BEARING DEBT					
Public Issues					
Marketable:					
Treasury bills, series maturing:[3]					
Regular weekly:					
July 6, 1961	$1,600,332,000.00		$1,600,321,000.00	$11,000.00	
July 13, 1961	1,600,927,000.00		1,600,922,000.00	5,000.00	
Other:					
July 15, 1961	1,500,509,000.00		1,500,479,000.00	30,000.00	
Regular weekly:					
July 20, 1961	1,500,513,000.00		1,500,513,000.00		
July 27, 1961	1,600,818,000.00		1,600,808,000.00	10,000.00	
Aug. 3–Nov. 30, 1961 (Strip issue)[4]	1,801,872,000.00		1,801,872,000.00		
Aug. 3, 1961	[5] 1,601,040,000.00		1,601,040,000.00		
Aug. 10, 1961	[5] 1,600,763,000.00		1,600,763,000.00		
Aug. 17, 1961	[5] 1,600,454,000.00		1,600,454,000.00		
Aug. 24, 1961	[5] 1,600,497,000.00		1,600,497,000.00		
Aug. 31, 1961	[5] 1,501,070,000.00		1,501,070,000.00		
Sept. 7, 1961	[5] 1,600,917,000.00		1,600,917,000.00		
Sept. 14, 1961	[5] 1,600,608,000.00		1,600,608,000.00		
Sept. 21, 1961	[5] 1,601,133,000.00		1,601,133,000.00		
Tax anticipation:					
Sept. 22, 1961	1,502,900,000.00		1,502,900,000.00		
Regular weekly:					
Sept. 28, 1961	[5] 1,600,133,000.00		1,600,129,000.00	4,000.00	
Oct. 5, 1961	[5] 500,135,000.00	$1,100,537,000.00	1,600,572,000.00	100,000.00	
Oct. 13, 1961	[5] 500,375,000.00	1,100,878,000.00	1,601,212,000.00	41,000.00	
Other:					
Oct. 16, 1961	1,502,165,000.00		1,501,973,000.00	192,000.00	
Regular weekly:					
Oct. 19, 1961	[5] 400,290,000.00	1,100,005,000.00	1,500,295,000.00		
Oct. 26, 1961	[5] 400,115,000.00	1,099,886,000.00	1,500,001,000.00		
Nov. 2, 1961	[5] 500,252,000.00	1,101,263,000.00	1,601,495,000.00	20,000.00	
Nov. 9, 1961	[5] 500,372,000.00	1,100,218,000.00	1,600,561,000.00	29,000.00	
Nov. 16, 1961	[5] 500,728,000.00	1,100,833,000.00	1,601,559,000.00	2,000.00	
Nov. 24, 1961	[5] 500,151,000.00	1,100,794,000.00	1,600,935,000.00	10,000.00	

Nov. 30, 1961	[5] 500,268,000.00	1,100,316,000.00	1,600,584,000.00		
Dec. 7–Jan. 25, 1962 (Strip issue) [6]		800,056,000.00	800,056,000.00		
Dec. 7, 1961	500,354,000.00	[7] 1,109,065,000.00	1,609,414,000.00	5,000.00	
Dec. 14, 1961	500,368,000.00	[7] 1,101,001,000.00	1,601,369,000.00		
Dec. 21, 1961	500,767,000.00	[7] 1,099,762,000.00	1,600,529,000.00		
Dec. 28, 1961	500,230,000.00	[7] 1,100,210,000.00	1,600,414,000.00	26,000.00	
Jan. 4, 1962		[7] 1,600,201,000.00	1,600,199,000.00	2,000.00	
Jan. 11, 1962		[7] 1,600,566,000.00	1,600,566,000.00		
Other:					
Jan. 15, 1962	1,501,672,000.00		1,501,558,000.00	114,000.00	
Regular weekly:					
Jan. 18, 1962		[7] 1,600,089,000.00	1,600,040,000.00	49,000.00	
Jan. 25, 1962		[7] 1,601,354,000.00	1,601,344,000.00	10,000.00	
Feb. 1, 1962		1,700,235,000.00	1,700,223,000.00	12,000.00	
Feb. 8, 1962		1,805,088,000.00	1,804,978,000.00	110,000.00	
Feb. 15, 1962		1,700,230,000.00	1,700,217,000.00	13,000.00	
Feb. 23, 1962		1,700,583,000.00	1,700,440,000.00	143,000.00	
Mar. 1, 1962		1,700,348,000.00	1,700,186,000.00	162,000.00	
Mar. 8, 1962		1,697,658,000.00	1,697,649,000.00	9,000.00	
Mar. 15, 1962		1,701,558,000.00	1,701,487,000.00	71,000.00	
Mar. 22, 1962		1,704,889,000.00	1,704,842,000.00	47,000.00	
Tax anticipation:					
Mar. 23, 1962		3,502,886,000.00	3,502,858,000.00	28,000.00	
Regular weekly:					
Mar. 29, 1962		1,701,838,000.00	1,701,771,000.00	67,000.00	
Apr. 5, 1962		1,701,085,000.00	1,701,038,000.00	47,000.00	
Apr. 12, 1962		1,700,990,000.00	1,700,814,000.00	176,000.00	
Other:					
Apr. 15, 1962	2,000,462,000.00		1,999,772,000.00	690,000.00	
Regular weekly:					
Apr. 19, 1962		1,702,054,000.00	1,701,950,000.00	104,000.00	
Apr. 26, 1962		1,701,734,000.00	1,701,548,000.00	186,000.00	
May 3, 1962		1,801,487,000.00	1,800,956,000.00	531,000.00	
May 10, 1962		1,700,422,000.00	1,700,225,000.00	197,000.00	
May 17, 1962		1,800,406,000.00	1,800,303,000.00	103,000.00	
May 24, 1962		1,802,351,000.00	1,801,913,000.00	438,000.00	
May 31, 1962		1,800,815,000.00	1,800,606,000.00	209,000.00	
June 7, 1962		1,800,481,000.00	1,800,191,000.00	290,000.00	
June 14, 1962		1,801,805,000.00	1,801,193,000.00	612,000.00	
June 21, 1962		1,802,246,000.00	1,800,819,000.00	1,427,000.00	
Tax anticipation:					
June 22, 1962		2,510,855,000.00	2,474,654,000.00	36,201,000.00	
Regular weekly:					
June 28, 1962		1,800,784,000.00	1,797,071,000.00	3,713,000.00	
July 5, 1962		1,801,102,000.00			$1,801,102,000.00
July 12, 1962		1,800,212,000.00			1,800,212,000.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1962
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Marketable—Continued					
Treasury bills, series maturing—Continued					
Other:					
July 15, 1962		$2,003,516,000.00			$2,003,516,000.00
Regular weekly:					
July 19, 1962		1,801,436,000.00			1,801,436,000.00
July 26, 1962		1,800,773,000.00			1,800,773,000.00
Aug. 2, 1962		1,801,910,000.00			1,801,910,000.00
Aug. 9, 1962		1,804,290,000.00			1,804,290,000.00
Aug. 16, 1962		1,800,826,000.00			1,800,826,000.00
Aug. 23, 1962		1,901,349,000.00			1,901,349,000.00
Aug. 30, 1962		1,901,386,000.00			1,901,386,000.00
Sept. 6, 1962		1,901,854,000.00			1,901,854,000.00
Sept. 13, 1962		1,900,696,000.00			1,900,696,000.00
Sept. 20, 1962		1,900,824,000.00			1,900,824,000.00
Tax anticipation:					
Sept. 21, 1962		1,801,986,000.00			1,801,986,000.00
Regular weekly:					
Sept. 27, 1962		1,900,712,000.00			1,900,712,000.00
Oct. 4, 1962		600,567,000.00			600,567,000.00
Oct. 11, 1962		600,202,000.00			600,202,000.00
Other:					
Oct. 15, 1962		2,003,463,000.00			2,003,463,000.00
Regular weekly:					
Oct. 18, 1962		600,309,000.00			600,309,000.00
Oct. 25, 1962		600,408,000.00			600,408,000.00
Nov. 1, 1962		600,048,000.00			600,048,000.00
Nov. 8, 1962		601,639,000.00			601,639,000.00
Nov. 15, 1962		600,140,000.00			600,140,000.00
Nov. 23, 1962		600,316,000.00			600,316,000.00
Nov. 29, 1962		601,324,000.00			601,324,000.00
Dec. 6, 1962		701,967,000.00			701,967,000.00
Dec. 13, 1962		700,118,000.00			700,118,000.00
Dec. 20, 1962		700,552,000.00			700,552,000.00
Dec. 27, 1962		700,197,000.00			700,197,000.00
Other:					
Jan. 15, 1963		2,001,255,000.00			2,001,255,000.00
Apr. 15, 1963		2,000,754,000.00			2,000,754,000.00
Total Treasury bills	$36,723,190,000.00	107,895,993,000.00	$102,536,806,000.00	$46,246,000.00	42,036,131,000.00

Certificates of indebtedness:					
Regular:					
3⅛% Series C-1961	7,828,775,000.00		7,828,729,000.00	46,000.00	
3% Series A-1962	5,509,218,000.00		5,508,194,000.00	1,024,000.00	
3½% Series A-1963		6,861,555,000.00			6,861,555,000.00
3¼% Series B-1963		6,685,492,000.00			6,685,492,000.00
Total certificates of indebtedness	13,337,993,000.00	13,547,047,000.00	13,336,923,000.00	1,070,000.00	13,547,047,000.00
Treasury notes:					
4% Series A-1961	2,135,613,000.00		2,133,592,000.00	2,021,000.00	
3⅝% Series A-1962	647,057,000.00		645,813,000.00	1,244,000.00	
4% Series B-1962	158,173,000.00				158,173,000.00
3¾% Series C-1962	1,142,956,000.00				1,142,956,000.00
4% Series D-1962	1,434,986,000.00		1,432,206,000.00	2,780,000.00	
4% Series E-1962	2,210,893,000.00		2,205,302,000.00	5,591,000.00	
3¼% Series F-1962	9,098,043,000.00		9,097,284,000.00	759,000.00	
3¼% Series G-1962	7,324,862,000.00				7,324,862,000.00
3¼% Series H-1962		6,081,795,000.00			6,081,795,000.00
2⅝% Series A-1963	2,839,373,000.00		20,000.00		2,839,353,000.00
4% Series B-1963	1,743,040,000.00				1,743,040,000.00
4⅞% Series C-1963	3,011,432,000.00				3,011,432,000.00
3¼% Series D-1963	2,752,808,000.00	2,294,644,000.00			5,047,452,000.00
3¼% Series E-1963		3,642,464,000.00			3,642,464,000.00
4¾% Series A-1964	4,932,995,000.00				4,932,995,000.00
5% Series B-1964	2,315,724,000.00				2,315,724,000.00
4⅞% Series C-1964	4,195,320,000.00				4,195,320,000.00
3¾% Series D-1964	3,893,341,000.00				3,893,341,000.00
3¾% Series E-1964		5,018,682,000.00			5,018,682,000.00
4⅝% Series A-1965	2,112,741,000.00				2,112,741,000.00
4% Series A-1966		4,454,410,000.00			4,454,410,000.00
3⅝% Series B-1966		3,113,202,000.00			3,113,202,000.00
1½% Series EO-1961	331,975,000.00		331,867,000.00	108,000.00	
1½% Series EA-1962	551,176,000.00		550,318,000.00	858,000.00	
1½% Series EO-1962	590,195,000.00				590,195,000.00
1½% Series EA-1963	533,150,000.00				533,150,000.00
1½% Series EO-1963	505,574,000.00				505,574,000.00
1½% Series EA-1964	456,514,000.00				456,514,000.00
1½% Series EO-1964	489,777,000.00				489,777,000.00
1½% Series EA-1965	465,673,000.00				465,673,000.00
1½% Series EO-1965	315,094,000.00				315,094,000.00
1½% Series EA-1966	74,950,000.00	600,031,000.00			674,981,000.00
1½% Series EO-1966		356,530,000.00			356,530,000.00
1½% Series EA-1967		49,950,000.00			49,950,000.00
Total Treasury notes	56,263,435,000.00	25,611,708,000.00	16,396,402,000.00	13,361,000.00	65,465,380,000.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1962
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Marketable—Continued					
Treasury bonds:					
2¼% of 1959–62 (dated June 1, 1945)	$3,957,542,500.00		$3,881,191,500.00	$76,351,000.00	
2¼% of 1959–62 (dated Nov. 15, 1945)	2,270,308,000.00		225,000.00		$2,270,083,000.00
2¾% of 1960–65	1,485,383,100.00				1,485,383,100.00
2¾% of 1961	2,239,260,000.00		2,236,064,500.00	3,195,500.00	
2½% of 1961	6,963,477,500.00		6,955,565,000.00	7,912,500.00	
2½% of 1962–67	1,463,990,400.00		1,246,100.00		1,462,744,300.00
2½% of 1963	4,316,791,000.00		−275,000.00		4,317,066,000.00
2½% of 1963–68	1,819,255,500.00		2,115,500.00		1,817,140,000.00
3% of 1964	3,854,181,500.00		1,154,257,500.00		2,699,924,000.00
2½% of 1964–69 (dated April 15, 1943)	2,638,328,500.00		3,722,500.00		2,634,606,000.00
2½% of 1964–69 (dated Sept. 15, 1943)	2,557,227,000.00		5,694,500.00		2,551,532,500.00
2⅝% of 1965	6,896,234,000.00		2,213,964,500.00		4,682,269,500.00
2½% of 1965–70	4,688,458,500.00		2,262,671,500.00		2,425,787,000.00
3% of 1966	1,484,298,000.00				1,484,298,000.00
3⅜% of 1966	2,437,904,500.00	−$275,000.00			2,437,629,500.00
3¾% of 1966	1,213,109,500.00	2,384,364,000.00			3,597,473,500.00
2½% of 1966–71	2,928,410,000.00		1,512,559,000.00		1,415,851,000.00
2½% of 1967–72 (dated June 1 ,1945)	1,776,658,500.00		441,238,000.00		1,335,420,500.00
2½% of 1967–72 (dated Oct. 20, 1941)	2,715,975,250.00		764,158,000.00		1,951,817,250.00
2½% of 1967–72 (dated Nov. 15, 1945)	3,558,828,000.00		725,291,500.00		2,833,536,500.00
3⅝% of 1967	3,608,130,500.00	−4,586,000.00			3,603,544,500.00
3⅞% of 1968	1,390,407,500.00	1,069,528,000.00			2,459,935,500.00
3¾% of 1968		1,257,539,500.00			1,257,539,500.00
4% of 1969 (dated Oct. 1, 1957)	1,423,525,500.00	1,114,335,500.00	167,500.00		2,537,693,500.00
4% of 1971		2,805,626,500.00			2,805,626,500.00
3⅞% of 1971		1,204,092,500.00			1,204,092,500.00
3⅞% of 1974	653,756,000.00	517,421,500.00	148,500.00		1,171,029,000.00
4¼% of 1975–85	469,533,000.00		5,000.00		469,528,000.00
3¼% of 1978–83	1,597,375,000.00		3,418,000.00		1,593,957,000.00
4% of 1980	883,843,000.00	562,595,500.00	236,500.00		1,446,202,000.00
3½% of 1980	643,416,000.00	1,272,527,000.00	447,000.00		1,915,496,000.00
3¼% of 1985	1,132,784,000.00		1,425,000.00		1,131,359,000.00
3½% of 1990	2,718,672,000.00	2,197,674,500.00	1,180,000.00		4,915,166,500.00
3% of 1995	2,699,133,500.00		50,435,000.00		2,648,698,500.00
3½% of 1998	2,342,519,500.00	2,120,314,500.00	1,186,000.00		4,461,648,000.00
Total Treasury bonds	80,828,716,750.00	16,501,158,000.00	22,218,338,100.00	87,459,000.00	75,024,077,650.00
Total marketable	187,153,334,750.00	163,555,906,000.00	154,488,469,100.00	148,136,000.00	196,072,635,650.00

Nonmarketable:					
Certificates of indebtedness:					
2.00% Foreign series		310,000,000.00			310,000,000.00
2.35% Foreign series		450,000,000.00	450,000,000.00		
2.40% Foreign series		450,000,000.00	450,000,000.00		
2.55% Foreign series		125,000,000.00	125,000,000.00		
2.70% Foreign series		550,000,000.00	500,000,000.00		50,000,000.00
2.75% Foreign series		400,000,000.00	100,000,000.00		300,000,000.00
2.80% Foreign series		200,000,000.00			200,000,000.00
Total foreign series		2,485,000,000.00	1,625,000,000.00		860,000,000.00
1.25% Foreign currency series		69,435,000.00	69,435,000.00		
2.70% Foreign currency series		74,942,500.00	24,978,250.00		49,964,250.00
2.75% Foreign currency series		74,919,250.00	49,941,000.00		24,978,250.00
Total foreign currency series		219,296,750.00	144,354,250.00		74,942,500.00
U.S. savings bonds: [9]					
Series E-1941	345,741,444.73	14,023,930.93	54,657,648.93		305,107,726.73
Series E-1942	1,453,497,095.25	59,441,595.19	161,956,640.73		1,350,982,049.71
Series E-1943	2,263,362,320.12	79,322,434.10	203,777,634.75		2,138,907,119.47
Series E-1944	2,746,563,576.31	89,300,369.95	245,944,933.66		2,589,919,012.60
Series E-1945	2,377,452,907.30	77,388,278.81	208,471,094.36		2,246,370,091.75
Series E-1946	1,308,197,300.04	43,250,487.78	113,076,575.03		1,238,371,212.79
Series E-1947	1,430,433,030.95	44,538,318.36	121,832,397.68		1,353,138,951.63
Series E-1948	1,599,208,731.11	49,146,844.89	138,536,229.18		1,509,819,346.82
Series E-1949	1,673,339,604.95	55,674,310.23	151,148,465.25		1,577,865,449.93
Series E-1950	1,574,044,763.12	54,284,353.82	158,442,756.46		1,469,886,360.48
Series E-1951	1,465,821,109.03	54,838,952.50	213,579,496.16		1,307,080,565.37
Series E-1952 (January to April)	512,173,752.13	25,776,830.26	72,206,092.79		465,744,489.60
Series E-1952 (May to October)	754,387,711.79	39,346,558.06	63,821,732.67		729,912,537.18
Series E-1952 (November and December)	307,586,118.48	11,965,583.62	18,748,568.73		300,803,133.37
Series E-1953	1,854,839,602.54	72,675,243.85	110,720,938.81		1,816,793,907.58
Series E-1954	1,951,244,660.79	69,364,069.32	117,809,918.34		1,902,798,811.77
Series E-1955	2,079,706,414.49	72,730,432.09	133,108,145.72		2,019,328,700.86
Series E-1956	2,009,845,024.11	71,109,271.95	138,801,540.65		1,942,152,755.41
Series E-1957 (January)	172,664,841.72	6,268,741.32	11,625,806.36		167,307,776.68
Series E-1957 (February to December)	1,843,659,712.56	66,976,098.07	144,435,246.46		1,766,200,564.17
Series E-1958	2,127,961,448.00	76,503,692.43	177,682,129.68		2,026,783,010.75
Series E-1959 (January to May)	886,597,361.28	31,749,034.66	81,983,222.14		836,363,173.80
Series E-1959 (June to December)	1,227,957,774.96	45,600,889.31	130,687,440.23		1,142,871,224.04
Series E-1960	2,426,317,269.23	77,021,255.63	342,419,490.99		2,160,919,033.87
Series E-1961	1,380,349,893.75	2,171,847,438.95	1,026,493,936.26		2,525,703,396.44
Series E-1962		1,555,281,337.50	222,289,125.00		1,332,992,212.50
Unclassified sales and redemptions	23,208,106.05	−1,869,288.85	−777,598.21		22,116,415.41
Total Series E	37,796,161,574.79	5,013,557,064.73	4,563,479,608.81		38,246,239,030.71

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1962
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Nonmarketable—Continued					
U.S. savings bonds [8]—Continued					
Series F-1949	$42, 339, 748. 50	$859, 740. 00	$37, 845, 938. 50	$5, 353, 550. 00	
Series F-1950	183, 154, 225. 36	6, 618, 353. 90	95, 190, 382. 76	12, 679, 750. 00	$81, 902, 446. 50
Series F-1951	69, 240, 384. 83	2, 356, 438. 77	3, 831, 573. 06		67, 765, 250. 54
Series F-1952	23, 370, 975. 00	742, 114. 65	1, 101, 225. 46		23, 011, 864. 19
Unclassified redemptions	85, 653. 75		973, 667. 31		[9] −888, 013. 56
Total Series F	318, 190, 987. 44	10, 576, 647. 32	138, 942, 787. 09	18, 033, 300. 00	171, 791, 547. 67
Series G-1949	208, 135, 800. 00		189, 121, 700. 00	19, 014, 100. 00	
Series G-1950	797, 214, 600. 00		510, 511, 000. 00	43, 084, 800. 00	243, 618, 800. 00
Series G-1951	326, 411, 600. 00		21, 890, 800. 00		304, 520, 800. 00
Series G-1952	90, 308, 800. 00		6, 329, 200. 00		83, 979, 600. 00
Unclassified redemptions	[9] −190, 700. 00		−151, 921. 25		[9] −38, 778. 75
Total Series G	1, 421, 880, 100. 00		727, 700, 778. 75	62, 098, 900. 00	632, 080, 421. 25
Series H-1952	118, 642, 500. 00		13, 417, 500. 00		105, 225, 000. 00
Series H-1953	313, 170, 000. 00		13, 526, 500. 00		299, 643, 500. 00
Series H-1954	598, 940, 500. 00		24, 794, 500. 00		574, 146, 000. 00
Series H-1955	820, 116, 000. 00		34, 778, 500. 00		785, 337, 500. 00
Series H-1956	670, 570, 500. 00	−500. 00	29, 057, 000. 00		641, 513, 000. 00
Series H-1957 (January)	50, 695, 000. 00		1, 983, 000. 00		48, 712, 000. 00
Series H-1957 (February to December)	475, 907, 500. 00		21, 300, 500. 00		454, 607, 000. 00
Series H-1958	758, 956, 000. 00	500. 00	34, 487, 500. 00		724, 469, 000. 00
Series H-1959 (January to May)	325, 459, 000. 00		14, 119, 000. 00		311, 340, 000. 00
Series H-1959 (June to December)	340, 449, 000. 00		13, 669, 000. 00		326, 780, 000. 00
Series H-1960	983, 553, 500. 00	28, 000. 00	35, 071, 500. 00		948, 510, 000. 00
Series H-1961	499, 584, 000. 00	541, 606, 000. 00	23, 567, 500. 00		1, 017, 622, 500. 00
Series H-1962		430, 635, 500. 00	429, 000. 00		430, 206, 500. 00
Unclassified sales and redemptions	41, 978, 000. 00	−5, 397, 000. 00	−10, 000. 00		36, 591, 000. 00
Total Series H	5, 998, 021, 500. 00	966, 872, 500. 00	260, 191, 000. 00		6, 704, 703, 000. 00
Series J-1952	47, 163, 183. 80	1, 501, 332. 65	3, 035, 862. 46		45, 628, 653. 99
Series J-1953	80, 980, 972. 55	2, 528, 863. 05	5, 320, 521. 30		78, 189, 314. 30
Series J-1954	152, 788, 477. 82	4, 855, 394. 42	10, 315, 249. 04		147, 328, 623. 20
Series J-1955	135, 987, 734. 80	4, 140, 925. 07	8, 867, 332. 56		131, 261, 327. 31
Series J-1956	106, 341, 516. 40	3, 067, 738. 92	7, 628, 911. 92		101, 780, 343. 40
Series J-1957	25, 094, 720. 65	692, 055. 61	2, 147, 616. 26		23, 639, 160. 00
Unclassified redemptions			2, 030. 00		[9] −2, 030. 00
Total Series J	548, 356, 606. 02	16, 786, 309. 72	37, 317, 523. 54		527, 825, 392. 20

Series K-1952	144, 629, 500. 00		8, 774, 000. 00		135, 855, 500. 00
Series K-1953	174, 576, 000. 00		12, 078, 500. 00		162, 497, 500. 00
Series K-1954	426, 975, 000. 00		29, 332, 000. 00		397, 643, 000. 00
Series K-1955	353, 158, 000. 00		22, 778, 500. 00		330, 379, 500. 00
Series K-1956	218, 272, 000. 00		13, 977, 000. 00		204, 295, 000. 00
Series K-1957	42, 402, 000. 00		2, 553, 500. 00		39, 848, 500. 00
Unclassified redemptions					
Total Series K	1, 360, 012, 500. 00		89, 493, 500. 00		1, 270, 519, 000. 00
Total U.S. savings bonds	47, 442, 623, 268. 25	6, 007, 792, 521. 77	5, 817, 125, 198. 19	80, 132, 200. 00	47, 553, 158, 391. 83
Depositary bonds:					
First series	116, 619, 500. 00	56, 234, 500. 00	55, 017, 500. 00		117, 836, 500. 00
Treasury bonds, R.E.A. series	19, 221, 000. 00	6, 585, 000. 00	1, 525, 000. 00		24, 281, 000. 00
Treasury bonds, investment series:					
2½% Series A-1965	465, 525, 000. 00		8, 160, 000. 00		457, 365, 000. 00
2¾% Series B-1975-80	5, 358, 494, 000. 00		1, 090, 571, 000. 00		4, 267, 923, 000. 00
Total Treasury bonds, investment series	5, 824, 019, 000. 00		1, 098, 731, 000. 00		4, 725, 288, 000. 00
Total nonmarketable	53, 402, 482, 768. 25	8, 774, 908, 771. 77	8, 741, 752, 948. 19	80, 132, 200. 00	53, 355, 506, 391. 83
Total public issues	240, 555, 817, 518. 25	172, 330, 814, 771. 77	163. 230, 222, 048. 19	228, 268, 200. 00	249, 428, 142, 041. 83
Special Issues					
Civil service retirement fund:					
4% certificates		451, 489, 000. 00	451, 489, 000. 00		
3⅞% certificates		425, 661, 000. 00	425, 661, 000. 00		
3¾% certificates		716, 032, 000. 00	505, 591, 000. 00		210, 441, 000. 00
2⅞% certificates	169, 697, 000. 00	464, 063, 000. 00	633, 760, 000. 00		
3¾% notes		243, 904, 000. 00			243, 904, 000. 00
2⅞% notes	279, 652, 000. 00				279, 652, 000. 00
2⅝% notes	742, 897, 000. 00		230, 527, 000. 00		512, 370, 000. 00
2½% notes	585, 000, 000. 00		385, 000, 000. 00		200, 000, 000. 00
3¾% bonds		1, 295, 200, 000. 00			1, 295, 200, 000. 00
2⅞% bonds	1, 314, 657, 000. 00				1, 314, 657, 000. 00
2⅝% bonds	5, 364, 481, 000. 00				5, 364, 481, 000. 00
2½% bonds	1, 925, 000, 000. 00				1, 925, 000, 000. 00
Federal Deposit Insurance Corporation:					
2% notes	556, 400, 000. 00	155, 900, 000. 00	212, 100, 000. 00		500, 200, 000. 00
Federal disability insurance trust fund:					
4% certificates		311, 154, 000. 00	311, 154, 000. 00		
3⅞% certificates		475, 669, 000. 00	475, 669, 000. 00		
3¾% certificates	34, 096, 000. 00	360, 182, 000. 00	392, 917, 000. 00		1, 361, 000. 00
3¾% notes	77, 556, 000. 00	5, 396, 000. 00			82, 952, 000. 00
2⅝% notes	318, 576, 000. 00		95, 394, 000. 00		223, 182, 000. 00
2½% notes	67, 500, 000. 00		37, 500, 000. 00		30, 000, 000. 00
3¾% bonds	326, 784, 000. 00	165, 773, 000. 00			492, 557, 000. 00
2⅝% bonds	1, 286, 940, 000. 00				1, 286, 940, 000. 00
2½% bonds	187, 500, 000. 00				187, 500, 000. 00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1962
INTEREST-BEARING DEBT—Continued					
Special Issues—Continued					
Federal home loan banks:					
2⅜% certificates		$619,300,000.00	$595,300,000.00		$24,000,000.00
2⅛% certificates	$50,000,000.00	528,500,000.00	528,500,000.00		50,000,000.00
Federal Housing Administration:					
Apartment unit insurance fund:					
2% notes		850,000.00			850,000.00
Armed services housing mortgage insurance fund:					
2% notes	25,735,000.00		16,000,000.00		9,735,000.00
Experimental housing insurance fund:					
2% notes		850,000.00			850,000.00
Housing insurance fund:					
2% notes	3,678,000.00	148,000.00	148,000.00		3,678,000.00
Housing investment insurance fund:					
2% notes	70,000.00	70,000.00	70,000.00		70,000.00
Mutual mortgage insurance fund:					
2% notes	15,109,000.00	15,109,000.00	15,109,000.00		15,109,000.00
National defense housing insurance fund:					
2% notes	130,000.00	860,000.00	900,000.00		90,000.00
Section 203 home improvement account:					
2% notes		850,000.00			850,000.00
Section 220 home improvement account:					
2% notes		850,000.00			850,000.00
Section 220 housing insurance fund:					
2% notes	1,390,000.00	450,000.00	450,000.00		1,390,000.00
Servicemen's mortgage insurance fund:					
2% notes	1,575,000.00	925,000.00	925,000.00		1,575,000.00
Title I housing insurance fund:					
2% notes	690,000.00				690,000.00
Title I insurance fund:					
2% notes	23,179,000.00	23,179,000.00	23,179,000.00		23,179,000.00
War housing insurance fund:					
2% notes	14,607,000.00		5,000,000.00		9,607,000.00
Federal old-age and survivors insurance trust fund:					
4% certificates		3,336,189,000.00	3,336,189,000.00		
3⅞% certificates		5,251,594,000.00	5,251,594,000.00		
3¾% certificates	440,698,000.00	5,208,130,000.00	4,568,817,000.00		1,080,011,000.00
3¾% notes		88,796,000.00			88,796,000.00
2⅝% notes	504,000,000.00		336,000,000.00		168,000,000.00
2½% notes	883,330,000.00		883,330,000.00		
3¾% bonds	1,240,088,000.00				1,240,088,000.00
2⅝% bonds	8,572,000,000.00				8,572,000,000.00
2½% bonds	4,560,055,000.00		635,313,000.00		3,924,742,000.00

Federal Savings and Loan Insurance Corporation:					
2% notes	138,000,000.00	182,000,000.00	138,500,000.00		181,500,000.00
Foreign service retirement fund:					
4% certificates	30,757,000.00	43,945,000.00	39,536,000.00		35,166,000.00
3% certificates	1,423,000.00	1,662,000.00	1,541,000.00		1,544,000.00
Government life insurance fund:					
3½% certificates		7,674,000.00	900,000.00		6,774,000.00
3¾% notes	2,680,000.00		670,000.00		2,010,000.00
3½% notes	219,300,000.00		78,874,000.00		140,426,000.00
3¾% bonds	79,800,000.00				79,800,000.00
3½% bonds	769,653,000.00	29,146,000.00			798,799,000.00
Highway trust fund:					
3¼% certificates		253,716,000.00	253,716,000.00		
3⅛% certificates		603,015,000.00	167,080,000.00		435,935,000.00
3% certificates	234,034,000.00	8,000,000.00	242,034,000.00		
National service life insurance fund:					
3½% certificates		28,750,000.00	28,750,000.00		
3⅜% certificates		8,877,000.00	7,877,000.00		1,000,000.00
3¼% certificates		5,500,000.00	5,500,000.00		
3¾% notes	31,492,000.00		7,873,000.00		23,619,000.00
3% notes	1,137,000,000.00		379,000,000.00		758,000,000.00
3¾% bonds	457,730,000.00				457,730,000.00
3¼% bonds		430,031,000.00			430,031,000.00
3⅛% bonds	343,149,000.00				343,149,000.00
3% bonds	3,790,000,000.00				3,790,000,000.00
Postal savings system:					
2% notes		56,000,000.00	30,000,000.00		26,000,000.00
Railroad retirement account:					
3% notes	3,503,534,000.00	1,074,620,000.00	1,262,369,000.00		3,315,785,000.00
Unemployment trust fund:					
3⅛% certificates		6,410,344,000.00	1,753,433,000.00		4,656,911,000.00
3% certificates	4,624,985,000.00	850,291,000.00	5,475,276,000.00		
Veterans' special term insurance fund:					
3⅛% certificates		89,783,000.00	1,827,000.00		87,956,000.00
3% certificates		4,969,000.00	4,969,000.00		
2⅞% certificates	106,280,000.00	7,400,000.00	113,680,000.00		
Total special issues	45,042,887,000.00	30,242,796,000.00	30,346,991,000.00		44,938,692,000.00
Total interest-bearing debt outstanding	285,598,704,518.25	202,573,610,771.77	193,577,213,048.19	$228,268,200.00	294,366,834,041.83

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1962
MATURED DEBT ON WHICH INTEREST HAS CEASED					
Old debt—issued prior to April 1, 1917:					
6% compound interest notes 1864–66	$155,960.00				$155,960.00
3% loan of 1908–18	98,160.00			$60.00	98,100.00
2½% postal savings bonds	492,340.00			72,580.00	419,760.00
2% consols of 1930	r 9,800.00				9,800.00
4% funded loan of 1907	342,950.00				342,950.00
3% Panama Canal loan of 1961	2,397,400.00			2,237,200.00	160,200.00
All others [10]	r 763,680.26				763,680.26
Total old debt—issued prior to April 1, 1917	4,260,290.26			2,309,840.00	1,950,450.26
Liberty loan bonds:					
First Liberty loan:					
First 3½'s	311,200.00			14,950.00	296,250.00
First 4's	91,800.00			2,700.00	89,100.00
First 4¼'s	280,600.00			25,450.00	255,150.00
First-Second 4¼'s	3,050.00				3,050.00
Total	686,650.00			43,100.00	643,550.00
Second Liberty loan:					
Second 4's	344,750.00			900.00	343,850.00
Second 4¼'s	372,650.00			6,250.00	366,400.00
Total	717,400.00			7,150.00	710,250.00
Third Liberty loan 4¼'s	1,230,800.00			7,750.00	1,223,050.00
Fourth Liberty loan 4¼'s	2,523,750.00			53,500.00	2,470,250.00
Total Liberty loan bonds	5,158,600.00			111,500.00	5,047,100.00
Victory notes:					
Victory 3¾'s	700.00				700.00
Victory 4¾'s	402,050.00			4,500.00	397,550.00
Total Victory notes	402,750.00			4,500.00	398,250.00
Treasury bonds:					
3⅜% of 1940–43	21,050.00			2,000.00	19,050.00
3⅜% of 1941–43	52,650.00			8,100.00	44,550.00
3¼% of 1941	21,350.00			5,100.00	16,250.00
3⅜% of 1943–47	74,750.00			9,500.00	65,250.00

3¼% of 1943-45	181,750.00			12,100.00	169,650.00
3¼% of 1944-46	411,250.00			16,650.00	394,600.00
4% of 1944-54	236,000.00			12,800.00	223,200.00
2¾% of 1945-47	184,750.00			36,000.00	148,750.00
2½% of 1945	6,500.00			1,000.00	5,500.00
3¾% of 1946-56	98,800.00			5,000.00	93,800.00
3% of 1946-48	85,200.00			1,300.00	83,900.00
3⅛% of 1946-49	347,600.00			44,650.00	302,950.00
4¼% of 1947-52	457,300.00			20,000.00	437,300.00
2% of 1947	16,100.00			5,250.00	10,850.00
2% of 1948-50 (dated Mar. 15, 1941)	3,250.00			950.00	2,300.00
2¾% of 1948-51	14,300.00			5,000.00	9,300.00
1¾% of 1948	78,500.00			1,500.00	77,000.00
2½% of 1948	4,050.00				4,050.00
2% of 1948-50 (dated Dec. 8, 1939)	9,300.00			5,000.00	4,300.00
2% of 1949-51 (dated Jan. 15, 1942)	1,450.00			300.00	1,150.00
2% of 1949-51 (dated May 15, 1942)	29,000.00				29,000.00
2% of 1949-51 (dated July 15, 1942)	24,800.00				24,800.00
3⅛% of 1949-52	40,800.00			3,200.00	37,600.00
2½% of 1949-53	186,100.00			2,350.00	183,750.00
1½% of 1950	571,500.00			32,000.00	539,500.00
2% of 1950-52 (dated Oct. 19, 1942)	25,800.00			2,400.00	23,400.00
2½% of 1950-52	104,100.00			2,050.00	102,050.00
2% of 1950-52 (dated Apr. 15, 1943)	420,000.00			36,500.00	383,500.00
2¼% of 1951-53	66,700.00			9,150.00	57,550.00
2% of 1951-53	1,200,500.00			145,500.00	1,055,000.00
2¾% of 1951-54	141,600.00			2,600.00	139,000.00
2% of 1951-55	187,050.00			19,450.00	167,600.00
3% of 1951-55	1,017,350.00			86,400.00	930,950.00
2½% of 1952-54	183,850.00			3,800.00	180,050.00
2% of 1952-54 (dated June 26, 1944)	1,193,500.00			140,500.00	1,053,000.00
2% of 1952-54 (dated Dec. 1, 1944)	2,565,500.00			351,500.00	2,214,000.00
2¼% of 1952-55	172,800.00			26,250.00	146,550.00
2% of 1953-55	109,750.00			31,850.00	77,900.00
2¼% of 1954-56	165,600.00			58,250.00	107,350.00
2⅞% of 1955-60	2,939,700.00			590,350.00	2,349,350.00
2½% of 1956-58	337,400.00			115,100.00	222,300.00
2¾% of 1956-59	334,150.00			69,750.00	264,400.00
2¼% of 1956-59	3,256,500.00			850,500.00	2,406,000.00
2⅜% of 1957-59	232,000.00			114,000.00	118,000.00
2½% of 1958	303,000.00			60,500.00	242,500.00
2⅜% of 1958	290,000.00			73,000.00	217,000.00
2¾% of 1958-63	435,900.00			103,550.00	332,350.00
2⅛% of 1960	1,020,500.00			708,000.00	312,500.00
2¾% of 1961			$3,195,500.00		3,195,500.00
2½% of 1961			7,912,500.00		7,912,500.00
2¼% of 1959-62 (dated June 1, 1945)			76,351,000.00		76,351,000.00
Total Treasury bonds	19,861,350.00		87,459,000.00	3,830,700.00	103,489,650.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1962
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.					
3% Adjusted service bonds of 1945	$1,917,400.00	$1,800.00		$172,750.00	$1,746,450.00
U.S. savings bonds:					
Series A-1935	450,225.00			38,125.00	412,100.00
Series B-1936	884,725.00			105,600.00	779,125.00
Series C-1937	1,043,775.00			128,650.00	915,125.00
Series C-1938	1,507,150.00			167,300.00	1,339,850.00
Series D-1939	2,531,775.00			371,300.00	2,160,475.00
Series D-1940	5,377,693.75	6.25		738,175.00	4,639,525.00
Series D-1941	6,316,875.00			1,206,100.00	5,110,775.00
Series F-1941	1,878,600.00			465,650.00	1,412,950.00
Series F-1942	10,374,950.00			2,084,375.00	8,290,575.00
Series F-1943	15,160,450.00	−795.43		3,214,979.57	11,944,675.00
Series F-1944	14,699,825.00	−930.00		3,306,095.00	11,392,800.00
Series F-1945	10,880,575.00	−6.15		2,665,318.85	8,215,250.00
Series F-1946	7,922,125.00			2,245,275.00	5,676,850.00
Series F-1947	13,554,800.00			7,619,550.00	5,935,250.00
Series F-1948	13,542,825.00	−25.10		7,711,124.90	5,831,675.00
Series F-1949	15,270,950.00	203,667.50	$5,353,550.00	10,606,917.50	10,221,250.00
Series F-1950			12,679,750.00		12,679,750.00
Series G-1941	932,100.00			174,000.00	758,100.00
Series G-1942	5,427,900.00			1,026,800.00	4,401,100.00
Series G-1943	9,921,700.00			2,003,900.00	7,917,800.00
Series G-1944	14,131,300.00			3,187,800.00	10,943,500.00
Series G-1945	14,822,700.00			3,765,200.00	11,057,500.00
Series G-1946	16,939,500.00			5,273,400.00	11,666,100.00
Series G-1947	25,501,500.00			9,057,000.00	16,444,500.00
Series G-1948	36,269,400.00			17,273,700.00	18,995,700.00
Series G-1949	51,739,000.00		19,014,100.00	35,815,700.00	34,937,400.00
Series G-1950			43,084,800.00		43,084,800.00
Total U.S. savings bonds	297,082,418.75	201,917.07	80,132,200.00	120,252,035.82	257,164,500.00
Armed Forces leave bonds:					
Series 1943:					
Apr. 1, 1943	24,675.00			2,700.00	21,975.00
July 1, 1943	42,550.00			4,275.00	38,275.00
Oct. 1, 1943	64,900.00			5,700.00	59,200.00
Series 1944:					
Jan. 1, 1944	66,525.00			5,625.00	60,900.00
Apr. 1, 1944	47,975.00			3,325.00	44,650.00
July 1, 1944	52,425.00			4,200.00	48,225.00
Oct. 1, 1944	59,175.00			5,075.00	54,100.00

Series 1945:					
Jan. 1, 1945	121,225.00			9,275.00	111,950.00
Apr. 1, 1945	105,200.00			9,875.00	95,325.00
July 1, 1945	261,425.00			26,675.00	234,750.00
Oct. 1, 1945	986,275.00			90,950.00	895,325.00
Series 1946:					
Jan. 1, 1946	4,080,875.00			409,600.00	3,671,275.00
Apr. 1, 1946	2,113,425.00			221,500.00	1,891,925.00
July 1, 1946	801,025.00			93,450.00	707,575.00
Oct. 1, 1946	906,350.00			100,625.00	805,725.00
Total Armed Forces leave bonds	9,734,025.00			992,850.00	8,741,175.00
Treasury notes:					
Regular series:					
5¾% A-1924	6,200.00				6,200.00
4¾% A-1925	1,000.00				1,000.00
4⅜% B-1925	6,600.00				6,600.00
4½% C-1925	5,700.00				5,700.00
4¾% A-1926	2,600.00				2,600.00
4¼% B-1926	1,600.00				1,600.00
4½% A-1927	2,200.00				2,200.00
4¾% B-1927	9,500.00				9,500.00
3½% A-1930-32	80,500.00				80,500.00
3½% B-1930-32	9,700.00			100.00	9,600.00
3½% C-1930-32	6,600.00				6,600.00
2⅛% B-1934	5,000.00				5,000.00
3% A-1935	6,000.00			3,000.00	3,000.00
3¼% A-1936	1,300.00				1,300.00
2¾% B-1936	1,500.00			500.00	1,000.00
2⅞% C-1936	5,500.00				5,500.00
3¼% A-1937	17,600.00			6,000.00	11,600.00
3% B-1937	28,000.00				28,000.00
2⅞% B-1938	5,000.00				5,000.00
2½% D-1938	1,400.00				1,400.00
2⅛% A-1939	30,200.00				30,200.00
1⅜% B-1939	100.00				100.00
1½% C-1939	1,300.00			200.00	1,100.00
1⅝% A-1940	150.00				150.00
1½% C-1940	10,000.00				10,000.00
1⅜% B-1941	5,000.00				5,000.00
1¼% C-1941	5,000.00				5,000.00
1¾% A-1942	22,000.00				22,000.00
2% B-1942	2,000.00				2,000.00
1¾% C-1942	53,000.00				53,000.00
1⅛% A-1943	3,500.00				3,500.00
1½% B-1943	80,100.00				80,100.00
1% C-1943	310,300.00				310,300.00
¾% A-1944	310,000.00				310,000.00
1% B-1944	740,000.00				740,000.00
1% C-1944	85,000.00				85,000.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1962
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.					
Treasury notes—Continued					
Regular series—Continued					
¾% D-1944	$500.00				$500.00
¾% A-1945	2,270,300.00				2,270,300.00
¾% B-1945	2,000.00				2,000.00
1½% A-1947	1,000.00				1,000.00
1¼% B-1947	72,000.00			$10,000.00	62,000.00
1¼% C-1947	63,000.00			1,000.00	62,000.00
1½% A-1948	8,000.00				8,000.00
1% B-1948	7,000.00			7,000.00	
1⅛% A-1949	5,000.00				5,000.00
1⅜% A-1950	37,000.00				37,000.00
1¼% A-1951	10,000.00			10,000.00	
1¼% G-1951	4,000.00				4,000.00
2⅛% A-1953	3,000.00				3,000.00
1⅜% A-1954	44,000.00				44,000.00
1⅞% B-1954	1,000.00				1,000.00
1½% A-1955	25,000.00				25,000.00
1¾% B-1955	72,000.00			1,000.00	71,000.00
1⅝% A-1956	51,000.00			50,000.00	1,000.00
2% B-1956	12,000.00			5,000.00	7,000.00
2⅞% A-1957	49,000.00			3,000.00	46,000.00
1⅝% B-1957	7,000.00			1,000.00	6,000.00
2% C-1957	11,000.00			6,000.00	5,000.00
2⅞% A-1958	153,000.00			71,000.00	82,000.00
1⅞% A-1959	318,000.00			223,000.00	95,000.00
3½% B-1959	63,000.00			12,000.00	51,000.00
3½% A-1960	1,305,000.00			903,000.00	402,000.00
3¼% B-1960	241,000.00			63,000.00	178,000.00
4¾% C-1960	733,000.00			484,000.00	249,000.00
4% A-1961			$2,021,000.00		2,021,000.00
3⅝% B-1961	4,273,000.00			3,928,000.00	345,000.00
3⅝% A-1962			1,244,000.00		1,244,000.00
4% D-1962			2,780,000.00		2,780,000.00
4% E-1962			5,591,000.00		5,591,000.00
3¼% F-1962			759,000.00		759,000.00
1½% EA-1956	1,000.00				1,000.00
1½% EO-1957	10,000.00				10,000.00
1½% EA-1958	15,000.00			3,000.00	12,000.00
1½% EO-1958	2,000.00			1,000.00	1,000.00
1½% EA-1959	17,000.00			2,000.00	15,000.00
1½% EO-1959	8,000.00			6,000.00	2,000.00

1½% EA-1960	27,000.00			26,000.00	1,000.00
1½% EO-1960	67,000.00			67,000.00	
1½% EA-1961	259,000.00			209,000.00	50,000.00
1½% EO-1961			108,000.00		108,000.00
1½% EA-1962			858,000.00		858,000.00
Tax series:					
A-1943	11,025.00			1,975.00	9,050.00
B-1943	6,600.00				6,600.00
A-1944	12,375.00			550.00	11,825.00
B-1944	2,100.00			100.00	2,000.00
A-1945	115,700.00			10,850.00	104,850.00
Savings series:					
C-1946	105,300.00			21,000.00	84,300.00
C-1947	219,100.00			27,100.00	192,000.00
C-1948	155,400.00			21,300.00	134,100.00
C-1949	81,200.00			37,200.00	44,000.00
C-1950	9,100.00			500.00	8,600.00
D-1951	21,200.00				21,200.00
D-1952	25,200.00			2,500.00	22,700.00
D-1953	93,000.00			7,000.00	86,000.00
D-1954	255,500.00			39,000.00	216,500.00
A-1954	44,500.00			10,500.00	34,000.00
A-1955	111,800.00			16,200.00	95,600.00
B-1955	39,100.00			4,700.00	34,400.00
C-1955-A	18,100.00			11,300.00	6,800.00
A-1956	25,000.00			2,800.00	22,200.00
Total Treasury notes	13,459,250.00		13,361,000.00	6,316,375.00	20,503,875.00
Certificates of indebtedness:					
Tax issue series:					
4½% T-10	1,000.00				1,000.00
4¾% TM-1921	500.00				500.00
6% TJ-1921	1,500.00				1,500.00
6% TS-1921	1,500.00				1,500.00
6% TD-1921	2,000.00				2,000.00
5½% TS2-1921	1,000.00				1,000.00
5¾% TM-1922	1,000.00				1,000.00
4½% TS2-1922	500.00				500.00
4½% TD-1922	1,000.00				1,000.00
4¼% TM-1923	1,000.00				1,000.00
3¾% TS-1923	500.00				500.00
4½% TM-1924	1,000.00				1,000.00
4% TM-1925	1,000.00				1,000.00
4½% TJ-1929	1,100.00				1,100.00
4¾% TD2-1929	500.00				500.00
5⅛% TM-1930	2,000.00				2,000.00
4⅞% TJ-1930	500.00			500.00	
1⅛% TS-1932	3,500.00				3,500.00
3¾% TM-1933	12,500.00				12,500.00
2% First—matured Mar. 15, 1933	4,950.00				4,950.00
1¼% TS-1933	10,000.00				10,000.00
4¼% TD2-1933	1,000.00				1,000.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1962
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.					
Certificates of indebtedness—Continued					
Regular:					
4½% IVA-1918	$500.00				$500.00
5¼% G-1920	1,000.00				1,000.00
5½% H-1921	500.00				500.00
5½% A-1922	1,000.00				1,000.00
3¾% A-1933	500.00				500.00
⅞% B-1944	72,000.00				72,000.00
⅞% E-1944	84,000.00				84,000.00
⅞% A-1945	78,000.00			$1,000.00	77,000.00
⅞% C-1945	21,000.00			1,000.00	20,000.00
⅞% H-1945	24,000.00			7,000.00	17,000.00
⅞% B-1946	1,000.00				1,000.00
⅞% E-1946	99,000.00			6,000.00	93,000.00
⅞% K-1946	26,000.00			1,000.00	25,000.00
⅞% E-1947	51,000.00				51,000.00
⅞% F-1947	1,000.00				1,000.00
⅞% H-1947	2,000.00			2,000.00	
⅞% C-1948	2,000.00				2,000.00
1⅛% C-1949	5,000.00				5,000.00
1⅛% D-1949	1,000.00			1,000.00	
1¼% A-1950	9,000.00				9,000.00
1¼% D-1950	11,000.00			11,000.00	
1⅞% A-1952	7,000.00			7,000.00	
1⅞% C-1952	3,000.00			1,000.00	2,000.00
1⅞% D-1952	15,000.00			15,000.00	
2% C-1953	4,000.00			4,000.00	
2⅝% B-1954	20,000.00			2,000.00	18,000.00
Tax anticipation:					
2½% C-1954	7,000.00			5,000.00	2,000.00
Regular:					
2⅝% D-1954	6,000.00			5,000.00	1,000.00
2⅝% E-1954	6,000.00				6,000.00
1⅛% D-1955	5,000.00				5,000.00
1¼% E-1955	2,000.00				2,000.00
2⅝% D-1956	1,000.00				1,000.00
3⅜% A-1958	36,000.00			17,000.00	19,000.00
3½% B-1958	12,000.00			12,000.00	
4% C-1958	37,000.00			15,000.00	22,000.00
3¾% D-1958	3,000.00			3,000.00	
2½% A-1959	5,000.00				5,000.00
1¼% B-1959	10,000.00				10,000.00
1⅝% C-1959	19,000.00			19,000.00	

Tax anticipation:					
1½% D-1959	3,000.00			3,000.00	
Regular:					
3⅜% E-1959	124,000.00			110,000.00	14,000.00
3¾% A-1960	37,000.00			4,000.00	33,000.00
4% B-1960	96,000.00			58,000.00	38,000.00
4¾% C-1960	402,000.00			271,000.00	131,000.00
4⅞% A-1961	702,000.00			525,000.00	177,000.00
4⅜% B-1961	2,810,000.00			2,781,000.00	29,000.00
3⅛% C-1961			$46,000.00		46,000.00
3% A-1962			1,024,000.00		1,024,000.00
Total certificates of indebtedness	4,912,050.00		1,070,000.00	3,887,500.00	2,094,550.00
Treasury bills, maturity date:					
Regular:					
June 5, 1940	30,000.00				30,000.00
Jan. 14, 1942	4,000.00				4,000.00
Feb. 3, 1943	1,000.00				1,000.00
May 28, 1953	10,000.00			10,000.00	
July 29, 1954	5,000.00				5,000.00
May 19, 1955	1,000.00				1,000.00
Aug. 23, 1956	5,000.00				5,000.00
Aug. 15, 1957	5,000.00				5,000.00
Oct. 24, 1957	8,000.00				8,000.00
Jan. 23, 1958	5,000.00				5,000.00
Apr. 15, 1958	10,000.00				10,000.00
Apr. 17, 1958	30,000.00				30,000.00
Apr. 24, 1958	15,000.00				15,000.00
July 3, 1958	15,000.00			15,000.00	
Mar. 5, 1959	100,000.00			100,000.00	
Apr. 23, 1959	8,000.00			3,000.00	5,000.00
Other (fixed price):					
May 15, 1959	127,000.00			116,000.00	11,000.00
Tax anticipation:					
June 22, 1959	125,000.00			105,000.00	20,000.00
Regular:					
Aug. 27, 1959	1,000.00			1,000.00	
Sept. 3, 1959	20,000.00				20,000.00
Oct. 15, 1959	16,000.00			16,000.00	
Nov. 27, 1959	50,000.00			50,000.00	
Dec. 10, 1959	3,000.00				3,000.00
Dec. 31, 1959	50,000.00			50,000.00	
Jan. 14, 1960	1,000.00				1,000.00
Other:					
Jan. 15, 1960	10,000.00			10,000.00	
Regular:					
Feb. 25, 1960	10,000.00			10,000.00	
Mar. 3, 1960	5,000.00			5,000.00	
Tax anticipation:					
Mar. 22, 1960	40,000.00			10,000.00	30,000.00
Regular:					
Apr. 7, 1960	4,000.00				4,000.00
Other:					
Apr. 15, 1960	90,000.00			46,000.00	44,000.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1962
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.					
Treasury bills, maturity date—Continued					
Regular:					
Apr. 21, 1960	$22,000.00			$21,000.00	$1,000.00
Apr. 28, 1960	12,000.00			12,000.00	
May 5, 1960	31,000.00			30,000.00	1,000.00
May 26, 1960	3,000.00			3,000.00	
June 9, 1960	10,000.00				10,000.00
Tax anticipation:					
June 22, 1960	86,000.00			63,000.00	23,000.00
Regular:					
July 7, 1960	92,000.00			92,000.00	
July 14, 1960	10,000.00			10,000.00	
Other:					
July 15, 1960	394,000.00			227,000.00	167,000.00
Regular:					
July 21, 1960	48,000.00			23,000.00	25,000.00
Aug. 4, 1960	25,000.00			13,000.00	12,000.00
Aug. 11, 1960	36,000.00			33,000.00	3,000.00
Aug. 18, 1960	3,000.00			3,000.00	
Sept. 1, 1960	1,000.00			1,000.00	
Sept. 8, 1960	22,000.00			22,000.00	
Sept. 15, 1960	16,000.00			16,000.00	
Sept. 22, 1960	11,000.00			11,000.00	
Sept. 29, 1960	20,000.00				20,000.00
Oct. 17, 1960	424,000.00			402,000.00	22,000.00
Nov. 3, 1960	14,000.00			14,000.00	
Regular:					
Nov. 10, 1960	3,000.00			3,000.00	
Nov. 17, 1960	11,000.00			11,000.00	
Nov. 25, 1960	70,000.00			70,000.00	
Dec. 1, 1960	80,000.00			80,000.00	
Dec. 8, 1960	100,000.00				100,000.00
Dec. 29, 1960	57,000.00			57,000.00	
Jan. 5, 1961	50,000.00				50,000.00
Jan. 12, 1961	26,000.00			25,000.00	1,000.00
Other:					
Jan. 15, 1961	2,384,000.00			1,790,000.00	594,000.00
Regular:					
Jan. 19, 1961	123,000.00			117,000.00	6,000.00
Jan. 26, 1961	28,000.00			7,000.00	21,000.00
Feb. 2, 1961	25,000.00			25,000.00	
Feb. 9, 1961	9,000.00			9,000.00	
Feb. 16, 1961	248,000.00			230,000.00	18,000.00
Feb. 23, 1961	88,000.00			88,000.00	
Mar. 2, 1961	90,000.00			69,000.00	21,000.00
Mar. 9, 1961	87,000.00			87,000.00	
Mar. 16, 1961	45,000.00			45,000.00	

Tax anticipation:					
Mar. 22, 1961	393,000.00			372,000.00	21,000.00
Regular:					
Mar. 23, 1961	43,000.00			4,000.00	39,000.00
Mar. 30, 1961	32,000.00			7,000.00	25,000.00
Apr. 6, 1961	10,000.00			5,000.00	5,000.00
Apr. 13, 1961	182,000.00			156,000.00	26,000.00
Other:					
Apr. 15, 1961	810,000.00			717,000.00	93,000.00
Regular:					
Apr. 20, 1961	144,000.00			143,000.00	1,000.00
Apr. 27, 1961	36,000.00			36,000.00	
May 4, 1961	56,000.00			56,000.00	
May 11, 1961	126,000.00			126,000.00	
May 18, 1961	359,000.00			359,000.00	
May 28, 1961	440,000.00			440,000.00	
June 1, 1961	544,000.00			544,000.00	
June 8, 1961	1,048,000.00			987,000.00	61,000.00
June 15, 1961	903,000.00			903,000.00	
Tax anticipation:					
June 22, 1961	24,071,000.00			24,071,000.00	
Regular:					
June 23, 1961	1,505,000.00			1,505,000.00	
June 29, 1961	4,009,000.00			3,998,000.00	11,000.00
July 6, 1961			$11,000.00		11,000.00
July 13, 1961			5,000.00		5,000.00
Other:					
July 15, 1961			30,000.00		30,000.00
Regular:					
July 27, 1961			10,000.00		10,000.00
Sept. 28, 1961			4,000.00		4,000.00
Oct. 5, 1961			100,000.00		100,000.10
Oct. 13, 1961			41,000.00		41,000.00
Other:					
Oct. 16, 1961			192,000.00		192,000.00
Regular:					
Nov. 2, 1961			20,000.00		20,000.00
Nov. 9, 1961			29,000.00		29,000.00
Nov. 16, 1961			2,000.00		2,000.00
Nov. 24, 1961			10,000.00		10,000.00
Dec. 7, 1961			5,000.00		5,000.00
Dec. 28, 1961			26,000.00		26,000.00
Jan. 4, 1962			2,000.00		2,000.00
Other:					
Jan. 15, 1962			114,000.00		114,000.00
Regular:					
Jan. 18, 1962			49,000.00		49,000.00
Jan. 25, 1962			10,000.00		10,000.00
Feb. 1, 1962			12,000.00		12,000.00
Feb. 8, 1962			110,000.00		110,000.00
Feb. 15, 1962			13,000.00		13,000.00
Feb. 23, 1962			143,000.00		143,000.00
Mar. 1, 1962			162,000.00		162,000.00
Mar. 8, 1962			9,000.00		9,000.00
Mar. 15, 1962			71,000.00		71,000.00
Mar. 22, 1962			47,000.00		47,000.00

Footnotes at end of table.

TABLE 39.—*Changes in public debt issues, fiscal year 1962* [1]—Continued

Security	Outstanding June 30, 1961	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1962
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.					
Treasury bills, maturity date—Continued					
Tax anticipation:					
Mar. 23, 1962			$28,000.00		$28,000.00
Regular:					
Mar. 29, 1962			67,000.00		67,000.00
Apr. 5, 1962			47,000.00		47,000.00
Apr. 12, 1962			176,000.00		176,000.00
Other:					
Apr. 15, 1962			690,000.00		690,000.00
Regular:					
Apr. 19, 1962			104,000.00		104,000.00
Apr. 26, 1962			186,000.00		186,000.00
May 3, 1962			531,000.00		531,000.00
May 10, 1962			197,000.00		197,000.00
May 17, 1962			103,000.00		103,000.00
May 24, 1962			438,000.00		438,000.00
May 31, 1962			209,000.00		209,000.00
June 7, 1962			290,000.00		290,000.00
June 14, 1962			612,000.00		612,000.00
June 21, 1962			1,427,000.00		1,427,000.00
Tax anticipation:					
June 22, 1962			36,201,000.00		36,201,000.00
Regular:					
June 28, 1962			3,713,000.00		3,713,000.00
Total Treasury bills	$40,319,000.00		46,246,000.00	$38,685,000.00	47,880,000.00
Treasury savings certificates:					
Issued Dec. 15, 1921	9,200.00				9,200.00
Issued Sept. 30, 1922	48,725.00			575.00	48,150.00
Issued Dec. 1, 1923	15,725.00				15,725.00
Total Treasury savings certificates	73,650.00			575.00	73,075.00
Total matured debt on which interest has ceased	397,180,784.01	$203,717.07	228,268,200.00	176,563,625.82	449,089,075.26
DEBT BEARING NO INTEREST					
U.S. savings stamps	51,695,265.33	18,152,087.90		17,482,436.57	52,364,916.66

Excess profits tax refund bonds:					
First series	413, 690. 68			7, 774. 53	405, 916. 15
Second series	336, 893. 90			14, 249. 02	322, 644. 88
Total excess profits tax refund bonds	750, 584. 58			22, 023. 55	728, 561. 03
Special notes of the United States:					
International Monetary Fund, various issue dates	2, 496, 000, 000. 00	728, 000, 000. 00		557, 000, 000. 00	2, 667, 000, 000. 00
International Development Association, various issue dates	57, 652, 200. 00	57, 652, 200. 00			115, 304, 400. 00
Inter-American Development Bank, various issue dates		55, 000, 000. 00			55, 000, 000. 00
U.S. notes (less gold reserve)	190, 641, 585. 07				190, 641, 585. 07
Old demand notes	52, 917. 50				52, 917. 50
National and Federal Reserve Bank notes	147, 258, 571. 50			8, 717, 401. 00	138, 541, 170. 50
Fractional currency	1, 965, 538. 00			223. 18	1, 965, 314. 82
Old series currency (31 U.S.C. 912–916)		97, 478, 969. 00		1, 823, 771. 00	95, 655, 198. 00
Thrift and Treasury savings stamps	3, 704, 077. 50			957. 50	3, 703, 120. 00
Total debt bearing no interest	2, 949, 720, 739. 48	956, 283, 256. 90		585, 046, 812. 80	3, 320, 957, 183. 58
Total gross public debt [11]	288, 945, 606, 041. 74	203, 530, 097, 745. 74		194, 338, 823, 486. 81	298, 136, 880, 300. 67

[r] Revised.
[1] Interest rates on Series E and H savings bonds were increased on Sept. 22, 1959, retroactive to June 1, 1959.
[2] Reconciliation by security classes to the basis of the daily Treasury statement is shown in summary table 32.
[3] Treasury bills are shown at maturity value.
[4] Consists of a "strip" issued on June 14, 1961, of additional amounts of 18 series of outstanding Treasury bills dated from Feb. 2 through June 1, 1961, and maturing each week from Aug. 3 through Nov. 30, 1961.
[5] Excludes $100,104,000 issued on June 14, 1961 (see footnote 4).
[6] Consists of a "strip" issued on Nov. 15, 1961, of additional amounts of 8 series of outstanding Treasury bills dated from June 8, 1961, through July 27, 1961, and maturing each week from Dec. 7, 1961, through Jan. 25, 1962.
[7] Excludes $100,007,000 issued on Nov. 15, 1961 (see footnote 6).
[8] Amounts issued and retired for Series E, F, and J include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G, H, and K are stated at par value.
[9] Excess of unclassified redemptions over unclassified sales.
[10] Consists of issues in which there have been no transactions since the fiscal year 1956; for amount of each issue outstanding (unchanged since June 30, 1956) see 1956 annual report, page 435.
[11] Includes public debt incurred to finance expenditures of certain wholly owned Government corporations and other business-type activities in exchange for which their obligations were issued to the Treasury (see table 122).

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special Issues, July 1961–June 1962* [1]

[On basis of daily Treasury statements, supplemented by special statements by the Bureau of the Public Debt on public debt transactions]

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1961	Regular weekly:			
July 6	Issued Jan. 5, 1961:			
	Redeemed in exchange for series dated July 6, 1961, due Oct. 5, 1961	*Percent* [5] 2.457		$45,797,000.00
	Redeemed in exchange for series dated July 6, 1961, due Jan. 4, 1962			27,154,000.00
	Redeemable for cash			1,527,381,000.00
6	Maturing Oct. 5, 1961:			
	Issued in exchange for series dated Jan. 5, 1961	2.305	$45,797,000.00	
	Issued for cash		1,054,740,000.00	
6	Maturing Jan. 4, 1962:			
	Issued in exchange for series dated Jan. 5, 1961	2.486	27,154,000.00	
	Issued for cash		472,790,000.00	
13	Issued Jan. 12, 1961:			
	Redeemed in exchange for series dated July 13, 1961, due Oct. 13, 1961	[5] 2.436		11,911,000.00
	Redeemed in exchange for series dated July 13, 1961, due Jan. 11, 1962			2,455,000.00
	Redeemable for cash			1,586,561,000.00
13	Maturing Oct. 13, 1961:			
	Issued in exchange for series dated Jan. 12, 1961	2.322	11,911,000.00	
	Issued for cash		1,088,967,000.00	
13	Maturing Jan. 11, 1962:			
	Issued in exchange for series dated Jan. 12, 1961	2.512	2,455,000.00	
	Issued for cash		497,723,000.00	
	Other:			
15	Issued July 15, 1960:			
	Redeemed in exchange for series dated July 15, 1961, due July 15, 1962	3.265		9,569,000.00
	Redeemable for cash			1,490,940,000.00
15	Maturing July 15, 1962:			
	Issued in exchange for series dated July 15, 1960	2.908	9,569,000.00	
	Issued for cash		1,993,947,000.00	
	Regular weekly:			
20	Issued Jan. 19, 1961:			
	Redeemed in exchange for series dated July 20, 1961, due Oct. 19, 1961	[5] 2.355		75,620,000.00
	Redeemed in exchange for series dated July 20, 1961, due Jan. 18. 1962			32,950,000.00
	Redeemable for cash			1,391,943,000.00
20	Maturing Oct. 19, 1961:			
	Issued in exchange for series dated Jan. 19, 1961	2.200	75,620,000.00	
	Issued for cash		1,024,385,000.00	
20	Maturing Jan. 18, 1962:			
	Issued in exchange for series dated Jan. 19, 1961	2.385	32,950,000.00	
	Issued for cash		466,954,000.00	
	Tax anticipation:			
26	Maturing March 23, 1962:			
	Issued for cash	2.484	3,502,886,000.00	
	Regular weekly:			
27	Issued Jan. 26, 1961:			
	Redeemed in exchange for series dated July 26, 1961, due Oct. 26, 1961	[5] 2.259		61,284,000.00
	Redeemed in exchange for series dated July 26, 1961, due June 25, 1962			41,134,000.00
	Redeemable for cash			1,498,400,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1961	Regular weekly—Continued			
July 27	Maturing Oct. 26, 1961:			
	Issued in exchange for series dated Jan. 26, 1961	*Percent* 2.244	$61,284,000.00	
	Issued for cash		1,038,602,000.00	
27	Maturing Jan. 25, 1962:			
	Issued in exchange for series dated Jan. 26, 1961	2.446	41,134,000.00	
	Issued for cash		458,946,000.00	
	U.S. savings bonds: [6]			
31	Series E-1941	[7] 3.223	1,056,696.40	$3,409,141.91
31	Series E-1942	[7] 3.252	7,100,891.46	8,209,326.40
31	Series E-1943	[7] 3.276	5,863,532.26	13,179,313.70
31	Series E-1944	[7] 3.298	10,648,846.82	16,337,204.63
31	Series E-1945	[7] 3.316	5,492,344.82	14,621,342.38
31	Series E-1946	[7] 3.327	6,604,252.81	7,248,538.55
31	Series E-1947	[7] 3.346	4,934,794.84	7,870,174.06
31	Series E-1948	[7] 3.366	5,403,425.89	8,911,721.86
31	Series E-1949	[7] 3.344	6,009,908.32	10,312,233.14
31	Series E-1950	[7] 3.347	6,189,790.11	11,684,936.78
31	Series E-1951	[7] 3.378	6,046,846.20	14,066,937.54
31	Series E-1952 (January to April)	3.400	4,224,455.24	1,909,208.65
31	Series E-1952 (May to December)	[7] 3.451	2,663,072.30	4,384,190.27
31	Series E-1953	[7] 3.408	7,259,034.79	7,549,851.32
31	Series E-1954	[7] 3.497	6,674,800.50	7,986,338.00
31	Series E-1955	[7] 3.522	7,259,878.36	9,373,675.53
31	Series E-1956	[7] 3.546	7,246,307.71	9,438,871.35
31	Series E-1957 (January)	3.560	3,207,031.00	803,505.46
31	Series E-1957 (February to December)	[7] 3.653	3,389,020.08	10,656,720.17
31	Series E-1958	[7] 3.690	7,643,000.90	14,658,597.21
31	Series E-1959 (January to May)	3.730	3,999,068.14	7,096,805.42
31	Series E-1959 (June to December)	3.750	3,484,815.77	12,163,397.27
31	Series E-1960	3.750	7,186,819.67	41,380,277.57
31	Series E-1961	3.750	271,906,976.38	66,184,218.75
31	Unclassified sales and redemptions		6,131,713.55	44,236,176.83
31	Series F-1949	2.53	160,265.35	4,346,554.00
31	Series F-1950	2.53	445,623.65	332,814.26
31	Series F-1951	2.53	266,964.51	149,417.72
31	Series F-1952	2.53	133,322.35	96,142.50
31	Unclassified redemptions			3,073,732.08
31	Series G-1949	2.50		29,059,800.00
31	Series G-1950	2.50		2,157,600.00
31	Series G-1951	2.50		1,573,900.00
31	Series G-1952	2.50		373,800.00
31	Unclassified redemptions			8,955,600.00
31	Series H-1952	[7] 3.123		441,000.00
31	Series H-1953	[7] 3.161		1,162,000.00
31	Series H-1954	[7] 3.211		2,112,000.00
31	Series H-1955	[7] 3.258		2,862,500.00
31	Series H-1956	[7] 3.317		2,491,500.00
31	Series H-1957 (January)	3.360		118,500.00
31	Series H-1957 (February to December)	[7] 3.626		1,860,000.00
31	Series H-1958	[7] 3.679		2,826,000.00
31	Series H-1959 (January to May)	3.720		1,105,000.00
31	Series H-1959 (June to December)	3.750		1,359,000.00
31	Series H-1960	3.750		2,662,500.00
31	Series H-1961	3.750	77,499,500.00	38,000.00
31	Unclassified sales and redemptions		5,713,000.00	1,458,000.00
31	Series J-1952	2.76	80,915.10	273,354.10
31	Series J-1953	2.76	231,420.00	413,353.40
31	Series J-1954	2.76	429,575.84	543,389.17
31	Series J-1955	2.76	424,361.83	854,716.60
31	Series J-1956	2.76	359,630.68	345,502.16
31	Series J-1957	2.76	103,057.35	118,897.85
31	Unclassified redemptions			[8] −515,015.84
31	Series K-1952	2.76		462,000.00
31	Series K-1953	2.76		850,500.00
31	Series K-1954	2.76		1,858,000.00
31	Series K-1955	2.76		1,408,500.00
31	Series K-1956	2.76		1,148,500.00
31	Series K-1957	2.76		141,500.00
31	Unclassified redemptions			1,320,000.00
31	Treasury notes, Series A-1963	2⅝		
	Adjustments of exchange redemptions [9]			20,000.00
31	Depositary bonds, First Series	2.00	25,272,500.00	3,942,500.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1961		*Percent*		
July 31	Treasury bonds, R.E.A. Series	2.00	$722,000.00	
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes, Series EA-1966			$37,854,000.00
31	Treasury notes, Series EA-1966	1½	37,854,000.00	
31	Miscellaneous			15,573,600.00
	Total July		12,465,140,460.98	8,294,000,362.75
Aug. 1	Treasury notes, Series H-1962	3¼		
	Issued in exchange for:			
	3⅛% Certificates of indebtedness, Series C-1961		4,560,304,000.00	
	4% Treasury notes, Series A-1961		657,902,000.00	
	1½% Treasury notes, Series EO-1961		183,003,000.00	
	2¾% Treasury bonds of 1961		680,596,000.00	
1	Treasury notes, Series E-1964	3¾		
	Issued in exchange for:			
	3⅛% Certificates of indebtedness, Series C-1961		3,049,252,000.00	
	4% Treasury notes, Series A-1961		990,576,000.00	
	1½% Treasury notes, Series EO-1961		88,558,000.00	
	2¾% Treasury bonds of 1961		890,296,000.00	
1	Treasury bonds of 1968 (additional issue)	3⅞		
	Issued in exchange for:			
	3⅛% Certificates of indebtedness, Series C-1961		131,283,000.00	
	4% Treasury notes, Series A-1961		289,270,000.00	
	1½% Treasury notes, Series EO-1961		8,256,000.00	
	2¾% Treasury bonds of 1961		317,312,000.00	
1	Treasury notes, Series A-1961	4.00		
	Redeemed in exchange for:			
	3¼% Treasury notes, Series H-1962			657,902,000.00
	3¾% Treasury notes, Series E-1964			990,576,000.00
	3⅞% Treasury bonds of 1968 (additional issue)			289,270,000.00
	Redeemable for cash			197,865,000.00
1	Treasury notes, Series EO-1961	1½		
	Redeemed in exchange for:			
	3¼% Treasury notes, Series H-1962			183,003,000.00
	3¾% Treasury notes, Series E-1964			88,558,000.00
	3⅞% Treasury bonds of 1968 (additional issue)			8,256,000.00
1	Certificates of indebtedness, Series C-1961, regular	3⅛		
	Redeemed in exchange for:			
	3¼% Treasury notes, Series H-1962			4,560,304,000.00
	3¾% Treasury notes, Series E-1964			3,049,252,000.00
	3⅞% Treasury bonds of 1968 (additional issue)			131,283,000.00
	Redeemable for cash			87,936,000.00
1	Treasury bonds of 1961	2¾		
	Redeemed in exchange for:			
	3¼% Treasury notes, Series H-1962			680,596,000.00
	3¾% Treasury notes, Series E-1964			890,296,000.00
	3⅞% Treasury bonds of 1968 (additional issue)			317,312,000.00
	Treasury bills:			
	Regular weekly:			
3	Issued Feb. 2, 1961:			
	Redeemed in exchange for series dated Aug. 3, 1961, due Nov. 2, 1961	[5] 2.358		117,749,000.00
	Redeemed in exchange for series dated Aug. 3, 1961, due Feb. 1, 1962			61,295,000.00
	Redeemable for cash			1,522,100,000.00
3	Maturing Nov. 2, 1961:			
	Issued in exchange for series dated Feb. 2, 1961	2.299	117,749,000.00	
	Issued for cash		983,514,000.00	
3	Maturing Feb. 1, 1962:			
	Issued in exchange for series dated Feb. 2, 1961	2.557	61,295,000.00	
	Issued for cash		539,024,000.00	
8	Certificates of indebtedness, foreign series	2.40	450,000,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1961	Regular weekly:			
Aug. 10	Issued Feb. 9, 1961:			
	Redeemed in exchange for series dated Aug. 10, 1961, due Nov. 9, 1961	*Percent* [5] 2.335		$53,083,000.00
	Redeemed in exchange for series dated Aug. 10, 1961, due Feb. 8, 1962			31,560,000.00
	Redeemable for cash			1,616,224,000.00
10	Maturing Nov. 9, 1961:			
	Issued in exchange for series dated Feb. 9, 1961	2.366	$53,083,000.00	
	Issued for cash		1,047,135,000.00	
10	Maturing Feb. 8, 1962:			
	Issued in exchange for series dated Feb. 9, 1961	2.617	31,560,000.00	
	Issued for cash		568,593,000.00	
17	Issued Feb. 16, 1961:			
	Redeemed in exchange for series dated Aug. 17, 1961, due Nov. 16, 1961	[5] 2.381		109,429,000.00
	Redeemed in exchange for series dated Aug. 17, 1961, due Feb. 15, 1962			52,197,000.00
	Redeemable for cash			1,538,932,000.00
17	Maturing Nov. 16, 1961:			
	Issued in exchange for series dated Feb. 16, 1961	2.519	109,429,000.00	
	Issued for cash		991,404,000.00	
17	Maturing Feb. 15, 1962:			
	Issued in exchange for series dated Feb. 16, 1961	2.765	52,197,000.00	
	Issued for cash		547,830,000.00	
24	Issued Feb. 23, 1961:			
	Redeemed in exchange for series dated Aug. 24, 1961, due Nov. 24, 1961	[5] 2.450		98,152,000.00
	Redeemed in exchange for series dated Aug. 24, 1961, due Feb. 23, 1962			53,293,000.00
	Redeemable for cash			1,549,156,000.00
24	Maturing Nov. 24, 1961:			
	Issued in exchange for series dated Feb. 23, 1961	2.504	98,152,000.00	
	Issued for cash		1,002,642,000.00	
24	Maturing Feb. 23, 1962:			
	Issued in exchange for series dated Feb. 23, 1961	2.793	53,293,000.00	
	Issued for cash		546,799,000.00	
31	Issued March 2, 1961:			
	Redeemed in exchange for series dated Aug. 31, 1961, due Nov. 30, 1961	[5] 2.536		11,906,000.00
	Redeemed in exchange for series dated Aug. 31, 1961, due March 1, 1962			26,670,000.00
	Redeemable for cash			1,562,598,000.00
31	Maturing Nov. 30, 1961:			
	Issued in exchange for series dated March 2, 1961	2.321	11,906,000.00	
	Issued for cash		1,088,410,000.00	
31	Maturing March 1, 1962:			
	Issued in exchange for series dated March 2, 1961	2.617	26,670,000.00	
	Issued for cash		573,716,000.00	
31	Treasury bonds of 1980	3½		
	Adjustments of issues [9]		−10,000.00	
31	Treasury bonds of 1998	3½		
	Adjustments of issues [9]		10,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1961	U.S. savings bonds: [6]	*Percent*		
Aug. 31	Series E-1941	[7] 3.223	$717,997.38	$6,323,423.47
31	Series E-1942	[7] 3.252	4,124,240.41	13,142,248.58
31	Series E-1943	[7] 3.276	4,504,743.08	19,831,466.60
31	Series E-1944	[7] 3.298	7,851,855.77	25,366,430.61
31	Series E-1945	[7] 3.316	3,912,348.09	21,465,330.56
31	Series E-1946	[7] 3.327	3,364,355.66	11,511,297.95
31	Series E-1947	[7] 3.346	3,471,143.12	12,209,905.76
31	Series E-1948	[7] 3.366	3,986,852.11	14,265,770.63
31	Series E-1949	[7] 3.344	4,565,499.77	15,892,651.18
31	Series E-1950	[7] 3.347	4,547,674.41	17,227,744.54
31	Series E-1951	[7] 3.378	4,912,252.27	23,098,496.50
31	Series E-1952 (January to April)	3.400	3,082,746.98	2,967,952.43
31	Series E-1952 (May to December)	[7] 3.451	2,418,512.76	6,308,474.70
31	Series E-1953	[7] 3.468	5,681,852.72	10,967,926.94
31	Series E-1954	[7] 3.497	5,403,290.04	12,048,968.83
31	Series E-1955	[7] 3.522	5,749,542.63	13,868,019.38
31	Series E-1956	[7] 3.546	5,886,890.75	13,950,330.67
31	Series E-1957 (January)	3.560	21.61	1,289,628.74
31	Series E-1957 (February to December)	[7] 3.653	5,766,890.57	14,674,672.08
31	Series E-1958	[7] 3.690	6,148,263.82	17,937,300.56
31	Series E-1959 (January to May)	3.730	3,171,159.37	8,806,302.88
31	Series E-1959 (June to December)	3.750	2,917,366.94	14,462,754.54
31	Series E-1960	3.750	5,978,060.32	47,032,958.95
31	Series E-1961	3.750	326,356,602.58	87,667,538.76
31	Unclassified sales and redemptions		4,821,364.33	[8] −58,469,371.44
31	Series F-1949	2.53	130,070.90	9,041,045.50
31	Series F-1950	2.53	247,743.36	344,045.66
31	Series F-1951	2.53	184,326.11	173,586.29
31	Series F-1952	2.53	93,024.05	125,495.50
31	Unclassified redemptions			[8] −3,474,585.01
31	Series G-1949	2.50		42,116,500.00
31	Series G-1950	2.50		2,429,700.00
31	Series G-1951	2.50		1,633,700.00
31	Series G-1952	2.50		518,500.00
31	Unclassified redemptions			[8] −11,476,000.00
31	Series H-1952	[7] 3.123		370,500.00
31	Series H-1953	[7] 3.161		1,211,500.00
31	Series H-1954	[7] 3.211		2,242,000.00
31	Series H-1955	[7] 3.258		2,914,500.00
31	Series H-1956	[7] 3.317		2,549,000.00
31	Series H-1957 (January)	3.360		154,000.00
31	Series H-1957 (February to December)	[7] 3.626		1,857,000.00
31	Series H-1958	[7] 3.679		3,085,000.00
31	Series H-1959 (January to May)	3.720		1,233,500.00
31	Series H-1959 (June to December)	3.750		1,318,000.00
31	Series H-1960	3.750	5,000.00	3,363,500.00
31	Series H-1961	3.750	83,217,000.00	282,500.00
31	Unclassified sales and redemptions		[8] −2,742,500.00	274,000.00
31	Series J-1952	2.76	64,097.60	110,012.40
31	Series J-1953	2.76	177,010.40	221,866.65
31	Series J-1954	2.76	380,513.31	721,267.70
31	Series J-1955	2.76	286,901.18	582,263.60
31	Series J-1956	2.76	318,570.16	329,264.86
31	Series J-1957	2.76	92,683.53	142,875.97
31	Unclassified redemptions			1,307,472.14
31	Series K-1952	2.76		581,500.00
31	Series K-1953	2.76		876,500.00
31	Series K-1954	2.76		1,872,000.00
31	Series K-1955	2.76		2,328,500.00
31	Series K-1956	2.76		1,487,000.00
31	Series K-1957	2.76		157,500.00
31	Unclassified redemptions			[8] −1,296,000.00
31	Depositary bonds, First Series	2.00	1,130,000.00	3,150,000.00
31	Treasury bonds, R.E.A. Series	2.00	504,000.00	45,000.00
31	Treasury bonds, Investment Series B-1975-80. Redeemed in exchange for Treasury notes, Series EA-1966	2¾		68,109,000.00
31	Treasury notes, Series EA-1966	1½	68,109,000.00	
31	Miscellaneous			42,797,900.00
	Total August		21,382,547,968.09	21,096,412,135.72

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1961	Regular weekly:			
Sept. 7	Issued March 9, 1961:			
	Redeemed in exchange for series dated Sept. 7, 1961, due Dec. 7, 1961	*Percent* [5] 2.551		$11,748,000.00
	Redeemed in exchange for series dated Sept. 7, 1961, due Mar. 8, 1962			29,050,000.00
	Redeemable for cash			1,660,223,000.00
7	Maturing Dec. 7, 1961:			
	Issued in exchange for series dated Mar. 9, 1961	2.392	$11,748,000.00	
	Issued for cash		1,097,317,000.00	
7	Maturing March 8, 1962:			
	Issued in exchange for series dated Mar. 9, 1961	2.692	29,050,000.00	
	Issued for cash		566,185,000.00	
14	Issued March 16, 1961:			
	Redeemed in exchange for series dated Sept. 14, 1961, due Dec. 14, 1961	[5] 2.343		13,677,000.00
	Redeemed in exchange for series dated Sept. 14, 1961, due Mar. 15, 1962			1,980,000.00
	Redeemable for cash			1,685,055,000.00
14	Maturing Dec. 14, 1961:			
	Issued in exchange for series dated March 16, 1961	2.328	13,677,000.00	
	Issued for cash		1,087,324,000.00	
14	Maturing March 15, 1962:			
	Issued in exchange for series dated March 16, 1961	2.685	1,980,000.00	
	Issued for cash		598,628,000.00	
15	Treasury bonds of 1980 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1965–70		1,035,876,500.00	
	2½% Treasury bonds of 1966–71		238,188,500.00	
15	Treasury bonds of 1990 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1965–70		720,583,000.00	
	2½% Treasury bonds of 1966–71		575,726,500.00	
15	Treasury bonds of 1998 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1965–70		473,585,500.00	
	2½% Treasury bonds of 1966–71		713,069,500.00	
15	Treasury bonds of 1965–70	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1980 (additional issue)			1,035,876,500.00
	3½% Treasury bonds of 1990 (additional issue)			720,583,000.00
	3½% Treasury bonds of 1998 (additional issue)			473,585,500.00
15	Treasury bonds of 1966–71	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1980 (additional issue)			238,188,500.00
	3½% Treasury bonds of 1990 (additional issue)			575,726,500.00
	3½% Treasury bonds of 1998 (additional issue)			713,069,500.00
	Treasury bills:			
	Regular weekly:			
21	Issued March 23, 1961:			
	Redeemed in exchange for series dated Sept. 21, 1961, due Dec. 21, 1961	[5] 2.366		110,523,000.00
	Redeemed in exchange for series dated Sept. 21, 1961, due Mar. 22, 1962			62,505,000.00
	Redeemable for cash			1,528,209,000.00
21	Maturing Dec. 21, 1961:			
	Issued in exchange for series dated March 23, 1961	2.262	110,523,000.00	
	Issued for cash		989,239,000.00	
21	Maturing March 22, 1962:			
	Issued in exchange for series dated March 23, 1961	2.681	62,505,000.00	
	Issued for cash		537,708,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
	Tax anticipation:			
1961 Sept. 22	Issued April 3, 1961:	*Percent*		
	Redeemable for cash	2.473		$1,502,900,000.00
27	Maturing June 22, 1962:			
	Issued for cash	2.705	$2,510,805,000.00	
	Regular weekly:			
28	Issued March 30, 1961:			
	Redeemed in exchange for series dated Sept. 28, 1961, due Dec. 28, 1961	[5] 2.329		83,362,000.00
	Redeemed in exchange for series dated Sept. 28, 1961, due Mar. 29, 1962			51,610,000.00
	Redeemable for cash			1,565,265,000.00
28	Maturing Dec. 28, 1961:			
	Issued in exchange for series dated March 30, 1961	2.234	83,362,000.00	
	Issued for cash		1,016,848,000.00	
28	Maturing March 29, 1962:			
	Issued in exchange for series dated March 30, 1961	2.697	51,610,000.00	
	Issued for cash		548,460,000.00	
30	Treasury bonds of 1967	3⅝		
	Adjustments of bonds issued in exchange for 2¼% Treasury bonds of 1959–62 (Nov. 15, 1945, issue) [9]		−4,000.00	
30	Treasury bonds of 1959–62 (Nov. 15, 1945, issue)	2¼		
	Adjustments of bonds redeemed in exchange for 3⅝% Treasury bonds of 1967 [9]			−4,000.00
	U.S. savings bonds: [6]			
30	Series E–1941	[7] 3.223	714,837.96	4,818,316.77
30	Series E–1942	[7] 3.252	4,329,072.44	10,623,346.76
30	Series E–1943	[7] 3.276	10,550,287.10	16,250,972.02
30	Series E–1944	[7] 3.298	3,679,075.49	20,263,688.68
30	Series E–1945	[7] 3.316	3,588,034.09	16,716,065.39
30	Series E–1946	[7] 3.327	957,661.57	9,296,166.61
30	Series E–1947	[7] 3.346	3,432,703.49	9,728,924.22
30	Series E–1948	[7] 3.366	3,672,634.13	11,342,565.32
30	Series E–1949	[7] 3.344	4,334,771.45	12,857,085.07
30	Series E–1950	[7] 3.347	4,394,939.01	13,827,148.69
30	Series E–1951	[7] 3.378	4,786,225.16	19,211,772.99
30	Series E–1952 (January to April)	3.400	2,937,533.60	2,563,491.98
30	Series E–1952 (May to December)	[7] 3.451	2,434,398.80	5,291,799.39
30	Series E–1953	[7] 3.468	5,697,344.71	9,410,285.54
30	Series E–1954	[7] 3.497	5,274,732.58	10,266,577.83
30	Series E–1955	[7] 3.522	5,790,534.81	11,660,653.53
30	Series E–1956	[7] 3.546	5,559,848.13	11,898,508.93
30	Series E–1957 (January)	3.560	−22,179.01	1,091,824.68
30	Series E–1957 (February to December)	[7] 3.653	5,566,880.46	11,836,106.43
30	Series E–1958	[7] 3.690	6,090,936.89	13,253,467.99
30	Series E–1959 (January to May)	3.730	2,993,262.18	6,496,103.64
30	Series E–1959 (June to December)	3.750	3,091,552.97	10,640,650.82
30	Series E–1960	3.750	5,888,946.55	32,278,206.58
30	Series E–1961	3.750	283,890,044.59	75,941,120.53
30	Unclassified sales and redemptions		2,479,983.77	8,099,606.17
30	Series F–1949	2.53	126,611.50	6,259,648.50
30	Series F–1950	2.53	301,096.52	672,284.13
30	Series F–1951	2.53	159,491.72	479,619.20
30	Series F–1952	2.53	75,882.10	97,658.35
30	Unclassified redemptions			[8] −957,089.52
30	Series G–1949	2.50		32,299,700.00
30	Series G–1950	2.50		2,968,700.00
30	Series G–1951	2.50		1,768,200.00
30	Series G–1952	2.50		481,500.00
30	Unclassified redemptions			[8] −4,955,300.00
30	Series H–1952	[7] 3.123		575,000.00
30	Series H–1953	[7] 3.161		1,236,000.00
30	Series H–1954	[7] 3.211		2,156,000.00
30	Series H–1955	[7] 3.258		2,836,000 00
30	Series H–1956	[7] 3.317		2,478,500.00
30	Series H–1957 (January)	3.360		[illegible],219,000.00
30	Series H–1957 (February to December)	[7] 3.626		1,848,500.00
30	Series H–1958	[7] 3.679		2,932,500.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1961	U.S. savings bonds [6]—Continued	*Percent*		
Sept. 30	Series H-1959 (January to May)	3.720		$1,364,000.00
30	Series H-1959 (June to December)	3.750		1,263,000.00
30	Series H-1960	3.750	$3,000.00	3,321,500.00
30	Series H-1961	3.750	77,347,500.00	634,500.00
30	Unclassified sales and redemptions		[8] -7,057,000.00	[8] -138,500.00
30	Series J-1952	2.76	82,278.70	324,735.05
30	Series J-1953	2.76	205,365.65	528,761.20
30	Series J-1954	2.76	360,483.55	637,737.16
30	Series J-1955	2.76	364,405.61	709,991.34
30	Series J-1956	2.76	252,688.33	905,226.96
30	Series J-1957	2.76	76,823.57	278,346.97
30	Unclassified redemptions			[8] -227,684.18
30	Series K-1952	2.76		624,500.00
30	Series K-1953	2.76		1,063,000.00
30	Series K-1954	2.76		1,837,500.00
30	Series K-1955	2.76		1,349,500.00
30	Series K-1956	2.76		1,026,000.00
30	Series K-1957	2.76		86,000.00
30	Unclassified redemptions			194,000.00
30	Depositary bonds, First Series	2.00	15,346,000.00	2,192,000.00
30	Treasury bonds, R.E.A. Series	2.00	533,000.00	
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes, Series EA-1966			139,756,000.00
30	Treasury notes, Series EA-1966	1½	139,756,000.00	
30	Miscellaneous			23,040,100.00
	Total September		13,684,042,190.17	12,652,963,591.72
	Treasury bills:			
	Tax anticipation:			
Oct. 1	Maturing June 22, 1962:			
	Adjustment of cash issues	2.705	50,000.00	
1	Treasury notes, Series EO-1961:			
	Redeemable for cash	1½		52,158,000.00
4	Certificates of indebtedness, foreign currency series, maturing Jan. 4, 1962	1.25	23,145,000.00	
	Treasury bills:			
	Regular weekly:			
5	Issued Apr. 6, 1961:			
	Redeemed in exchange for series dated Oct. 5, 1961, due Jan. 4, 1962	[5] 2.409		68,198,000.00
	Redeemed in exchange for series dated Oct. 5, 1961, due Apr. 5, 1962			51,885,000.00
	Redeemable for cash			1,580,693,000.00
5	Maturing Jan. 4, 1962:			
	Issued in exchange for series dated Apr. 6, 1961	2.302	68,198,000.00	
	Issued for cash		1,032,059,000.00	
5	Maturing Apr. 5, 1962:			
	Issued in exchange for series dated Apr. 6, 1961	2.683	51,885,000.00	
	Issued for cash		548,361,000.00	
11	Treasury notes, Series D-1963 (additional issue):			
	Issued for cash	3¼	2,294,680,000.00	
	Treasury bills:			
	Regular weekly:			
13	Issued April 13, 1961:			
	Redeemed in exchange for series dated Oct. 13, 1961, due Jan. 11, 1962	[5] 2.390		120,718,000.00
	Redeemed in exchange for series dated Oct. 13, 1961, due Apr. 12, 1962			2,890,000.00
	Redeemable for cash			1,577,749,000.00
13	Maturing Jan. 11, 1962:			
	Issued in exchange for series dated Apr. 13, 1961	2.389	120,718,000.00	
	Issued for cash		979,670,000.00	
13	Maturing April 12, 1962:			
	Issued in exchange for series dated April 13, 1961	2.684	2,890,000.00	
	Issued for cash		597,252,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1961	Other:			
Oct. 16	Issued Oct. 17, 1960:			
	Redeemed in exchange for series dated Oct. 16, 1961, due Oct. 15, 1962	*Percent* 3.131		$10,827,000.00
	Redeemable for cash			1,491,338,000.00
16	Maturing Oct. 15, 1962:			
	Issued in exchange for series dated Oct. 17, 1960	2.975	$10,827,000.00	
	Issued for cash		1,992,636,000.00	
	Regular weekly:			
19	Issued Apr. 20, 1961:			
	Redeemed in exchange for series dated Oct. 19, 1961, due Jan. 18, 1962	[5] 2.271		113,055,000.00
	Redeemed in exchange for series dated Oct. 19, 1961, due Apr. 19, 1962			2,950,000.00
	Redeemable for cash			1,484,394,000.00
19	Maturing Jan. 18, 1962:			
	Issued in exchange for series dated Apr. 20, 1961	2.382	113,055,000.00	
	Issued for cash		987,130,000.00	
19	Maturing April 19, 1962:			
	Issued in exchange for series dated April 20, 1961	2.734	2,950,000.00	
	Issued for cash		597,407,000.00	
26	Issued April 27, 1961:			
	Redeemed in exchange for series dated Oct. 26, 1961, due Jan. 25, 1962	[5] 2.262		130,480,000.00
	Redeemed in exchange for series dated Oct. 26, 1961, due Apr. 26, 1962			53,297,000.00
	Redeemable for cash			1,416,328,000.00
26	Maturing January 25, 1962:			
	Issued in exchange for series dated April 27, 1961	2.325	130,480,000.00	
	Issued for cash		970,794,000.00	
26	Maturing April 26, 1962:			
	Issued in exchange for series dated April 27, 1961	2.708	53,297,000.00	
	Issued for cash		546,846,000.00	
	U.S. savings bonds: [6]			
31	Series E-1941	[7] 3.223	816,734.72	5,855,231.10
31	Series E-1942	[7] 3.252	4,512,028.12	13,501,785.56
31	Series E-1943	[7] 3.276	8,540,822.11	22,555,970.51
31	Series E-1944	[7] 3.298	3,363,421.32	26,106,441.30
31	Series E-1945	[7] 3.316	4,399,060.05	21,849,738.01
31	Series E-1946	[7] 3.327	3,266,800.95	12,252,774.89
31	Series E-1947	[7] 3.346	3,257,380.19	13,380,350.32
31	Series E-1948	[7] 3.366	3,557,557.01	15,054,392.50
31	Series E-1949	[7] 3.344	4,023,674.00	16,662,710.51
31	Series E-1950	[7] 3.347	4,058,482.71	17,998,054.13
31	Series E-1951	[7] 3.378	4,942,374.52	25,939,376.67
31	Series E-1952 (January to April)	3.400	2,645,997.52	3,481,472.21
31	Series E-1952 (May to December)	[7] 3.451	2,538,065.88	7,145,630.61
31	Series E-1953	[7] 3.468	5,766,774.77	12,695,279.40
31	Series E-1954	[7] 3.497	5,018,813.65	13,286,703.58
31	Series E-1955	[7] 3.522	5,584,246.71	15,869,646.23
31	Series E-1956	[7] 3.546	5,517,413.37	15,728,621.50
31	Series E-1957 (January)	3.560	−16.06	1,413,539.74
31	Series E-1957 (February to December)	[7] 3.653	5,720,204.11	16,826,838.49
31	Series E-1958	[7] 3.690	6,136,196.45	19,142,290.23
31	Series E-1959 (January to May)	3.730	2,905,985.90	8,260,732.19
31	Series E-1959 (June to December)	3.750	3,657,713.55	13,766,523.26
31	Series E-1960	3.750	5,963,837.41	39,258,718.24
31	Series E-1961	3.750	320,388,717.27	103,851,901.12
31	Unclassified sales and redemptions		[8] −16,064,511.70	[8] −113,832,304.37
31	Series F-1949	2.53	124,590.50	8,388,560.00
31	Series F-1950	2.53	1,294,219.95	1,087,228.72
31	Series F-1951	2.53	192,949.75	766,271.15
31	Series F-1952	2.53	60,158.35	218,869.90
31	Unclassified redemptions			[8] −4,429,656.65
31	Series G-1949	2.50		40,820,500.00
31	Series G-1950	2.50		5,254,600.00
31	Series G-1951	2.50		3,865,600.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1961	U.S. savings bonds [6]—Continued	*Percent*		
Oct. 31	Series G-1952	2.50		$1,076,200.00
31	Unclassified redemptions			[8] −20,553,500.00
31	Series H-1952	[7] 3.123		851,500.00
31	Series H-1953	[7] 3.161		2,201,000.00
31	Series H-1954	[7] 3.211		4,296,500.00
31	Series H-1955	[7] 3.258		6,213,000.00
31	Series H-1956	[7] 3.317		4,912,500.00
31	Series H-1957 (January)	3.360		326,000.00
31	Series H-1957 (February to December)	[7] 3.626		3,499,500.00
31	Series H-1958	[7] 3.679		5,615,500.00
31	Series H-1959 (January to May)	3.720		2,154,000.00
31	Series H-1959 (June to December)	3.750		2,330,000.00
31	Series H-1960	3.750	$2,325,500.00	5,895,500.00
31	Series H-1961	3.750	71,033,500.00	2,418,000.00
31	Unclassified sales and redemptions		12,710,500.00	[8] −20,316,500.00
31	Series J-1952	2.76	94,479.00	537,566.45
31	Series J-1953	2.76	187,248.25	971,587.45
31	Series J-1954	2.76	356,531.29	2,058,196.52
31	Series J-1955	2.76	357,240.41	1,560,066.92
31	Series J-1956	2.76	187,470.12	1,356,705.84
31	Series J-1957	2.76	80,732.79	245,046.30
31	Unclassified redemptions			[8] −2,923,959.46
31	Series K-1952	2.76		1,225,500.00
31	Series K-1953	2.76		1,668,000.00
31	Series K-1954	2.76		4,754,000.00
31	Series K-1955	2.76		3,535,000.00
31	Series K-1956	2.76		1,828,500.00
31	Series K-1957	2.76		346,500.00
31	Unclassified redemptions			[8] −5,603,200.00
31	Certificates of indebtedness, foreign currency series, maturing Jan. 31, 1962	1.25	23,140,000.00	
31	Treasury bonds of 1980 (additional issue)	3½		
	Adjustments of issues [9]		−1,779,000.00	
31	Treasury bonds of 1990 (additional issue)	3½		
	Adjustments of issues [9]		1,015,500.00	
31	Treasury bonds of 1998 (additional issue)	3½		
	Adjustments of issues [9]		−904,500.00	
31	Depositary bonds, First Series	2.00	10,987,000 00	3,472,000.00
31	Treasury bonds, R.E.A. series	2.00	748,000.00	50,000.00
31	Treasury bonds, Investment Series B-1975-80:	2¾		
	Redeemed in exchange for Treasury notes, Series EA-1966			360,234,000.00
31	Treasury bonds, Investment Series B-1975-80:	2¾		
	Redeemed in exchange for Treasury notes, Series EO-1966			16,648,000.00
31	Treasury notes, Series EA-1966	1½	360,234,000.00	
31	Treasury notes, Series EO-1966	1½	16,648,000 00	
31	Miscellaneous			17,463,500.00
	Total October		12,023,936,894.94	8,971,330,601.07
	Treasury bills:			
	Regular weekly:			
Nov. 2	Issued May 4, 1961:			
	Redeemed in exchange for series dated Nov. 2, 1961, due Feb. 1, 1962	[5] 2.334		178,809,000.00
	Redeemed in exchange for series dated Nov. 2, 1961, due May 3, 1962			80,789,000.00
	Redeemable for cash			1,442,021,000.00
2	Maturing Feb. 1, 1962:			
	Issued in exchange for series dated May 4, 1961	2.280	178,809,000.00	
	Issued for cash		921,107,000.00	
2	Maturing May 3, 1962:			
	Issued in exchange for series dated May 4, 1961	2.613	80,789,000.00	
	Issued for cash		519,614,000.00	
8	Certificates of indebtedness, foreign series, maturing Nov. 8, 1961	2.40		450,000,000.00
8	Certificates of indebtedness, foreign series, maturing Feb. 8, 1962	2.35	450,000,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1961	Regular weekly:			
Nov. 9	Issued May 11, 1961:			
	Redeemed in exchange for series dated Nov. 9, 1961, due Feb. 8, 1962	*Percent* [5] 2.379		$118,744,000.00
	Redeemed in exchange for series dated Nov. 9, 1961, due May 10, 1962			63,503,000.00
	Redeemable for cash			1,518,447,000.00
9	Maturing Feb. 8, 1962:			
	Issued in exchange for series dated May 11, 1961	2.349	$118,744,000.00	
	Issued for cash		1,086,191,000.00	
9	Maturing May 10, 1962:			
	Issued in exchange for series dated May 11, 1961	2.554	63,503,000.00	
	Issued for cash		436,749,000.00	
15	Maturing Dec. 7, 1961–Jan. 25, 1962: [10]			
	Issued for cash	2.277	800,056,000.00	
15	Treasury bonds of 1961	2½		
	Redeemed in exchange for:			
	3¼% Treasury notes, Series E-1963			3,643,177,000.00
	3¾% Treasury bonds of 1966 (additional issue)			2,384,532,500.00
	3⅞% Treasury bonds of 1974 (additional issue)			517,446,500.00
	Redeemable for cash			418,321,000.00
15	Treasury notes, Series E-1963	3¼		
	Issued in exchange for 2½% Treasury bonds of 1961		3,643,177,000.00	
15	Treasury bonds of 1966 (additional issue)	3¾		
	Issued in exchange for 2½% Treasury bonds of 1961		2,384,532,500.00	
15	Treasury bonds of 1974 (additional issue)	3⅞		
	Issued in exchange for 2½% Treasury bonds of 1961		517,446,500.00	
	Treasury bills:			
	Regular weekly:			
16	Issued May 18, 1961:			
	Redeemed in exchange for series dated Nov. 16, 1961, due Feb. 15, 1962	[5] 2.482		119,035,000.00
	Redeemed in exchange for series dated Nov. 16, 1961, due May 17, 1962			63,355,000.00
	Redeemable for cash			1,519,275,000.00
16	Maturing Feb. 15, 1962:			
	Issued in exchange for series dated May 18, 1961	2.516	119,035,000.00	
	Issued for cash		981,168,000.00	
16	Maturing May 17, 1962:			
	Issued in exchange for series dated May 18, 1961	2.721	63,355,000.00	
	Issued for cash		536,750,000.00	
24	Issued May 25, 1961:			
	Redeemed in exchange for series dated Nov. 24, 1961, due Feb. 23, 1962	[5] 2.482		117,135,000.00
	Redeemed in exchange for series dated Nov. 24, 1961, due May 24, 1962			39,083,000.00
	Redeemable for cash			1,544,831,000.00
24	Maturing Feb. 23, 1962:			
	Issued in exchange for series dated May 25, 1961	2.537	117,135,000.00	
	Issued for cash		983,356,000.00	
24	Maturing May 24, 1962:			
	Issued in exchange for series dated May 25, 1961	2.734	39,083,000.00	
	Issued for cash		561,613,000.00	
24	Certificates of indebtedness, foreign series, maturing Dec. 29, 1961	2.55	125,000,000.00	
	Treasury bills:			
	Regular weekly:			
30	Issued June 1, 1961:			
	Redeemed in exchange for series dated Nov. 30, 1961, due Mar. 1, 1962	[5] 2.400		75,243,000.00
	Redeemed in exchange for series dated Nov. 30, 1961, due May 31, 1962			34,477,000.00
	Redeemable for cash			1,590,968,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1961	Regular weekly—Continued			
Nov. 30	Maturing March 1, 1962:			
	Issued in exchange for series dated June 1, 1961	*Percent* 2.606	$75,243,000.00	
	Issued for cash		1,024,719,000.00	
30	Maturing May 31, 1962:			
	Issued in exchange for series dated June 1, 1961	2.807	34,477,000.00	
	Issued for cash		565,594,000.00	
	U.S. savings bonds: [6]			
30	Series E-1941	[7] 3.223	1,265,639.52	$4,010,830.89
30	Series E-1942	[7] 3.252	4,202,443.99	9,013,957.17
30	Series E-1943	[7] 3.276	4,434,519.61	14,379,504.04
30	Series E-1944	[7] 3.298	5,767,840.45	16,402,739.25
30	Series E-1945	[7] 3.316	10,731,615.03	13,761,982.02
30	Series E-1946	[7] 3.327	3,261,217.49	7,836,657.26
30	Series E-1947	[7] 3.346	2,981,008.93	8,528,998.50
30	Series E-1948	[7] 3.366	3,557,166.74	9,588,701.89
30	Series E-1949	[7] 3.344	3,988,535.51	10,816,490.41
30	Series E-1950	[7] 3.347	3,940,971.64	11,212,209.48
30	Series E-1951	[7] 3.378	4,636,259.28	17,337,392.54
30	Series E-1952 (January to April	3.400	−15,922.49	2,203,111.14
30	Series E-1952 (May to December)	[7] 3.451	4,671,006.28	4,706,549.27
30	Series E-1953	[7] 3.468	5,357,507.26	7,882,017.25
30	Series E-1954	[7] 3.497	4,902,048.03	8,429,990.25
30	Series E-1955	[7] 3.522	5,357,663.41	9,979,172.11
30	Series E-1956	[7] 3.546	5,352,521.86	9,834,815.85
30	Series E-1957 (January)	3.560	751.04	818,580.80
30	Series E-1957 (February to December)	[7] 3.653	5,979,814.50	10,585,838.58
30	Series E-1958	[7] 3.690	5,792,003.32	13,381,214.63
30	Series E-1959 (January to May)	3.730	2,758,943.69	6,133,731.14
30	Series E-1959 (June to December)	3.750	3,360,919.65	10,465,874.91
30	Series E-1960	3.750	5,523,117.83	28,006,328.96
30	Series E-1961	3.750	290,472,728.21	84,646,982.05
30	Unclassified sales and redemptions		3,763,800.00	8,246,999.94
30	Series F-1949	2.53	113,732.00	5,139,373.00
30	Series F-1950	2.53	446,095.59	805,943.80
30	Series F-1951	2.53	166,213.73	309,768.72
30	Series F-1952	2.53	−48.65	60,438.25
30	Unclassified redemptions			211,093.62
30	Series G-1949	2.50		26,059,400.00
30	Series G-1950	2.50		1,793,300.00
30	Series G-1951	2.50		1,483,500.00
30	Series G-1952	2.50		337,900.00
30	Unclassified redemptions			2,226,200.00
30	Series H-1952	[7] 3.123		336,500.00
30	Series H-1953	[7] 3.161		1,057,000.00
30	Series H-1954	[7] 3.211		1,748,000.00
30	Series H-1955	[7] 3.258		2,714,500.00
30	Series H-1956	[7] 3.317		2,145,000.00
30	Series H-1957 (January)	3.360		149,500.00
30	Series H-1957 (February to December)	[7] 3.626		1,649,500.00
30	Series H-1958	[7] 3.679		2,766,500.00
30	Series H-1959 (January to May)	3.720		1,116,000.00
30	Series H-1959 (June to December)	3.750		872,500.00
30	Series H-1960	3.750	−2,305,500.00	2,853,000.00
30	Series H-1961	3.750	90,779,000.00	1,556,000.00
30	Unclassified sales and redemptions		[8] −6,362,500.00	237,000.00
30	Series J-1952	2.76	212,800.50	247,021.56
30	Series J-1953	2.76	203,233.45	585,254.35
30	Series J-1954	2.76	398,843.94	1,101,285.56
30	Series J-1955	2.76	307,187.02	629,746.06
30	Series J-1956	2.76	189,178.49	496,025.46
30	Series J-1957	2.76	−148.83	49,470.20
30	Unclassified redemptions			[8] −107,117.97
30	Series K-1952	2.76		508,000.00
30	Series K-1953	2.76		920,500.00
30	Series K-1954	2.76		2,015,500.00
30	Series K-1955	2.76		1,434,000.00
30	Series K-1956	2.76		1,039,500.00
30	Series K-1957	2.76		95,500.00
30	Unclassified redemptions			[8] −4,300.00
30	Treasury bonds of 1968 (additional issue)	3⅞		
	Adjustments of issues [9]		3,000,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1961		*Percent*		
Nov. 30	Treasury bonds of 1980 (additional issue)	3½		
	Adjustments of issues [9]		$2,825,000.00	
30	Treasury bonds of 1990 (additional issue)	3½		
	Adjustments of issues [9]		1,570,500.00	
30	Treasury bonds of 1998 (additional issue)	3½		
	Adjustments of issues [9]		1,152,000.00	
30	Depositary bonds, First Series	2.00	59,000.00	$3,551,000.00
30	Treasury bonds, R.E.A. Series	2.00	347,000.00	
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes, Series EA-1966			367,000.00
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes, Series EO-1966			36,667,000.00
30	Treasury notes, Series EA-1966	1½	367,000.00	
30	Treasury notes, Series EO-1966	1½	36,667,000.00	
30	Miscellaneous			26,848,500.00
	Total November		16,949,425,708.02	16,381,474,472.94
	U.S. savings bonds:			
Dec. 1	Series F-1949:			
	Redeemable for cash	2.53		32,395,996.00
1	Series G-1949:			
	Redeemable for cash	2.50		127,033,500.00
	Treasury bills:			
	Regular weekly:			
7	Issued June 8, 1961:			
	Redeemed in exchange for series dated Dec. 7, 1961, due Mar. 8, 1962	[5] 2.483		87,191,000.00
	Redeemed in exchange for series dated Dec. 7, 1961, due June 7, 1962			42,517,000.00
	Redeemable for cash			1,579,718,000.00
7	Maturing Mar. 8, 1962:			
	Issued in exchange for series dated June 8, 1961	2.624	87,191,000.00	
	Issued for cash		1,015,232,000.00	
7	Maturing June 7, 1962:			
	Issued in exchange for series dated June 8, 1961	2.867	42,517,000.00	
	Issued for cash		558,129,000.00	
14	Issued June 15, 1961:			
	Redeemed in exchange for series dated Dec. 14, 1961, due Mar. 15, 1962	[5] 2.373		92,229,000.00
	Redeemed in exchange for series dated Dec. 14, 1961, due June 14, 1962			39,477,000.00
	Redeemable for cash			1,569,670,000.00
14	Maturing March 15, 1962:			
	Issued in exchange for series dated June 15, 1961	2.579	92,229,000.00	
	Issued for cash		1,008,721,000.00	
14	Maturing June 14, 1962:			
	Issued in exchange for series dated June 15, 1961	2.874	39,477,000.00	
	Issued for cash		561,341,000.00	
21	Issued June 23, 1961:			
	Redeemed in exchange for series dated Dec. 21, 1961, due Mar. 22, 1962	[5] 2.339		119,205,000.00
	Redeemed in exchange for series dated Dec. 21, 1961, due June 21, 1962			53,792,000.00
	Redeemable for cash			1,527,539,000.00
21	Maturing March 22, 1962:			
	Issued in exchange for series dated June 23, 1961	2.670	119,205,000.00	
	Issued for cash		985,471,000.00	
21	Maturing June 21, 1962:			
	Issued in exchange for series dated June 23, 1961	2.915	53,792,000.00	
	Issued for cash		547,803,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1961	Regular weekly—Continued			
Dec. 28	Issued June 29, 1961:			
	Redeemed in exchange for series dated Dec. 28, 1961, due Mar. 29, 1962	*Percent* [5] 2.285		$82,203,000.00
	Redeemed in exchange for series dated Dec. 28, 1961, due June 28, 1962			43,485,000.00
	Redeemable for cash			1,574,759,000.00
28	Maturing March 29, 1962:			
	Issued in exchange for series dated June 29, 1961	2.594	$82,203,000.00	
	Issued for cash		1,019,565,000.00	
28	Maturing June 28, 1962:			
	Issued in exchange for series dated June 29, 1961	2.845	43,485,000.00	
	Issued for cash		557,148,000.00	
29	Certificates of indebtedness, foreign series, maturing Dec. 29, 1961	2.55		125,000,000.00
31	Treasury notes, Series D-1963 (additional issue)	3¼		
	Adjustments of issues [9]		−36,000.00	
31	Treasury notes, Series E-1963	3¼		
	Adjustment of exchange issues (Treasury bonds of 1961) [9]		81,000.00	
31	Treasury bonds of 1966 (additional issue):	3¾		
	Adjustments of issues in exchange for 2½% Treasury bonds of 1961 [9]		964,000.00	
31	Treasury bonds of 1974 (additional issue)	3⅞		
	Adjustments of issues in exchange for 2½% Treasury bonds of 1961 [9]		4,793,500.00	
31	Treasury bonds of 1980 (additional issue)	3½		
	Adjustments of issues in exchange for 2½% Treasury bonds of 1965–70 [9]		−11,000.00	
31	Treasury bonds of 1998 (additional issue):	3½		
	Adjustments of issues in exchange for 2½% Treasury bonds of 1966–71 [9]		−3,000.00	
31	Treasury bonds of 1968 (additional issue)	3⅞		
	Issued in exchange for U.S. savings bonds, Series F and G		300,288,000.00	
	Issued for cash		243,500.00	
	U.S. savings bonds: [6]			
31	Series E-1941	[7] 3.223	3,702,441.55	3,519,686.13
31	Series E-1942	[7] 3.252	5,370,768.10	7,638,970.52
31	Series E-1943	[7] 3.276	4,911,191.46	11,927,853.06
31	Series E-1944	[7] 3.298	13,425,675.41	14,099,716.24
31	Series E-1945	[7] 3.316	10,883,766.99	12,679,357.19
31	Series E-1946	[7] 3.327	4,316,570.16	6,662,202.01
31	Series E-1947	[7] 3.346	3,852,524.91	7,078,500.12
31	Series E-1948	[7] 3.366	4,798,281.50	7,979,367.26
31	Series E-1949	[7] 3.344	5,436,782.44	8,748,768.47
31	Series E-1950	[7] 3.347	4,642,243.61	9,449,466.45
31	Series E-1951	[7] 3.378	5,728,156.53	14,844,033.49
31	Series E-1952 (January to April)	3.400	−13,490.15	1,793,273.09
31	Series E-1952 (May to December)	[7] 3.451	5,992,070.04	3,810,327.71
31	Series E-1953	[7] 3.468	6,510,318.18	6,661,518.76
31	Series E-1954	[7] 3.497	6,231,424.63	7,077,124.16
31	Series E-1955	[7] 3.522	6,618,018.55	7,935,857.45
31	Series E-1956	[7] 3.546	6,155,054.73	8,118,706.27
31	Series E-1957 (January)	3.560	−754.56	681,601.56
31	Series E-1957 (February to December)	[7] 3.653	7,164,770.73	8,908,893.03
31	Series E-1958	[7] 3.690	6,719,873.38	11,976,124.41
31	Series E-1959 (January to May)	3.730	−28,932.92	5,538,341.77
31	Series E-1959 (June to December)	3.750	7,135,645.25	9,115,403.53
31	Series E-1960	3.750	6,301,251.65	24,182,229.75
31	Series E-1961	3.750	280,586,061.65	89,911,556.87
31	Unclassified sales and redemptions		4,230,142.26	49,173,462.14
31	Series F-1950	2.53	592,277.14	51,010.10
31	Series F-1951	2.53	187,958.29	52,156.12
31	Series F-1952	2.53	−147.35	594.10
31	Unclassified redemptions			51,286,554.08
31	Series G-1950	2.50		108,800.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1961	U.S. savings bonds [6]—Continued	*Percent*		
Dec. 31	Series G-1951	2.50		$96,800.00
31	Series G-1952	2.50		6,800.00
31	Unclassified redemptions			275,417,500.00
31	Series H-1952	[7] 3.123		17,500.00
31	Series H-1953	[7] 3.161		23,500.00
31	Series H-1954	[7] 3.211		44,500.00
31	Series H-1955	[7] 3.258		76,500.00
31	Series H-1956	[7] 3.317		93,000.00
31	Series H-1957 (January)	3.360		16,000.00
31	Series H-1957 (February to December)	[7] 3.626		69,500.00
31	Series H-1958	[7] 3.679		81,000.00
31	Series H-1959 (January to May)	3.720		52,500.00
31	Series H-1959 (June to December)	3.750		56,000.00
31	Series H-1960	3.750		117,000.00
31	Series H-1961	3.750	$75,142,000.00	126,500.00
31	Unclassified sales and redemptions		350,000.00	18,818,500.00
31	Series J-1952	2.76	207,877.35	3,601.35
31	Series J-1953	2.76	282,191.00	27,409.50
31	Series J-1954	2.76	497,932.95	20,160.15
31	Series J-1955	2.76	326,495.46	45,453.42
31	Series J-1956	2.76	232,693.83	44,187.50
31	Series J-1957	2.76	−459.86	185,020.50
31	Unclassified redemptions			3,032,569.55
31	Series K-1952	2.76		53,000.00
31	Series K-1953	2.76		31,000.00
31	Series K-1954	2.76		270,500.00
31	Series K-1955	2.76		181,000.00
31	Series K-1956	2.76		65,000.00
31	Series K-1957	2.76		11,500.00
31	Unclassified redemptions			5,495,500.00
31	Depositary bonds, First Series	2.00	1,201,000.00	886,000.00
31	Treasury bonds, R.E.A. Series	2.00	664,000.00	25,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes, Series EO-1966			38,720,000.00
31	Treasury notes, Series EO-1966	1½	38,720,000.00	
31	Miscellaneous			34,713,600.00
	Total December		7,648,902,674.89	7,866,149,554.11
1962				
Jan. 4	Certificates of indebtedness, foreign currency series, maturing Apr. 4, 1962	1.25	23,150,000.00	
4	Certificates of indebtedness, foreign currency series, maturing Jan. 4, 1962	1.25		23,145,000.00
	Treasury bills:			
	Regular weekly:			
4	Issued July 6, 1961:			
	Redeemed in exchange for series dated Jan. 4, 1962, due Apr. 5, 1962	[5] 2.355		79,936,000.00
	Redeemed in exchange for series dated Jan. 4, 1962, due July 5, 1962			46,144,000.00
	Redeemable for cash			1,574,128,000.00
4	Maturing Apr. 5, 1962:			
	Issued in exchange for series dated July 6, 1961	2.703	79,936,000.00	
	Issued for cash		1,020,903,000.00	
4	Maturing July 5, 1962:			
	Issued in exchange for series dated July 6, 1961	2.941	46,144,000.00	
	Issued for cash		554,320,000.00	
11	Issued July 13, 1961:			
	Redeemed in exchange for series dated Jan. 11, 1962, due Apr. 12, 1962	[5] 2.418		12,048,000.00
	Redeemed in exchange for series dated Jan. 11, 1962, due July 12, 1962			2,579,000.00
	Redeemable for cash			1,685,946,000.00
11	Maturing Apr. 12, 1962:			
	Issued in exchange for series dated July 13, 1961	2.824	12,048,000.00	
	Issued for cash		1,088,800,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
Jan. 11	Maturing July 12, 1962:	*Percent*		
	Issued in exchange for series dated July 13, 1961	3.073	$2,579,000.00	
	Issued for cash		597,360,000.00	
	Other:			
15	Issued Jan. 15, 1961:			
	Redeemed in exchange for series dated Jan. 15, 1962, due Jan. 15, 1963	2.679		$138,689,000.00
	Redeemable for cash			1,362,983,000.00
15	Maturing Jan. 15, 1963:			
	Issued in exchange for series dated Jan. 15, 1961	3.366	138,689,000.00	
	Issued for cash		1,862,566,000.00	
	Regular weekly:			
18	Issued July 20, 1961:			
	Redeemed in exchange for series dated Jan. 18, 1962, due Apr. 19, 1962	[5] 2.377		121,967,000.00
	Redeemed in exchange for series dated Jan. 18, 1962, due July 19, 1962			53,747,000.00
	Redeemable for cash			1,524,382,000.00
18	Maturing Apr. 19, 1962:			
	Issued in exchange for series dated July 20, 1961	2.770	121,967,000.00	
	Issued for cash		979,730,000.00	
18	Maturing July 19, 1962:			
	Issued in exchange for series dated July 20, 1961	2.970	53,747,000.00	
	Issued for cash		546,707,000.00	
24	Treasury bonds of 1969 (additional issue)	4.00		
	Issued for cash		1,114,332,500.00	
	Treasury bills:			
	Regular weekly:			
25	Issued July 27, 1961:			
	Redeemed in exchange for series dated Jan. 25, 1962, due Apr. 26, 1962	[5] 2.358		138,790,000.00
	Redeemed in exchange for series dated Jan. 25, 1962, due July 26, 1962			51,561,000.00
	Redeemable for cash			1,511,010,000.00
25	Maturing Apr. 26, 1962:			
	Issued in exchange for series dated July 27, 1961	2.688	138,790,000.00	
	Issued for cash		962,801,000.00	
25	Maturing July 26, 1962:			
	Issued in exchange for series dated July 27, 1961	2.875	51,561,000.00	
	Issued for cash		548,460,000.00	
26	Certificates of indebtedness, foreign currency series, maturing Apr. 26, 1962	2.70	24,978,250.00	
31	Certificates of indebtedness, foreign currency series, maturing Jan. 31, 1962	1.25		23,140,000.00
31	Treasury notes, Series E-1963	3¼		
	Adjustments of issues [9]		−794,000.00	
31	Treasury bonds of 1966 (additional issue)	3¾		
	Adjustments of issues [9]		−1,132,500.00	
31	Treasury bonds of 1974 (additional issue)	3⅞		
	Adjustments of issues [9]		−4,818,500.00	
31	Treasury bonds of 1980 (additional issue)	3½		
	Adjustments of issues [9]		−2,563,000.00	
31	Treasury bonds of 1990 (additional issue)	3½		
	Adjustments of issues [9]		−1,368,500.00	
31	Treasury bonds of 1998 (additional issue)	3½		
	Adjustments of issues [9]		−18,500.00	
31	Treasury bonds of 1968 (additional issue)	3⅞		
	Issued in exchange for U.S. savings bonds, Series F and G		19,838,000.00	
	Issued for cash		20,500.00	

Footnotes at end of table.

661496—63——46

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962	U.S. savings bonds: [6]	*Percent*		
Jan. 31	Series E-1941	[7] 3.223	$697,229.19	$7,544,842.48
31	Series E-1942	[7] 3.252	7,158,321.27	9,925,441.91
31	Series E-1943	[7] 3.276	6,115,737.98	15,097,758.03
31	Series E-1944	[7] 3.298	10,621,974.67	18,861,442.22
31	Series E-1945	[7] 3.316	5,446,126.38	16,381,799.65
31	Series E-1946	[7] 3.327	4,344,647.37	8,607,764.91
31	Series E-1947	[7] 3.346	5,128,710.45	9,195,259.38
31	Series E-1948	[7] 3.366	5,247,166.42	10,665,414.11
31	Series E-1949	[7] 3.344	5,760,175.50	11,065,492.74
31	Series E-1950	[7] 3.347	5,911,842.46	11,972,905.86
31	Series E-1951	[7] 3.378	4,851,416.02	20,853,568.37
31	Series E-1952 (January to April)	3.400	4,253,432.95	2,106,585.65
31	Series E-1952 (May to December)	[7] 3.451	2,700,893.13	4,849,116.89
31	Series E-1953	[7] 3.468	7,304,101.70	7,591,295.61
31	Series E-1954	[7] 3.497	7,211,870.24	8,251,862.92
31	Series E-1955	[7] 3.522	7,315,554.96	9,533,265.74
31	Series E-1956	[7] 3.546	7,213,576.27	9,023,100.89
31	Series E-1957 (January)	3.560	3,099,708.50	709,159.76
31	Series E-1957 (February to December)	[7] 3.653	3,351,096.88	9,844,964.50
31	Series E-1958	[7] 3.690	7,546,455.46	12,812,849.79
31	Series E-1959 (January to May)	3.730	4,048,162.53	5,722,650.01
31	Series E-1959 (June to December)	3.750	3,212,533.03	9,959,937.20
31	Series E-1960	3.750	7,792,084.25	26,494,381.19
31	Series E-1961	3.750	314,249,492.56	114,185,566.66
31	Unclassified sales and redemptions		71,228,528.04	130,806,207.50
31	Series F-1950	2.53	473,699.23	48,761,626.30
31	Series F-1951	2.53	277,238.56	408,811.04
31	Series F-1952	2.53	139,822.88	48,899.00
31	Unclassified redemptions			[8] −39,209,184.08
31	Series G-1950	2.50		272,191,700.00
31	Series G-1951	2.50		1,493,400.00
31	Series G-1952	2.50		231,800.00
31	Unclassified redemptions			[8] −211,194,300.00
31	Series H-1952	[7] 3.123		420,500.00
31	Series H-1953	[7] 3.161		1,103,500.00
31	Series H-1954	[7] 3.211		1,950,000.00
31	Series H-1955	[7] 3.258		2,822,500.00
31	Series H-1956	[7] 3.317		2,170,500.00
31	Series H-1957 (January)	3.360		101,000.00
31	Series H-1957 (February to December)	[7] 3.626		1,845,500.00
31	Series H-1958	[7] 3.679		2,889,500.00
31	Series H-1959 (January to May)	3.720		1,097,500.00
31	Series H-1959 (June to December)	3.750		1,106,500.00
31	Series H-1960	3.750		2,527,000.00
31	Series H-1961	3.750	71,624,500.00	1,569,500.00
31	Series H-1962	3.750	25,659,500.00	
31	Unclassified sales and redemptions		27,725,000.00	119,000.00
31	Series J-1952	2.76	83,609.31	236,510.82
31	Series J-1953	2.76	225,549.10	750,377.95
31	Series J-1954	2.76	427,425.33	664,767.05
31	Series J-1955	2.76	419,606.73	854,805.34
31	Series J-1956	2.76	352,231.73	580,022.10
31	Series J-1957	2.76	97,642.80	168,076.66
31	Unclassified redemptions			186,166.97
31	Series K-1952	2.76		487,000.00
31	Series K-1953	2.76		674,500.00
31	Series K-1954	2.76		2,408,500.00
31	Series K-1955	2.76		1,555,000.00
31	Series K-1956	2.76		923,000.00
31	Series K-1957	2.76		148,500.00
31	Unclassified redemptions			3,305,500.00
31	Depositary bonds, First Series	2.00	875,000.00	6,178,000.00
31	Treasury bonds, R.E.A. Series	2.00	971,000.00	
31	Treasury bonds, Investment Series B-1975-80.	2¾		
	Redeemed in exchange for Treasury notes, Series EO-1966			48,792,000.00
31	Treasury notes, Series EO-1966	1½	48,792,000.00	
31	Miscellaneous			28,940,500.00
	Total January		10,668,686,913.88	9,031,566,113.12

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1962	Regular weekly:			
Feb. 1	Issued Aug. 3, 1961:			
	Redeemed in exchange for series dated Feb. 1, 1962, due May 3, 1962	*Percent* [5] 2.377		$186,125,000.00
	Redeemed in exchange for series dated Feb. 1, 1962, due Aug. 2, 1962			75,839,000.00
	Redeemable for cash			1,438,271,000.00
1	Maturing May 3, 1962:			
	Issued in exchange for series dated Aug. 3, 1961	2.706	$186,125,000.00	
	Issued for cash		1,014,959,000.00	
1	Maturing Aug. 2, 1962:			
	Issued in exchange for series dated Aug. 3, 1961	2.939	75,839,000.00	
	Issued for cash		524,471,000.00	
8	Issued Aug. 10, 1961:			
	Redeemed in exchange for series dated Feb. 8, 1962, due May 10, 1962	[5] 2.439		182,160,000.00
	Redeemed in exchange for series dated Feb. 8, 1962, due Aug. 9, 1962			77,772,000.00
	Redeemable for cash			1,545,156,000.00
8	Maturing May 10, 1962:			
	Issued in exchange for series dated Aug. 10, 1961	2.695	182,160,000.00	
	Issued for cash		1,018,010,000.00	
8	Maturing Aug. 9, 1962:			
	Issued in exchange for series dated Aug. 10, 1961	2.898	77,772,000.00	
	Issued for cash		522,308,000.00	
8	Certificates of indebtedness, foreign series, maturing Feb. 8, 1962	2.35		450,000,000.00
8	Certificates of indebtedness, foreign series, maturing May 8, 1962	2.70	450,000,000.00	
15	Certificates of indebtedness, Series A-1963	3½		
	Issued in exchange for Treasury notes:			
	Series A-1962		282,236,000.00	
	Series D-1962		454,003,000.00	
	Series F-1962		5,759,730,000.00	
	Series EA-1962		370,305,000.00	
15	Treasury notes, Series A-1966	4.00		
	Issued in exchange for Treasury notes:			
	Series A-1962		303,222,000.00	
	Series D-1962		855,343,000.00	
	Series F-1962		3,195,893,000.00	
	Series EA-1962		94,958,000.00	
15	Treasury notes, Series A-1962	3⅝		
	Redeemed in exchange for:			
	Treasury notes, Series A-1966			303,222,000.00
	Certificates of indebtedness, Series A-1963			282,236,000.00
	Redeemable for cash			61,599,000.00
15	Treasury notes, Series D-1962	4.00		
	Redeemed in exchange for:			
	Treasury notes, Series A-1966			855,343,000.00
	Certificates of indebtedness, Series A-1963			454,003,000.00
	Redeemable for cash			125,640,000.00
	Treasury notes, Series F-1962	3¼		
15	Redeemed in exchange for:			
	Treasury notes, Series A-1966			3,195,893,000.00
	Certificates of indebtedness, Series A-1963			5,759,730,000.00
	Redeemable for cash			142,420,000.00
15	Treasury notes, Series EA-1962	1½		
	Redeemed in exchange for:			
	Treasury notes, Series A-1966			94,958,000.00
	Certificates of indebtedness, Series A-1963			370,305,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1962	Regular weekly:			
Feb. 15	Issued Aug. 17, 1961:			
	Redeemed in exchange for series dated Feb. 15, 1962, due May 17, 1962	*Percent* [5] 2.604		$87,499,000.00
	Redeemed in exchange for series dated Feb. 15, 1962, due Aug. 16, 1962			2,306,000.00
	Redeemable for cash			1,610,425,000.00
15	Maturing May 17, 1962:			
	Issued in exchange for series dated Aug. 17, 1961	2.759	$87,499,000.00	
	Issued for cash		1,112,802,000.00	
15	Maturing Aug. 16, 1962:			
	Issued in exchange for series dated Aug. 17, 1961	2.952	2,306,000.00	
	Issued for cash		598,117,000.00	
23	Issued Aug. 24, 1961:			
	Redeemed in exchange for series dated Feb. 23, 1962, due May 24, 1962	[5] 2.627		106,735,000.00
	Redeemed in exchange for series dated Feb. 23, 1962, due Aug. 23, 1962			43,572,000.00
	Redeemable for cash			1,550,276,000.00
23	Maturing May 24, 1962:			
	Issued in exchange for series dated Aug. 24, 1961	2.849	106,735,000.00	
	Issued for cash		1,094,920,000.00	
23	Maturing Aug. 23, 1962:			
	Issued in exchange for series dated Aug. 24, 1961	3.031	43,572,000.00	
	Issued for cash		557,365,000.00	
28	Treasury notes, Series H-1962	3¼		
	Adjustments of issues [9]		−10,000.00	
28	Treasury bonds of 1968 (additional issue)	3⅞		
	Adjustments of issues [9]		6,000.00	
28	Treasury bonds of 1969 (additional issue)	4.00		
	Adjustments of issues [9]		3,000.00	
	U.S. savings bonds: [6]			
28	Series E-1941	[7] 3.223	473,389.39	8,176,394.21
28	Series E-1942	[7] 3.252	4,164,307.84	22,690,310.43
28	Series E-1943	[7] 3.276	4,715,175.96	23,522,545.17
28	Series E-1944	[7] 3.298	7,848,980.15	29,887,017.11
28	Series E-1945	[7] 3.316	3,883,188.84	25,470,446.78
28	Series E-1946	[7] 3.327	3,335,072.66	13,876,479.51
28	Series E-1947	[7] 3.346	3,594,411.08	15,406,126.24
28	Series E-1948	[7] 3.366	3,876,710.25	17,822,332.99
28	Series E-1949	[7] 3.344	4,387,790.97	18,719,479.39
28	Series E-1950	[7] 3.347	4,353,321.23	19,307,968.03
28	Series E-1951	[7] 3.378	3,838,832.24	26,987,389.40
28	Series E-1952 (January to April)	3.400	3,098,390.34	11,686,698.51
28	Series E-1952 (May to December)	[7] 3.451	2,455,334.74	7,653,682.21
28	Series E-1953	[7] 3.468	5,712,742.37	11,832,146.51
28	Series E-1954	[7] 3.497	5,816,683.75	12,520,553.23
28	Series E-1955	[7] 3.522	5,805,358.85	13,814,701.97
28	Series E-1956	[7] 3.546	5,861,317.12	13,323,834.83
28	Series E-1957 (January)	3.560	−7.44	1,226,578.61
28	Series E-1957 (February to December)	[7] 3.653	5,788,482.38	12,175,705.52
28	Series E-1958	[7] 3.690	6,066,217.65	13,306,341.93
28	Series E-1959 (January to May)	3.730	3,198,584.61	5,578,506.08
28	Series E-1959 (June to December)	3.750	2,695,404.28	8,489,408.29
28	Series E-1960	3.750	6,522,712.12	21,031,727.36
28	Series E-1961	3.750	226,122,980.46	84,159,060.73
28	Series E-1962	3.750	54,027,825.00	8,793.75
28	Unclassified sales and redemptions		27,749,950.73	[8] −60,505,308.71
28	Series F-1950	2.53	916,044.05	11,570,452.65
28	Series F-1951	2.53	192,611.77	391,615.06
28	Series F-1952	2.53	97,194.38	42,205.97
28	Unclassified redemptions			[8] −8,261,149.30
28	Series G-1950	2.50		69,614,200.00
28	Series G-1951	2.50		1,968,400.00
28	Series G-1952	2.50		482,000.00
28	Unclassified redemptions			[8] −42,869,100.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962	U.S. savings bonds [6]—Continued	*Percent*		
Feb. 28	Series H-1952	[7] 3.123		$445,000.00
28	Series H-1953	[7] 3.161		1,020,000.00
28	Series H-1954	[7] 3.211		1,862,000.00
28	Series H-1955	[7] 3.258		2,703,500.00
28	Series H-1956	[7] 3.317		2,528,500.00
28	Series H-1957 (January)	3.360		218,500.00
28	Series H-1957 (February to December)	[7] 3.626		1,499,000.00
28	Series H-1958	[7] 3.679		2,586,500.00
28	Series H-1959 (January to May)	3.720		1,021,500.00
28	Series H-1959 (June to December)	3.750		1,073,000.00
28	Series H-1960	3.750		2,849,500.00
28	Series H-1961	3.750	$10,200,000.00	1,858,000.00
28	Series H-1962	3.750	93,027,500.00	3,500.00
28	Unclassified sales and redemptions		[8] −22,607,500.00	[8] −731,000.00
28	Series J-1952	2.76	66,442.52	113,539.66
28	Series J-1953	2.76	175,004.55	494,927.10
28	Series J-1954	2.76	380,886.57	930,442.10
28	Series J-1955	2.76	291,423.73	772,372.01
28	Series J-1956	2.76	317,213.12	1,141,052.20
28	Series J-1957	2.76	89,228.90	92,272.96
28	Unclassified redemptions			[8] −574,802.09
28	Series K-1952	2.76		1,041,000.00
28	Series K-1953	2.76		1,484,500.00
28	Series K-1954	2.76		2,611,500.00
28	Series K-1955	2.76		2,679,000.00
28	Series K-1956	2.76		1,537,000.00
28	Series K-1957	2.76		186,500.00
28	Unclassified redemptions			[8] −3,655,000.00
28	Depository bonds, First Series	2.00	15,000.00	2,557,000.00
28	Treasury bonds, R.E.A. Series	2.00	408,000.00	20,000.00
28	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes, Series EO-1966			21,714,000.00
28	Treasury notes, Series EO-1966	1½	21,714,000.00	
28	Miscellaneous			24,815,300.00
	Total February		19,481,325,207.16	19,489,490,648.40
Mar. 1	Treasury bonds of 1971	4.00		
	Issued in exchange for:			
	3% Treasury bonds of 1964		1,154,237,000.00	
	2⅝% Treasury bonds of 1965		1,651,608,500.00	
1	Treasury bonds of 1980 (additional issue)	4.00		
	Issued in exchange for 2⅝% Treasury bonds of 1965		562,695,500.00	
1	Treasury bonds of 1990 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1967-72, dated Oct. 20, 1941		344,626,500.00	
	2½% Treasury bonds of 1967-72, dated June 1, 1945		233,202,500.00	
	2½% Treasury bonds of 1967-72, dated Nov. 15, 1945		323,480,500.00	
1	Treasury bonds of 1998 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1967-72, dated Oct. 20, 1941		419,522,500.00	
	2½% Treasury bonds of 1967-72, dated June 1, 1945		180,346,500.00	
	2½% Treasury bonds of 1967-72, dated Nov. 15, 1945		332,223,000.00	
1	Treasury bonds of 1964	3.00		
	Redeemed in exchange for 4% Treasury bonds of 1971			1,154,237,000.00
1	Treasury bonds of 1965	2⅝		
	Redeemed in exchange for:			
	4% Treasury bonds of 1971			1,651,608,500.00
	4% Treasury bonds of 1980			562,695,500.00
1	Treasury bonds of 1967-72 (dated June 1, 1945):	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990			233,202,500.00
	3½% Treasury bonds of 1998			180,346,500.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962		*Percent*		
Mar. 1	Treasury bonds of 1967–72 (dated Oct. 20, 1941)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990			$344,626,500.00
	3½% Treasury bonds of 1998			419,522,500.00
1	Treasury bonds of 1967–72 (dated Nov. 15, 1945)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990			323,480,500.00
	3½% Treasury bonds of 1998			332,223,000.00
1	Certificates of indebtedness, foreign series, maturing June 1, 1962	2.70	$50,000,000.00	
	Treasury bills:			
	Regular weekly:			
1	Issued Aug. 31, 1961:			
	Redeemed in exchange for series dated Mar. 1, 1962, due May 31, 1962	[5] 2.610		96,148,000.00
	Redeemed in exchange for series dated Mar. 1, 1962, due Aug. 30, 1962			52,314,000.00
	Redeemable for cash			1,551,886,000.00
1	Maturing May 31, 1962:			
	Issued in exchange for series dated Aug. 31, 1961	2.665	96,148,000.00	
	Issued for cash		1,104,596,000.00	
1	Maturing Aug. 30, 1962:			
	Issued in exchange for series dated Aug. 31, 1961	2.847	52,314,000.00	
	Issued for cash		547,917,000.00	
8	Issued Sept. 7, 1961:			
	Redeemed in exchange for series dated Mar. 8, 1962, due June 7, 1962	[5] 2.648		123,529,000.00
	Redeemed in exchange for series dated Mar. 8, 1962, due Sept. 6, 1962			53,003,000.00
	Redeemable for cash			1,521,126,000.00
8	Maturing June 7, 1962:			
	Issued in exchange for series dated Sept. 7, 1961	2.721	123,529,000.00	
	Issued for cash		1,076,306,000.00	
8	Maturing Sept. 6, 1962:			
	Issued in exchange for series dated Sept. 7, 1961	2.883	53,003,000.00	
	Issued for cash		547,848,00.00	
9	Certificates of indebtedness, foreign currency series, maturing June 8, 1962	2.75	49,941,000.00	
	Treasury bills:			
	Regular weekly:			
15	Issued Sept. 14, 1961:			
	Redeemed in exchange for series dated Mar. 15, 1962, due June 14, 1962	[5] 2.616		119,514,000.00
	Redeemed in exchange for series dated Mar. 15, 1962, due Sept. 13, 1962			3,187,000.00
	Redeemable for cash			1,578,857,000.00
15	Maturing June 14, 1962:			
	Issued in exchange for series dated Sept. 14, 1961	2.804	119,514,000.00	
	Issued for cash		1,081,473,000.00	
15	Maturing Sept. 13, 1962:			
	Issued in exchange for series dated Sept. 14, 1961	2.972	3,187,000.00	
	Issued for cash		597,104,000.00	
22	Issued Sept. 21, 1961:			
	Redeemed in exchange for series dated Mar. 22, 1962, due June 21, 1962	[5] 2,674		189,680,000.00
	Redeemed in exchange for series dated Mar. 22, 1962, due Sept. 20, 1962			64,357,000.00
	Redeemable for cash			1,450,852,000.00
22	Maturing June 21, 1962:			
	Issued in exchange for series dated Sept. 21, 1961	2.689	189,680,000.00	
	Issued for cash		1,010,971,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
Mar. 22	Maturing Sept. 20, 1962:			
	Issued in exchange for series dated Sept. 21, 1961	*Percent* 2.854	$64,357,000.00	
	Issued for cash		535,724,000.00	
	Tax anticipation:			
23	Issued July 26, 1961:			
	Redeemed in exchange for series dated Mar. 23, 1962, due Sept. 21, 1962	2.484		$168,030,000.00
	Redeemable for cash			3,334,856,000.00
23	Maturing Sept. 21, 1962:			
	Issued in exchange for series dated July 26, 1961	2.896	168,030,000.00	
	Issued for cash		1,633,956,000.00	
	Regular weekly:			
29	Issued Sept. 28, 1961:			
	Redeemed in exchange for series dated Mar. 29, 1962, due June 28, 1962	[5] 2.631		86,946,000.00
	Redeemed in exchange for series dated Mar. 29, 1962, due Sept. 27, 1962			42,989,000.00
	Redeemable for cash			1,571,903,000.00
29	Maturing June 28, 1962:			
	Issued in exchange for series dated Sept. 28, 1961	2.719	86,946,000.00	
	Issued for cash		1,113,205,000.00	
29	Maturing Sept. 27, 1962:			
	Issued in exchange for series dated Sept. 28, 1961	2.857	42,989,000.00	
	Issued for cash		557,241,000.00	
31	Certificates of indebtedness, Series A-1963	3½		
	Adjustments of issues [9]		−5,069,000.00	
31	Treasury notes, Series A-1966	4.00		
	Adjustments of issues [9]		4,994,000.00	
31	Treasury bonds of 1968 (additional issue)	3⅞		
	Adjustments of issues [9]		10,000.00	
31	Certificates of indebtedness, foreign currency series, maturing Apr. 4, 1962	1.25		23,150,000.00
	U.S. savings bonds: [6]			
31	Series E-1941	[7] 3.223	472,209.57	3,706,660.50
31	Series E-1942	[7] 3.252	4,346,769.23	16,085,744.20
31	Series E-1943	[7] 3.276	11,225,091.91	16,644,355.14
31	Series E-1944	[7] 3.298	3,667,556.76	21,428,971.89
31	Series E-1945	[7] 3.316	3,540,063.67	17,121,120.74
31	Series E-1946	[7] 3.327	3,129,204.50	9,551,074.79
31	Series E-1947	[7] 3.346	3,530,810.80	10,303,366.74
31	Series E-1948	[7] 3.366	3,555,063.24	11,330,221.63
31	Series E-1949	[7] 3.344	4,145,236.84	12,608,076.43
31	Series E-1950	[7] 3.347	4,181,356.53	13,167,618.57
31	Series E-1951	[7] 3.378	3,710,097.19	15,759,205.33
31	Series E-1952 (January to April)	3.400	2,944,226.84	10,208,137.88
31	Series E-1952 (May to December)	[7] 3.451	9,647,755.32	6,320,597.65
31	Series E-1953	[7] 3.468	5,720,367.13	8,834,081.69
31	Series E-1954	[7] 3.497	5,684,268.08	9,282,301.49
31	Series E-1955	[7] 3.522	5,825,541.99	10,421,617.07
31	Series E-1956	[7] 3.546	5,529,938.80	10,865,098.29
31	Series E-1957 (January)	3.560	−15,623.93	1,005,033.86
31	Series E-1957 (February to December)	[7] 3.653	5,572,912.49	14,739,101.21
31	Series E-1958	[7] 3.690	5,999,613.29	15,908,055.62
31	Series E-1959 (January to May)	3.730	3,025,694.22	7,734,209.57
31	Series E-1959 (June to December)	3.750	2,852,939.64	12,042,336.21
31	Series E-1960	3.750	6,455,891.74	27,098,807.81
31	Series E-1961	3.750	84,857,112.47	116,131,978.15
31	Series E-1962	3.750	275,768,643.75	71,212.50
31	Unclassified sales and redemptions		[8] −42,920,333.48	[8] −10,859,923.87
31	Series F-1950	2.53	230,881.70	5,959,188.45
31	Series F-1951	2.53	161,032.55	118,605.39
31	Series F-1952	2.53	79,726.49	34,914.42
31	Unclassified redemptions			3,018,595.74
31	Series G-1550	2.50		34,143,000.00
31	Series G-1951	2.50		1,757,000.00
31	Series G-1952	2.50		431,100.00

Footnotes at end of table

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962	U.S. savings bonds—Continued	*Percent*		
Mar. 31	Unclassified redemptions			$8,039,000.00
31	Series H-1952	[7] 3.123		2,314,000.00
31	Series H-1953	[7] 3.161		890,000.00
31	Series H-1954	[7] 3.211		1,685,000.00
31	Series H-1955	[7] 3.258		2,163,500.00
31	Series H-1956	[7] 3.317		1,989,500.00
31	Series H-1957 (January)	3.360		127,500.00
31	Series H-1957 (February to December)	[7] 3.626		1,511,500.00
31	Series H-1958	[7] 3.679		2,255,500.00
31	Series H-1959 (January to May)	3.720		841,000.00
31	Series H-1959 (June to December)	3.750		1,000,500.00
31	Series H-1960	3.750		2,482,000.00
31	Series H-1961	3.750	$463,000.00	1,801,000.00
31	Series H-1962	3.750	92,028,500.00	68,000.00
31	Unclassified sales and redemptions		[8]—11,968,000.00	9,537,500.00
31	Series J-1952	2.76	85,030.44	243,111.86
31	Series J-1953	2.76	194,427.10	168,243.95
31	Series J-1954	2.76	357,311.85	722,032.05
31	Series J-1955	2.76	365,079.57	971,878.02
31	Series J-1956	2.76	251,668.50	425,254.10
31	Series J-1957	2.76	73,473.88	306,062.84
31	Unclassified redemptions			947,934.36
31	Series K-1952	2.76		434,000.00
31	Series K-1953	2.76		589,000.00
31	Series K-1954	2.76		1,905,000.00
31	Series K-1955	2.76		1,382,000.00
31	Series K-1956	2.76		1,055,000.00
31	Series K-1957	2.76		421,000.00
31	Unclassified redemptions			5,591,500.00
31	Depositary bonds, First Series	2.00	561,000.00	2,635,000.00
31	Treasury bonds, R.E.A. Series	2.00	300,000.00	100,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
31	Redeemed in exchange for Treasury notes, Series EO-1966			132,494,000.00
31	Treasury notes, Series EO-1966	1½	132,494,000.00	
31	Miscellaneous			14,352,900.00
	Total March		16,745,986,040.67	17,868,690,382.27
Apr. 1	Treasury notes, Series EA-1962:	1½		
	Redeemable for cash			85,913,000.00
	Treasury bills:			
	Regular weekly:			
5	Issued Oct. 5, 1961:			
	Redeemed in exchange for series dated Apr. 5, 1962, due July 5, 1962	[5] 2.696		138,701,000.00
	Redeemed in exchange for series dated Apr. 5, 1962, due Oct. 4, 1962			42,971,000.00
	Redeemable for cash			1,519,413,000.00
5	Maturing July 5, 1962:			
	Issued in exchange for series dated Oct. 5, 1961	2.757	138,701,000.00	
	Issued for cash		1,061,937,000.00	
5	Maturing Oct. 4, 1962:			
	Issued in exchange for series dated Oct. 5, 1961	2.875	42,971,000.00	
	Issued for cash		557,596,000.00	
12	Issued Oct. 13, 1961:			
	Redeemed in exchange for series dated Apr. 12, 1962, due July 12, 1962	[5] 2.774		65,610,000.00
	Redeemed in exchange for series dated Apr. 12, 1962, due Oct. 11, 1962			3,047,000.00
	Redeemable for cash			1,632,333,000.00
12	Maturing July 12, 1962:			
	Issued in exchange for series dated Oct. 13, 1961	2.720	65,610,000.00	
	Issued for cash		1,134,663,000.00	
12	Maturing Oct. 11, 1962:			
	Issued in exchange for series dated Oct. 13, 1961	2.814	3,047,000.00	
	Issued for cash		597,155,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962	Treasury bills—Continued			
	Other:			
Apr. 15	Issued Apr. 15, 1961:			
	Redeemed in exchange for series dated Apr. 15, 1962, due Apr. 15, 1963	*Percent* 2.827		$80,146,000.00
	Redeemable for cash			1,920,316,000.00
15	Maturing Apr. 15, 1963:			
	Issued in exchange for series dated Apr. 15, 1961	2.943	$80,146,000.00	
	Issued for cash		1,920,608,000.00	
18	Treasury bonds of 1968:			
	Issued for cash	3¾	1,257,539,500.00	
	Treasury bills:			
	Regular weekly:			
19	Issued Oct. 19, 1961:			
	Redeemed in exchange for series dated Apr. 19, 1962, due July 19, 1962	[5] 2.757		107,167,000.00
	Redeemed in exchange for series dated Apr. 19, 1962, due Oct. 18, 1962			43,350,000.00
	Redeemable for cash			1,551,537,000.00
19	Maturing July 19, 1962:			
	Issued in exchange for series dated Oct. 19, 1961	2.723	107,167,000.00	
	Issued for cash		1,093,815,000.00	
19	Maturing Oct. 18, 1962:			
	Issued in exchange for series dated Oct. 19, 1961	2.825	43,350,000.00	
	Issued for cash		556,959,000.00	
26	Issued Oct. 26, 1961:			
	Redeemed in exchange for series dated Apr. 26, 1962, due July 26, 1962	[5] 2.695		125,799,000.00
	Redeemed in exchange for series dated Apr. 26, 1962, due Oct. 25, 1962			65,545,000.00
	Redeemable for cash			1,510,390,000.00
26	Maturing July 26, 1962:			
	Issued in exchange for series dated Oct. 26, 1961	2.740	125,799,000.00	
	Issued for cash		1,074,953,000.00	
26	Maturing Oct. 25, 1962:			
	Issued in exchange for series dated Oct. 26, 1961	2.837	65,545,000.00	
	Issued for cash		534,863,000.00	
26	Certificates of indebtedness, foreign currency series, maturing Apr. 26, 1962	2.70		24,978,250.00
26	Certificates of indebtedness, foreign currency series, maturing July 26, 1962	2.75	24,978,250.00	
30	Certificates of indebtedness, Series A-1963:			
	Adjustments of issues [9]	3⅝	350,000.00	
30	Treasury bonds of 1971	4.00		
	Issued in exchange for:			
	2⅝% Treasury bonds of 1965		100,000.00	
	3% Treasury bonds of 1964		6,000.00	
30	Treasury bonds of 1980 (additional issue)	4.00		
	Issued in exchange for 2⅝% Treasury bonds of 1965		−100,000.00	
30	Treasury bonds of 1964	3.00		
	Redeemed in exchange for 4% Treasury bonds of 1971			6,000.00
30	Treasury bonds of 1965	2⅝		
	Redeemed in exchange for:			
	4% Treasury bonds of 1971			100,000.00
	4% Treasury bonds of 1980 (additional issue)			−100,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	tured or called or redeemed prior to maturity [4]
1962		*Percent*		
30	Treasury bonds of 1990 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1966–71		$500.00	
	2½% Treasury bonds of 1967–72, dated Oct. 20, 1941		7,000.00	
	2½% Treasury bonds of 1967–72, dated June 1, 1945		30,000.00	
	2½% Treasury bonds of 1967–72, dated Nov. 15, 1945		−1,460,000.00	
30	Treasury bonds of 1998 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1967–72, dated Oct. 20, 1941		10,500.00	
	2½% Treasury bonds of 1967–72, dated June 1, 1945		128,000.00	
	2½% Treasury bonds of 1967–72, dated Nov. 15, 1945		1,255,000.00	
30	Treasury bonds of 1966–71	2½		
	Redeemed in exchange for 3½% Treasury bonds of 1990 (additional issue)			$500.00
30	Treasury bonds of 1967–72 (dated Oct. 20, 1941)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990 (additional issue)			7,000.00
	3½% Treasury bonds of 1998 (additional issue)			10,500.00
30	Treasury bonds of 1967–72 (dated June 1, 1945)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990 (additional issue)			30,000.00
	3½% Treasury bonds of 1998 (additional issue)			128,000.00
30	Treasury bonds of 1967–72 (dated Nov. 15, 1945)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990 (additional issue)			−1,460,000.00
	3½% Treasury bonds of 1998 (additional issue)			1,255,000.00
30	Treasury bonds of 1968	3⅞		
	Adjustments of issues: [9]			
	Issued in exchange for Series F and G savings bonds		−45,000.00	
	Issued for cash		45,000.00	
	U.S. savings bonds: [6]			
30	Series E–1941	[7] 3.223	537,242.64	3,112,836.87
30	Series E–1942	[7] 3.252	4,506,766.51	15,750,505.48
30	Series E–1943	[7] 3.276	8,769,389.88	17,372,594.72
30	Series E–1944	[7] 3.298	3,317,676.69	20,810,170.74
30	Series E–1945	[7] 3.316	4,319,521.39	16,972,371.18
30	Series E–1946	[7] 3.327	3,210,859.60	9,334,816.73
30	Series E–1947	[7] 3.346	3,320,031.70	10,328,746.08
30	Series E–1948	[7] 3.366	3,422,428.38	11,427,836.88
30	Series E–1949	[7] 3.344	3,824,324.86	12,292,520.17
30	Series E–1950	[7] 3.347	3,832,809.83	12,902,699.37
30	Series E–1951	[7] 3.378	3,738,489.89	14,272,966.46
30	Series E–1952 (January to April)	3.400	2,646,645.98	10,631,976.35
30	Series E–1952 (May to December)	[7] 3.451	7,253,455.23	7,071,745.48
30	Series E–1953	[7] 3.468	5,773,056.44	9,299,933.89
30	Series E–1954	[7] 3.497	5,365,105.39	9,861,048.98
30	Series E–1955	[7] 3.522	5,611,333.67	11,050,851.73
30	Series E–1956	[7] 3.546	5,470,930.93	13,497,075.79
30	Series E–1957 (January)	3.560	9.56	919,530.35
30	Series E–1957 (February to December)	[7] 3.653	5,709,611.69	11,795,631.91
30	Series E–1958	[7] 3.690	6,032,934.11	13,849,555.66
30	Series E–1959 (January to May)	3.730	2,927,199.25	6,629,879.51
30	Series E–1959 (June to December)	3.750	3,376,964.32	10,012,801.80
30	Series E–1960	3.750	6,551,574.38	22,671,832.44
30	Series E–1961	3.750	25,213,397.15	81,768,682.08
30	Series E–1962	3.750	283,466,906.25	25,267,537.50
30	Unclassified sales and redemptions		[8] −12,712,300.50	16,375,296.16
30	Series F–1950	2.53	847,606.50	6,649,429.90

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962	U.S. savings bonds [6]—Continued	*Percent*		
Apr. 30	Series F-1951	2.53	$198,158.85	$236,742.32
30	Series F-1952	2.53	63,462.70	148,463.04
30	Unclassified redemptions			[8] −1,534,811.95
30	Series G-1950	2.50		40,880,100.00
30	Series G-1951	2.50		3,218,600.00
30	Series G-1952	2.50		897,100.00
30	Unclassified redemptions			[8] −16,546,700.00
30	Series H-1952	[7] 3.123		2,812,500.00
30	Series H-1953	[7] 3.161		1,294,000.00
30	Series H-1954	[7] 3.211		2,670,500.00
30	Series H-1955	[7] 3.258		3,467,000.00
30	Series H-1956	[7] 3.317		2,899,500.00
30	Series H-1957 (January)	3.360		241,000.00
30	Series H-1957 (February to December)	[7] 3.626		2,015,000.00
30	Series H-1958	[7] 3.679		3,445,500.00
30	Series H-1959 (January to May)	3.720	859,000.00	1,457,500.00
30	Series H-1959 (June to December)	3.750	10,000.00	1,296,000.00
30	Series H-1960	3.750		3,442,500.00
30	Series H-1961	3.750	−335,000.00	3,565,000.00
30	Series H-1962	3.750	71,189,500.00	76,000.00
30	Unclassified sales and redemptions		3,109,000.00	[8] −6,114,000.00
30	Series J-1952	2.76	98,561.23	202,913.15
30	Series J-1953	2.76	180,293.05	326,127.00
30	Series J-1954	2.76	356,039.60	1,372,425.25
30	Series J-1955	2.76	357,577.24	852,453.90
30	Series J-1956	2.76	184,968.30	903,270.30
30	Series J-1957	2.76	79,182.67	157,721.86
30	Unclassified redemptions			[8] −1,210,954.43
30	Series K-1952	2.76		1,332,500.00
30	Series K-1953	2.76		1,771,500.00
30	Series K-1954	2.76		3,964,500.00
30	Series K-1955	2.76		2,969,500.00
30	Series K-1956	2.76		1,349,500.00
30	Series K-1957	2.76		265,500.00
30	Unclassified redemptions			[8] −5,107,000.00
30	Depositary bonds, First Series	2.00	525,000.00	1,066,000.00
30	Treasury bonds, R.E.A. Series	2.00	623,000.00	60,000.00
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for Treasury notes:			
	Series EO-1966			57,495,000.00
	Series EA-1967			2,341,000.00
30	Treasury notes, Series EO-1966	1½	57,495,000.00	
30	Treasury notes, Series EA-1967	1½	2,341,000.00	
30	Miscellaneous			18,292,900.00
	Total April		11,021,397,465.36	9,457,395,474.65
	Treasury bills:			
	Regular weekly:			
May 3	Issued Nov. 2, 1961:			
	Reedeemed in exchange for series dated May 3, 1962, due Aug. 2, 1962	[5] 2.675		183,491,000.00
	Redeemed in exchange for series dated May 3, 1962, due Nov. 1, 1962			72,491,000.00
	Redeemable for cash			1,545,505,000.00
3	Maturing Aug. 2, 1962:			
	Issued in exchange for series dated Nov. 2, 1961	2.748	183,491,000.00	
	Issued for cash		1,018,109,000.00	
3	Maturing Nov. 1, 1962:			
	Issued in exchange for series dated Nov. 2, 1961	2.845	72,491,000.00	
	Issued for cash		527,557,000.00	
8	Certificates of indebtedness, foreign series, maturing May 8, 1962	2.70		450,000,000.00
8	Certificates of indebtedness, foreign series, maturing Aug. 8, 1962	2.75	350,000,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills:			
1962	Regular weekly:			
May 10	Issued Nov. 9, 1961:			
	Redeemed in exchange for series dated May 10, 1962, due Aug. 9. 1962	*Percent* [5] 2.654		$147,228,000.00
	Redeemed in exchange for series dated May 10, 1962, due Nov. 8, 1962			63,856,000.00
	Redeemable for cash			1,489,338,000.00
10	Maturing Aug. 9, 1962:			
	Issued in exchange for series dated Nov. 9, 1961	2.719	$147,228,000.00	
	Issued for cash		1,056,982,000.00	
10	Maturing Nov. 8, 1962:			
	Issued in exchange for series dated Nov. 9, 1961	2.816	63,856,000.00	
	Issued for cash		537,783,000.00	
15	Treasury bonds of 1971	3⅞		
	Issued in exchange for:			
	3% Certificates of indebtedness, Series A-1962		465,013,000.00	
	4% Treasury notes, Series E-1962		283,664,000.00	
	2¼% Treasury bonds of 1959-62, dated June 1, 1945		455,415,500.00	
15	Treasury notes, Series B-1966	3⅝		
	Issued in exchange for:			
	3% Certificates of indebtedness, Series A-1962		1,137,775,000.00	
	4% Treasury notes, Series E-1962		842,230,000.00	
	2¼% Treasury bonds of 1959-62, dated June 1, 1945		1,133,197,000.00	
15	Certificates of indebtedness, Series B-1963	3¼		
	Issued in exchange for:			
	3% Certificates of indebtedness, Series A-1962		3,807,398,000.00	
	4% Treasury notes, S ries E-1962		927,720,000.00	
	2¼% Treasury bonds of 1959-62, dated June 1, 1945		1,950,374,000.00	
15	Certificates of indebtedness, Series A-1962	3.00		
	Redeemed in exchange for:			
	3¼% Certificates of indebtedness, Series B-1963			3,807,398,000.00
	3⅝% Treasury notes, Series B-1966			1,137,775,000.00
	3⅞% Treasury bonds of 1971			465,013,000.00
	Redeemable for cash			99,032,000.00
	Treasury notes, Series E-1962	4.00		
	Redeemed in exchange for:			
	3¼% Certificates of indebtedness, Series B-1963			927,720,000.00
	3⅝% Treasury notes, Series B-1966			842,230,000.00
	3⅞% Treasury bonds of 1971			283,664,000.00
	Redeemable for cash			157,279,000.00
15	Treasury bonds of 1959-62 (dated June 1, 1945)	2¼		
	Redeemed in exchange for:			
	3¼% Certificates of indebtedness, Series B-1963			1,950,374,000.00
	3⅝% Treasury notes, Series B-1966			1,133,197,000.00
	3⅞% Treasury bonds of 1971			455,415,500.00
	Treasury bills:			
	Regular weekly:			
17	Issued Nov. 16, 1961:			
	Redeemed in exchange for series dated May 17, 1962, due Aug. 16, 1962	[5] 2.746		98,863,000.00
	Redeemed in exchange for series dated May 17, 1962, due Nov. 15, 1962			62,529,000.00
	Redeemable for cash			1,639,014,000.00
17	Maturing Aug. 16, 1962:			
	Issued in exchange for series dated Nov. 16, 1961	2.646	98,863,000.00	
	Issued for cash		1,101,540,000.00	

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
May 17	Maturing Nov. 15, 1962:			
	Issued in exchange for series dated Nov. 16 1961	*Percent* 2.744	$62,529,000.00	
	Issued for cash		537,611,000.00	
24	Issued Nov. 24, 1961:			
	Redeemed in exchange for series dated May 24, 1962, due Aug. 23, 1962	[5] 2.810		$168,697,000.00
	Redeemed in exchange for series dated May 24, 1962, due Nov. 23, 1962			62,728,000.00
	Redeemable for cash			1,570,926,000.00
24	Maturing Aug. 23, 1962:			
	Issued in exchange for series dated Nov. 24, 1961	2.700	168,697,000.00	
	Issued for cash		1,131,715,000.00	
24	Maturing Nov. 23, 1962:			
	Issued in exchange for series dated Nov. 24, 1961	2.795	62,728,000.00	
	Issued for cash		537,588,000.00	
31	Issued Nov. 30, 1961:			
	Redeemed in exchange for series dated May 31, 1962, due Aug. 30, 1962	[5] 2.712		94,442,000.00
	Redeemed in exchange for series dated May 31, 1962, due Nov. 29, 1962			62,633,000.00
	Redeemable for cash			1,643,740,000.00
31	Maturing Aug. 30, 1962:			
	Issued in exchange for series dated Nov. 30, 1961	2.656	94,442,000.00	
	Issued for cash		1,206,713,000.00	
31	Maturing Nov. 29, 1962:			
	Issued in exchange for series dated Nov. 30, 1961	2.743	62,633,000.00	
	Issued for cash		538,691,000.00	
31	Treasury bonds of 1990 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1967–72, dated Oct. 20, 1941		4,500.00	
	2½% Treasury bonds of 1967–72, dated June 1, 1945		94,000.00	
	2½% Treasury bonds of 1967–72, dated Nov. 15, 1945		9,000.00	
31	Treasury bonds of 1998 (additional issue)	3½		
	Issued in exchange for:			
	2½% Treasury bonds of 1967–72, dated Oct. 20, 1941		−15,000.00	
	2½% Treasury bonds of 1967–72, dated June 1, 1945		15,000.00	
	2½% Treasury bonds of 1967–72, dated Nov. 15, 1945		24,000.00	
31	Treasury bonds of 1971	4.00		
	Issued in exchange for:			
	3% Treasury bonds of 1964		10,000.00	
	2⅝% Treasury bonds of 1965		15,000.00	
31	Certificates of indebtedness, foreign series, maturing Aug. 30, 1962	2.00	50,000,000.00	
31	Treasury bonds of 1967–72 (dated Oct. 20, 1941)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990 (additional issue)			4,500.00
	3½% Treasury bonds of 1998 (additional issue)			−15,000.00
31	Treasury bonds of 1967–72 (dated June 1, 1945)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990 (additional issue)			94,000.00
	3½% Treasury bonds of 1998 (additional issue)			15,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962		*Percent*		
May 31	Treasury bonds of 1967–72 (dated Nov. 15, 1945)	2½		
	Redeemed in exchange for:			
	3½% Treasury bonds of 1990 (additional issue)			$9,000.00
	3½% Treasury bonds of 1998 (additional issue)			24,000.00
31	Treasury bonds of 1964	3.00		
	Redeemed in exchange for 4% Treasury bonds of 1971			10,000.00
31	Treasury bonds of 1965	2⅝		
	Redeemed in exchange for 4% Treasury bonds of 1971			15,000.00
	U.S. savings bonds: [6]			
31	Series E-1941	[7] 3.223	$989,049.39	2,989,334.95
31	Series E-1942	[7] 3.252	4,259,953.49	16,502,421.15
31	Series E-1943	[7] 3.276	4,595,841.05	18,968,127.41
31	Series E-1944	[7] 3.298	5,717,442.67	21,224,521.49
31	Series E-1945	[7] 3.316	10,535,655.14	17,614,972.68
31	Series E-1946	[7] 3.327	3,216,148.27	9,573,266.60
31	Series E-1947	[7] 3.346	3,051,637.33	10,513,105.39
31	Series E-1948	[7] 3.366	3,436,610.95	11,949,142.57
31	Series E-1949	[7] 3.344	3,797,947.46	12,931,184.82
31	Series E-1950	[7] 3.347	3,731,012.59	12,807,715.93
31	Series E-1951	[7] 3.378	3,523,190.50	14,877,746.36
31	Series E-1952 (January to April)	3.400	−14,974.57	11,788,674.85
31	Series E-1952 (May to December)	[7] 3.451	2,491,229.57	7,435,821.84
31	Series E-1953	[7] 3.468	5,370,278.15	9,711,959.42
31	Series E-1954	[7] 3.497	5,223,296.81	10,505,035.15
31	Series E-1955	[7] 3.522	5,396,759.71	11,642,951.36
31	Series E-1956	[7] 3.546	5,310,474.60	13,567,340.19
31	Series E-1957 (January)	3.560	−5.94	1,054,684.35
31	Series E-1957 (February to December)	[7] 3.653	5,991,428.35	12,387,476.89
31	Series E-1958	[7] 3.690	5,701,904.44	14,059,363.48
31	Series E-1959 (January to May)	3.730	2,769,847.28	6,622,689.92
31	Series E-1959 (June to December)	3.750	3,098,327.83	9,973,349.57
31	Series E-1960	3.750	6,051,217.29	23,630,187.18
31	Series E-1961	3.750	11,616,356.19	68,812,032.90
31	Series E-1962	3.750	290,629,212.50	45,811,181.25
31	Unclassified sales and redemptions		16,780,402.20	[8] −3,845,166.71
31	Series F-1950	2.53	349,267.70	6,742,529.05
31	Series F-1951	2.53	171,956.53	319,933.61
31	Series F-1952	2.53	−152.26	134,194.29
31	Unclassified redemptions			[8] −563,703.93
31	Series G-1950	2.50		27,724,900.00
31	Series G-1951	2.50		1,349,200.00
31	Series G-1952	2.50		683,700.00
31	Unclassified redemptions			[8] −405,100.00
31	Series H-1952	[7] 3.123		1,793,500.00
31	Series H-1953	[7] 3.161		1,146,500.00
31	Series H-1954	[7] 3.211		1,818,000.00
31	Series H-1955	[7] 3.258		2,547,000.00
31	Series H-1956	[7] 3.317		2,393,500.00
31	Series H-1957 (January)	3.360		151,000.00
31	Series H-1957 (February to December)	[7] 3.626		1,663,000.00
31	Series H-1958	[7] 3.679		2,717,000.00
31	Series H-1959 (January to May)	3.720	−859,000.00	1,217,500.00
31	Series H-1959 (June to December)	3.750	−10,000.00	997,500.00
31	Series H-1960	3.750		2,697,000.00
31	Series H-1961	3.750	15,000.00	3,198,000.00
31	Series H-1962	3.750	65,363,000.00	89,000.00
31	Unclassified sales and redemptions		[8] −10,415,500.00	2,291,500.00
31	Series J-1952	2.76	214,334.97	158,772.82
31	Series J-1953	2.76	194,579.70	329,100.10
31	Series J-1954	2.76	405,023.15	877,231.89
31	Series J-1955	2.76	308,490.51	622,286.53
31	Series J-1956	2.76	188,565.90	512,189.60
31	Series J-1957	2.76	−83.09	166,080.00
31	Unclassified sales and redemptions			197,186.39
31	Series K-1952	2.76		595,000.00
31	Series K-1953	2.76		776,000.00
31	Series K-1954	2.76		2,280,500.00
31	Series K-1955	2.76		1,465,500.00
31	Series K-1956	2.76		970,500.00
31	Series K-1957	2.76		199,500.00
31	Unclassified redemptions			1,842,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962		*Percent*		
May 31	Depositary bonds, First Series	2.00	$218,000.00	$567,000.00
31	Treasury bonds, R.E.A. Series	2.00	274,000.00	578,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EO-1966			4,000,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EA-1967			16,808,000.00
31	Treasury notes, Series EO-1966	1½	4,000,000.00	
31	Treasury notes, Series EA-1967	1½	16,808,000.00	
31	Miscellaneous			15,428,400.00
	Total May		21,104,685,726.36	21,116,923,021.25
June 1	Certificates of indebtedness, foreign series, maturing June 1, 1962	2.70		50,000,000.00
1	Certificates of indebtedness, foreign series, maturing Sept. 4, 1962	2.70	50,000,000.00	
	Treasury bills:			
	Regular weekly:			
7	Issued Dec. 7, 1961:			
	Redeemed in exchange for series dated June 7, 1962, due Sept. 6, 1962	[5] 2.770		87,339,000.00
	Redeemed in exchange for series dated June 7, 1962, due Dec. 6, 1962			27,708,000.00
	Redeemable for cash			1,685,434,000.00
7	Maturing Sept. 6, 1962:			
	Issued in exchange for series dated Dec. 7, 1961	2.691	87,339,000.00	
	Issued for cash		1,213,664,000.00	
7	Maturing Dec. 6, 1962:			
	Issued in exchange for series dated Dec. 7, 1961	2.787	27,708,000.00	
	Issued for cash		674,259,000.00	
8	Certificates of indebtedness, foreign currency series, maturing June 8, 1962	2.75		49,941,000.00
8	Certificates of indebtedness, foreign currency series, maturing Sept. 7, 1962	2.70	49,964,250.00	
14	Certificates of indebtedness, foreign series, maturing Sept. 14, 1962	2.00	10,000,000.00	
	Treasury bills:			
	Regular weekly:			
14	Issued Dec. 14, 1961:			
	Redeemed in exchange for series dated June 14, 1962, due Sept. 13, 1962	[5] 2.827		112,844,000.00
	Redeemed in exchange for series dated June 14, 1962, due Dec. 13, 1962			18,811,000.00
	Redeemable for cash			1,670,150,000.00
14	Maturing Sept. 13, 1962:			
	Issued in exchange for series dated Dec. 14, 1961	2.671	112,844,000.00	
	Issued for cash		1,187,561,000.00	
14	Maturing Dec. 13, 1962:			
	Issued in exchange for series dated Dec. 14, 1961	2.758	18,811,000.00	
	Issued for cash		681,307,000.00	
15	Treasury bonds of 1959-62 (dated June 1, 1945)	2¼		
	Redeemable for cash			424,221,500.00
20	Certificates of indebtedness, foreign series, maturing Dec. 20, 1962	2.75	50,000,000.00	
	Treasury bills:			
	Regular weekly:			
21	Issued Dec. 21, 1961:			
	Redeemed in exchange for series dated June 21, 1962, due Sept. 20, 1962	[5] 2.765		209,647,000.00
	Redeemed in exchange for series dated June 21, 1962, due Dec. 20, 1962			82,978,000.00
	Redeemable for cash			1,509,621,000.00

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
	Treasury bills—Continued			
1962	Regular weekly—Continued			
June 21	Maturing Sept. 20, 1962:			
	Issued in exchange for series dated Dec. 21, 1961	*Percent* 2.721	$209,647,000.00	
	Issued for cash		1,091,096,000.00	
21	Maturing Dec. 20, 1962:			
	Issued in exchange for series dated Dec. 21, 1961	2.800	82,978,000.00	
	Issued for cash		617,574,000.00	
	Tax anticipation:			
22	Issued Sept. 27, 1961:			
	Redeemable for cash	2.705		$2,510,855,000.00
26	Certificates of indebtedness, foreign series, maturing Sept. 26, 1962	2.00	250,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Sept. 26, 1962	2.80	100,000,000.00	
26	Certificates of indebtedness, foreign series, maturing Aug. 8, 1962	2.75		100,000,000.00
27	Certificates of indebtedness, foreign series, maturing Sept. 27, 1962	2.80	100,000,000.00	
	Treasury bills:			
	Regular weekly:			
28	Issued Dec. 28, 1961:			
	Redeemed in exchange for series dated June 28, 1962, due Sept. 27, 1962	[5] 2.761		82,705,000.00
	Redeemed in exchange for series dated June 28, 1962, due Dec. 27, 1962			31,849,000.00
	Redeemable for cash			1,686,230,000.00
28	Maturing Sept. 27, 1962:			
	Issued in exchange for series dated Dec. 28, 1961	2.792	82,705,000.00	
	Issued for cash		1,217,777,000.00	
28	Maturing Dec. 27, 1962:			
	Issued in exchange for series dated Dec. 28, 1961	2.872	31,849,000.00	
	Issued for cash		668,348,000.00	
	Treasury bonds of 1998	3½		
30	Issued in exchange for 2½% Treasury bonds of 1967-72 (dated Nov. 1, 1945)—adjustment of issues [9]		−26,000.00	
	Treasury bonds of 1990	3½		
30	Issued in exchange for 2½% Treasury bonds of 1967-72 (dated Nov. 1, 1945)—adjustment of issues [9]		156,000.00	
	Treasury bonds of 1968	3⅞		
30	Issued in exchange for Series F and G savings bonds		1,000.00	
30	Treasury bonds of 1967-72 (dated Nov. 1, 1945)	2½		
	Redeemed in exchange for 3½% Treasury bonds of 1990			130,000.00
	U.S. savings bonds: [6]			
30	Series E-1941	[7] 3.223	2,580,625.01	2,706,397.39
30	Series E-1942	[7] 3.252	5,378,079.86	13,903,904.83
30	Series E-1943	[7] 3.276	5,109,686.80	15,061,172.96
30	Series E-1944	[7] 3.298	13,401,440.35	17,171,426.00
30	Series E-1945	[7] 3.316	10,661,396.87	15,310,974.51
30	Series E-1946	[7] 3.327	4,246,210.59	8,034,290.27
30	Series E-1947	[7] 3.346	3,982,205.58	8,282,425.18
30	Series E-1948	[7] 3.336	4,633,074.05	9,273,174.24
30	Series E-1949	[7] 3.344	5,394,845.56	10,461,120.27
30	Series E-1950	[7] 3.347	4,480,341.17	10,599,149.80
30	Series E-1951	[7] 3.378	4,149,532.54	11,434,783.19
30	Series E-1952 (January to April 1952)	3.400	−13,735.55	6,832,647.69
30	Series E-1952 (May to December 1952)	[7] 3.451	6,059,433.95	9,304,816.50
30	Series E-1953	[7] 3.468	6,528,150.46	8,252,053.65
30	Series E-1954	[7] 3.497	6,561,948.13	8,323,754.22
30	Series E-1955	[7] 3.522	6,406,657.35	9,473,380.90
30	Series E-1956	[7] 3.546	6,008,855.37	10,355,389.94
30	Series E-1957 (January 1957)	3.560	−11.12	776,670.53
30	Series E-1957 (February to December 1957)	[7] 3.653	6,972,469.11	10,933,373.39
30	Series E-1958	[7] 3.690	6,601,903.32	15,501,171.79
30	Series E-1959 (January to May 1959)	3.730	−25,716.23	6,883,049.46

Footnotes at end of table.

TABLE 40.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1961–June 1962* [1]—Continued

Date	Security	Rate of interest [2]	Amount issued [3]	Amount matured or called or redeemed prior to maturity [4]
1962	U.S. savings bonds—Continued	*Percent*		
June 30	Series E-1959 (June to December 1959)	3.750	$6,678,761.24	$10,281,312.00
30	Series E-1960	3.750	6,884,520.55	24,374,063.98
30	Series E-1961	3.750	5,693,934.62	60,577,774.26
30	Series E-1962	3.750	316,663,506.25	68,135,362.50
30	Unclassified sales and redemptions		[8] −10,420,943.95	44,545,660.00
30	Series F-1950	2.53	472,701.85	5,469,860.00
30	Series F-1951	2.53	196,356.53	249,087.91
30	Series F-1952	2.53	−130.64	152,123.66
30	Unclassified redemptions			657,206.56
30	Series G-1950	2.50		25,741,400.00
30	Series G-1951	2.50		1,662,700.00
30	Series G-1952	2.50		590,700.00
30	Unclassified redemptions			1,597,500.00
30	Series H-1952	[7] 3.123		1,668,500.00
30	Series H-1953	[7] 3.161		1,174,500.00
30	Series H-1954	[7] 3.211		2,178,500.00
30	Series H-1955	[7] 3.258		3,336,500.00
30	Series H-1956	[7] 3.317		2,547,000.00
30	Series H-1957 (January 1957)	3.360		153,500.00
30	Series H-1957 (February to December 1957)	[7] 3.626		1,981,000.00
30	Series H-1958	[7] 3.679		3,140,500.00
30	Series H-1959 (January to May 1959)	3.720		1,360,000.00
30	Series H-1959 (June to December 1959)	3.750		1,053,500.00
30	Series H-1960	3.750		2,760,500.00
30	Series H-1961	3.750	35,500.00	3,333,500.00
30	Series H-1962	3.750	63,185,500.00	44,500.00
30	Unclassified sales and redemptions		9,841,000.00	[8] −533,500.00
30	Series J-1952	2.76	211,408.06	431,775.06
30	Series J-1953	2.76	270,060.00	400,735.75
30	Series J-1954	2.76	502,957.70	345,530.85
30	Series J-1955	2.76	331,925.20	799,804.25
30	Series J-1956	2.76	234,006.90	498,404.70
30	Series J-1957	2.76	−78.10	267,660.00
30	Unclassified redemptions			37,662.57
30	Series K-1952	2.76		990,000.00
30	Series K-1953	2.76		934,000.00
30	Series K-1954	2.76		2,461,500.00
30	Series K-1955	2.76		1,901,000.00
30	Series K-1956	2.76		1,330,500.00
30	Series K-1957	2.76		400,000.00
30	Unclassified redemptions			701,500.00
30	Depositary bonds, First Series	2.00	43,000.00	5,021,000.00
30	Treasury bonds, R.E.A. Series	2.00	491,000.00	237,000.00
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EA-1967			29,092,000.00
30	Treasury notes, Series EA-1967	1½	29,092,000.00	
30	Miscellaneous			15,702,400.00
	Total June		9,155,086,629.38	10,879,124,350.79
	Total fiscal year 1962		172,331,163,879.90	163,105,520,708.79

[1] Interest rates on Series E and H savings bonds were increased on Sept. 22, 1959, retroactive to June 1, 1959.
[2] For Treasury bills, average rates on bank discount basis are shown; for savings bonds, approximate yield to maturity is shown.
[3] Since May 1, 1957, Series E and H bonds have been the only savings bonds on sale. Amounts shown for Series E, F, and J represent issue price plus accrued discount, and amounts shown for Series H represent issue price at par.
[4] For savings bonds of Series E, F, and J, amounts represent current redemption value (issue price plus accrued discount); and for Series G, H, and K, amounts represent redemption value at par.
[5] Average interest rate for combined original and additional issues.
[6] At option of owner, Series E bonds dated May 1, 1941, through May 1, 1949, may be held and will accrue interest for additional 20 years; bonds dated on and after June 1, 1949, may be held and will accrue interest for additional 10 years. At option of owner, Series H bonds dated June 1, 1952, through Jan. 1, 1957, may be held and will accrue interest for additional 10 years.
[7] Represents a weighted average of the approximate yields of bonds of various issue dates within the yearly series if held to maturity or if held from issue date to end of applicable extension period, computed on the basis of bonds outstanding June 30, 1961. (See Treasury Circulars Nos. 653 and 905 revised Sept. 23, 1959, and first amendments thereto dated Mar. 21, 1961, and Aug. 2, 1961, respectively, for details of yields by issue dates.)
[8] Amounts transferred from unclassified sales or redemptions to sales or redemptions of designated series.
[9] Adjustments of amounts originally reported on date of issue or exchange.
[10] Represents an additional $100,007,000 on each of eight series of outstanding Treasury bills issued in a strip to mature each week from Dec. 7, 1961, to Jan. 25, 1962.

TABLE 41.—*Allotments by investor classes on subscriptions for public marketable securities other than regular weekly Treasury bills, fiscal year 1962* [1]

[In millions of dollars. On basis of subscription and allotment reports]

Issue				Allotments by investor classes										
Date of financing	Description of security	Amount issued: For cash	Amount issued: In exchange for other securities	U.S. Government investment accounts and Federal Reserve Banks	Commercial banks [2]	Individuals [3]	Insurance companies	Mutual savings banks	Corporations [4]	Private pension and retirement funds	State and local governments [5]: Pension and retirement funds	State and local governments [5]: Other funds	Dealers and brokers	All other [6]
1961														
July 15	2.908% bill, July 15, 1962	[7] 2,004	-	75	917	21	9	7	198	9	(*)	86	536	146
July 26	2.484% bill, Mar. 23, 1962 [8]	3,503	-	-	3,473	10	2	-	8	1	-	2	(*)	7
Aug. 1	3¼% note, Nov. 15, 1962–H	-	6,082	3,386	1,241	107	77	28	382	17	1	407	169	267
	3¾% note, Aug. 15, 1964–E	-	5,019	1,600	2,203	92	64	55	145	12	5	100	441	302
	3⅞% bond, May 15, 1968 [9]	-	749	58	309	45	32	29	16	7	9	21	169	54
Sept. 15	3½% bond, Nov. 15, 1980 [9]	-	1,273	480	61	31	366	74	9	13	63	94	8	74
	3½% bond, Feb. 15, 1990 [9]	-	1,298	161	81	23	529	190	10	17	123	70	33	61
	3½% bond, Nov. 15, 1998 [9]	-	1,187	290	50	27	442	99	5	4	94	64	91	21
Sept. 27	2.705% bill, June 22, 1962 [8]	2,511	-	-	2,493	7	1	(*)	3	(*)	-	3	-	4
Oct. 11	3¼% note, May 15, 1963–D [9]	2,295	-	100	2,056	9	7	2	20	2	(*)	3	82	14
Oct. 16	2.975% bill, Oct. 15, 1962	[7] 2,003	-	111	939	9	3	3	131	3	3	19	667	115
Nov. 15	2.277% bill, Dec. 7, 1961–Jan. 25, 1962 [10]	800	-	-	361	-	-	-	82	-	-	17	333	7
	3¼% note, Feb. 15, 1963–E	-	3,642	68	2,158	78	92	37	625	25	3	165	206	185
	3¾% bond, May 15, 1966 [9]	-	2,384	4	1,514	52	89	55	66	17	2	49	405	131
	3⅞% bond, Nov. 15, 1974 [9]	-	517	136	105	8	21	4	16	3	4	9	189	22
Dec. 15	3⅞% bond, May 15, 1968 [9]	-	320	(*)	136	60	21	8	18	7	19	23	(*)	28

1962														
Jan. 15	3.366% bill, Jan. 15, 1963	[7] 2,001	----------	217	1,078	14	12	7	117	3	(*)	21	404	128
Jan. 24	4% bond, Oct. 1, 1969 [9]	1,114	----------	100	780	35	11	30	26	11	6	6	45	64
Feb. 15	3½% certificate, Feb. 15, 1963-A	--------	6,862	3,411	1,618	100	106	36	646	35	5	313	270	322
	4% note, Aug. 15, 1966-A	--------	4,454	1,518	2,043	87	77	80	135	19	11	93	208	183
Mar. 1	4% bond, Aug. 15, 1971	--------	2,806	408	1,591	118	115	51	46	41	24	108	144	160
	4% bond, Feb. 15, 1980 [9]	--------	563	177	116	36	37	23	3	2	23	24	94	28
	3½% bond, Feb. 15, 1990 [9]	--------	900	218	94	83	69	30	23	28	101	99	22	133
	3½% bond, Nov. 15, 1998 [9]	--------	933	221	77	132	87	28	17	4	142	39	88	98
Mar. 23	2.896% bill, Sept. 21, 1962 [8]	1,802	----------	153	689	5	5	2	156	1	36	28	683	44
Apr. 15	2.943% bill, Apr. 15, 1963	[7] 2,001	----------	163	925	8	7	1	149	(*)	(*)	82	506	160
Apr. 18	3¾% bond, Aug. 15, 1968	1,258	----------	100	753	32	29	39	40	22	7	17	117	102
May 15	3¼% certificate, May 15, 1963	--------	6,686	2,330	2,287	106	140	68	827	40	11	352	171	354
	3⅝% note, Feb. 15, 1966	--------	3,114	17	2,261	31	68	49	93	9	1	48	335	202
	3⅞% bond, Nov. 15, 1971	--------	1,204	64	653	26	36	15	26	3	15	39	224	103

*Less than $500,000.

[1] Excludes 1½ percent Treasury EA and EO notes issued in exchange for nonmarketable 2¾ percent Treasury Bonds, Investment Series B-1975-80.

[2] Includes trust companies and stock savings banks.

[3] Includes partnerships and personal trust accounts.

[4] Exclusive of banks and insurance companies.

[5] Consists of trusts, sinking, and investment funds of State and local governments and their agencies.

[6] Includes savings and loan associations, nonprofit institutions, and investments of foreign balances and international accounts in this country.

[7] Issued as a rollover of one-year bills.

[8] Tax anticipation security.

[9] Reopening of earlier issue.

[10] Offering consisted of an additional $100 million each of eight series of outstanding weekly bills issued in a strip on Nov. 15, 1961.

NOTE.—Allotments from July 15, 1953, through May 15, 1959, will be found in the 1959 annual report, pp. 528-530. For the fiscal year 1960, see 1960 annual report, p. 573, for fiscal 1961, see 1961 annual report, p. 604, and for current figures see monthly *Treasury Bulletin.*

TABLE 42.—*Public debt increases and decreases, and balances in the account of the Treasurer of the United States, fiscal years 1916–62*

[In millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Fiscal year	Public debt outstanding at end of year	Increase, or decrease (−), during year	Analysis of increase or decrease			Balance in Treasurer's account at end of year
			Excess of expenditures (+), or receipts (−)	Increase (+) or decrease (−), in the balance in Treasurer's account	Decreases due to statutory debt retirements [1]	
1916	1,225.1	33.8	−48.5	+82.3	----------	240.4
1917	2,975.6	1,750.5	+853.4	+897.1	----------	1,137.5
1918	12,455.2	9,479.6	+9,033.3	+447.5	1.1	1,585.0
1919	25,484.5	13,029.3	+13,370.6	−333.3	8.0	1,251.7
1920	24,299.3	−1,185.2	−212.5	−894.0	78.7	357.7
1921	23,977.5	−321.9	−86.7	+192.0	427.1	549.7
1922	22,963.4	−1,014.1	−313.8	−277.6	422.7	272.1
1923	22,349.7	−613.7	−309.7	+98.8	402.9	370.9
1924	21,250.8	−1,098.9	−505.4	−135.5	458.0	235.4
1925	20,516.2	−734.6	−250.5	−17.6	466.5	217.8
1926	19,643.2	−873.0	−377.8	−7.8	487.4	210.0
1927	18,511.9	−1,131.3	−635.8	+24.1	519.6	234.1
1928	17,604.3	−907.6	−398.8	+31.5	540.3	265.5
1929	16,931.1	−673.2	−184.8	+61.2	549.6	326.7
1930	16,185.3	−745.8	−183.8	−8.1	553.9	318.6
1931	16,801.3	616.0	+902.7	+153.3	440.1	471.9
1932	19,487.0	2,685.7	+3,153.1	−54.7	412.6	417.2
1933	22,538.7	3,051.7	+3,068.3	+445.0	461.6	862.2
1934	27,053.1	4,514.5	+3,154.6	+1,719.7	359.9	2,581.9
1935	28,700.9	1,647.8	+2,961.9	−740.6	573.6	1,841.3
1936	33,778.5	5,077.7	+4,640.7	+840.2	403.2	2,681.5
1937	36,424.6	2,646.1	+2,878.1	−128.0	104.0	2,553.5
1938	37,164.7	740.1	+1,143.1	−337.6	65.5	2,215.9
1939	40,439.5	3,274.8	+2,710.7	+622.3	58.2	2,838.2
1940	42,967.5	2,528.0	+3,604.7	−947.5	129.2	1,890.7
1941	48,961.4	5,993.9	+5,315.7	+742.4	64.3	2,633.2
1942	72,422.4	23,461.0	+23,197.8	+358.0	94.7	2,991.1
1943	136,696.1	64,273.6	+57,761.7	+6,515.4	3.5	9,506.6
1944	201,003.4	64,307.3	+53,645.3	+10,662.0	(*)	20,168.6
1945	258,682.2	57,678.8	+53,149.6	+4,529.2	(*)	24,697.7
1946	269,422.1	10,739.9	+21,199.8	−10,459.8	(*)	14,237.9
1947	258,286.4	−11,135.7	−206.0	−10,929.7	----------	3,308.1
1948	252,292.2	−5,994.1	−6,606.4	+1,623.9	1,011.6	4,932.0
1949	252,770.4	478.1	+1,947.5	−1,461.6	7.8	3,470.4
1950	257,357.4	4,587.0	+2,592.0	+2,046.7	51.7	5,517.1
1951	255,222.0	−2,135.4	−3,973.6	+1,839.5	1.2	7,356.6
1952	259,105.2	3,883.2	+4,271.8	−387.8	.9	6,968.8
1953	266,071.1	6,965.9	+9,265.0	−2,298.6	.5	4,670.2
1954	271,259.6	5,188.5	+3,092.7	+2,096.2	.4	6,766.5
1955	274,374.2	3,114.6	+3,665.6	−550.8	.2	6,215.7
1956	272,750.8	−1,623.4	−1,190.8	+330.5	763.1	6,546.2
1957	270,527.2	−2,223.6	−1,267.3	−956.2	.1	5,590.0
1958	276,343.2	5,816.0	+1,656.9	+4,159.2	----------	9,749.1
1959	284,705.9	8,362.7	+12,761.4	−4,398.7	[2] .1	5,350.4
1960	286,330.8	1,624.9	−1,029.5	+2,654.3	----------	8,004.7
1961	288,970.9	2,640.2	+4,950.8	−1,310.6	1,000.0	6,694.1
1962	298,200.8	9,229.9	+5,494.6	+3,736.3	1.0	10,430.4
Total	----------	297,009.5	+297,661.8	+10,272.3	10,924.6	----------

*Less than $50,000.

[1] Effective with the fiscal year 1948, statutory debt retirements have been excluded from budget expenditures; they are shown here for purposes of comparison.

[2] Adjustment for overstatement of price paid for securities purchased in fiscal 1956 at a discount but previously stated at par value.

SUMMARY OF CHANGES IN THE PUBLIC DEBT, FISCAL YEARS 1916–62

[In millions of dollars]

Public debt:		
As of June 30, 1962	298,200.8	
As of June 30, 1915	1,191.4	
Net increase		297,009.5
Increase:		
Excess of expenditures in deficit years	315,443.4	
Net increase in the balance in the account of Treasurer of the U.S.	10,272.3	
Total increase		325,715.6
Decrease:		
Statutory debt retirements	10,924.6	
Retirements from receipts in surplus years	17,781.6	
Total decrease		28,706.2
Net increase in debt since June 30, 1915		297,009.5

TABLE 43.—*Statutory debt retirements, fiscal years 1918–62*

[In thousands of dollars. On basis of par amounts and of daily Treasury statements through 1947, and on basis of Public Debt accounts thereafter, see "Bases of Tables"]

Fiscal year	Cumulative sinking fund	Repayments of foreign debt	Bonds and notes received for estate taxes	Bonds received for loans from Public Works Administration	Franchise tax receipts, Federal Reserve Banks	Payments from net earnings, Federal intermediate credit banks	Commodity Credit Corporation capital repayments	Miscellaneous gifts, forfeitures, etc.	Total
1918	—	—	—	—	1,134	—	—	—	1,134
1919	—	7,922	93	—	—	—	—	—	8,015
1920	—	72,670	3,141	—	2,922	—	—	13	78,746
1921	261,100	73,939	26,349	—	60,724	—	—	[1] 5,010	427,123
1922	276,046	64,838	21,085	—	60,333	—	—	393	422,695
1923	284,019	100,893	6,569	—	10,815	—	—	555	402,850
1924	295,987	149,388	8,897	—	3,635	—	—	93	458,000
1925	306,309	159,179	47	—	114	680	—	208	466,538
1926	317,092	169,654	—	—	59	509	—	63	487,376
1927	333,528	179,216	—	—	818	414	—	5,578	519,555
1928	354,741	181,804	2	—	250	369	—	3,090	540,255
1929	370,277	176,213	20	—	2,667	266	—	160	549,604
1930	388,369	160,926	73	—	4,283	172	—	61	553,884
1931	391,660	48,246	—	—	18	74	—	85	440,082
1932	412,555	—	1	—	—	21	—	53	412,630
1933	425,660	33,887	—	—	2,037	—	—	21	461,605
1934	359,492	357	—	—	—	—	—	15	359,864
1935	573,001	—	1	—	—	—	—	556	573,558
1936	403,238	—	—	—	—	—	—	1	403,240
1937	103,815	142	—	—	—	—	—	14	103,971
1938	65,116	210	—	—	—	—	—	139	65,465
1939	48,518	120	—	8,095	—	1,501	—	12	58,246
1940	128,349	—	—	134	—	685	—	16	129,184
1941	37,011	—	—	1,321	—	548	25,364	16	64,260
1942	75,342	—	—	668	—	315	18,393	5	94,722
1943	3,460	—	—	—	—	—	—	4	3,463
1944	−1	—	—	—	—	—	—	3	2
1945	—	—	—	—	—	—	—	2	2
1946	—	—	—	—	—	—	—	4	4
1947	—	—	—	—	—	—	—	(2)	—
1948	746,636	—	—	8,028	—	1,634	45,509	[3] 209,828	1,011,636
1949	7,498	—	—	—	—	178	—	[3] 81	7,758
1950	1,815	—	—	—	—	261	48,943	[3] 690	51,709
1951	839	—	—	—	—	394	—	—	1,232
1952	551	—	—	—	—	300	—	—	851
1953	241	—	—	—	—	285	—	—	526
1954	—	—	—	—	—	387	—	—	387
1955	—	—	—	—	—	231	—	—	231
1956	762,627	—	—	—	—	462	—	—	763,089
1957	—	—	—	—	—	139	—	—	139
1958	—	—	—	—	—	—	—	—	—
1959	−57	—	—	—	—	—	—	—	−57
1960	—	—	—	—	—	—	—	—	—
1961	1,000,000	—	—	—	—	—	—	—	1,000,000
1962	—	—	—	—	—	—	—	[4] 1,000	1,000
Total	8,734,833	1,579,605	66,278	18,246	149,809	9,825	138,209	227,769	10,924,575

[1] Includes $4,842,066.45 written off the debt Dec. 31, 1920, for fractional currency estimated to have been lost or destroyed in circulation.
[2] Beginning with 1947, bonds acquired through gifts, forfeitures, and estate taxes are redeemed prior to maturity from regular public debt receipts.
[3] Represents payments from net earnings, War Damage Corporation.
[4] Represents Treasury notes of 1890 determined by the Secretary of the Treasury on Oct. 20, 1961, pursuant to the Old Series Currency Adjustment Act approved June 30, 1961 (31 U.S.C. 912–916) to have been destroyed or irretrievably lost and so will never be presented for redemption.

TABLE 44.—*Cumulative sinking fund, fiscal years 1921–62*

[In millions of dollars. On basis of Public Debt accounts, see "Bases of Tables"]

Fiscal year	Appropriations	Available for expenditure during year [1]	Debt retired [2]	
			Par amount	Cost (principal)
1921	256.2	256.2	261.3	254.8
1922	273.1	274.5	275.9	274.5
1923	284.1	284.2	284.0	284.1
1924	294.9	294.9	296.0	294.9
1925	306.7	306.7	306.3	306.7
1926	321.2	321.2	317.1	321.2
1927	336.9	336.9	333.5	336.9
1928	355.1	355.1	354.7	355.1
1929	370.2	370.2	370.3	370.2
1930	382.9	382.9	388.4	382.9
1931	392.2	392.2	391.7	392.2
1932	410.9	410.9	412.6	410.9
1933	425.6	425.6	425.7	425.6
1934	438.5	438.5	359.5	359.2
1935	493.8	573.2	573.0	573.0
1936	553.0	553.2	403.3	403.3
1937	572.8	722.7	103.7	103.7
1938	577.6	1,196.5	65.2	65.2
1939	580.9	1,712.2	48.5	48.5
1940	582.0	2,245.6	128.3	128.3
1941	585.8	2,703.2	37.0	37.0
1942	586.9	3,253.1	75.3	75.3
1943	587.8	3,765.6	3.4	3.4
1944	587.6	4,349.7		
1945	587.6	4,937.4		
1946	587.6	5,525.0		
1947	587.6	6,112.6		
1948	603.5	6,716.0	746.6	746.6
1949	619.6	6,589.0	7.5	7.5
1950	619.7	7,201.2	1.8	1.8
1951	619.8	7,819.2	.8	.8
1952	619.8	8,438.1	.6	.6
1953	619.8	9,057.4	.2	.2
1954	619.8	9,676.9		
1955	619.8	10,296.7		
1956	623.8	10,920.5	762.6	762.6
1957	633.3	10,791.2		
1958	633.3	11,424.5		
1959	633.3	12,057.9		
1960	633.3	12,691.3		
1961	657.1	13,348.4	1,000.0	1,000.0
1962	680.8	13,029.3		
Total	21,756.3		8,734.8	8,727.1
Deduct cumulative expenditures	8,727.1			
Unexpended balance	13,029.3			

[1] See the following table, footnote 1.
[2] Net discount on debt retired through June 30, 1962, is $7.7 million.

TABLE 45.—*Transactions on account of the cumulative sinking fund, fiscal year 1962*

[On basis of Public Debt accounts, see "Bases of Tables"]

Unexpended balance July 1, 1961		$12,348,414,718.90
Appropriation for 1962:		
Initial credit:		
(a) Under the Victory Loan Act (2½ percent of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligation of foreign governments held by the United States on July 1, 1920)	$253,404,864.87	
(b) Under the Emergency Relief and Construction Act of 1932 (2½ percent of the aggregate amount of expenditures from appropriations made or authorized under this act)	7,860,606.83	
(c) Under the National Industrial Recovery Act (2½ percent of the aggregate amount of expenditures from appropriations made or authorized under this act)	80,164,079.53	
Total initial credit	341,429,551.23	
Secondary credit (the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years)	339,419,534.24	680,849,085.47
Total available 1962		13,029,263,804.37
Unexpended balance June 30, 1962 [1]		13,029,263,804.37

[1] Represents appropriations authorized by Congress. There are no specific funds set aside for this account since any retirements of public debt charged to this account are made from cash balances to the credit of the Treasurer of the United States.

III.—United States savings bonds

TABLE 46.—*Summary of sales and redemptions of savings bonds by series, fiscal years 1935–62 and monthly 1962* [1]

[In million of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Fiscal year or month	Series A–D	Series E and H	Series F and J	Series G and K	Total
	Sales at issue price plus accrued discount [2]				
1935–51	5,003.1	66,673.4	5,277.3	23,015.4	99,669.2
1952	(*)	4,406.7	217.5	508.2	5,132.4
1953	(*)	5,180.9	237.1	372.7	5,790.7
1954 [3]	(*)	5,778.7	336.1	612.6	6,727.4
1955 [3]	(*)	6,347.6	423.4	933.2	7,704.2
1956	(*)	6,374.0	282.9	403.1	7,059.9
1957	(*)	5,745.5	175.8	176.0	6,097.4
1958	----------	5,830.8	65.2	(*)	5,896.1
1959	----------	5,680.4	53.6	(*)	5,734.0
1960	----------	5,501.2	46.0	----------	5,547.2
1961	----------	5,717.4	32.1	----------	5,749.5
1962	(*)	5,752.5	27.4	----------	5,779.9
Total through June 30, 1962	5,003.1	128,989.3	7,174.3	26,021.1	167,187.8
1961—July	----------	474.1	2.6	----------	476.8
August	----------	493.2	2.0	----------	495.1
September	----------	436.6	2.0	----------	438.6
October	----------	467.9	2.9	----------	470.8
November	----------	457.5	2.0	----------	459.6
December	----------	470.5	2.5	----------	473.0
1962—January	----------	608.3	2.5	----------	610.8
February	----------	464.8	2.5	----------	467.4
March	(*)	483.3	1.8	----------	485.1
April	----------	453.5	2.4	----------	455.9
May	----------	451.9	1.8	----------	453.7
June	----------	491.0	2.2	----------	493.2
	Redemptions (including redemptions of matured bonds) at current redemption value [2]				
1935–51	4,791.3	32,167.0	1,388.6	3,838.5	42,185.3
1952	89.9	4,007.8	228.9	782.8	5,109.3
1953	30.8	4,038.1	[4] 257.5	[4] 1,294.4	[4] 5,620.9
1954 [3]	18.3	4,345.0	[4] 405.0	[4] 1,746.6	[4] 6,514.9
1955 [3]	14.1	4,544.4	553.6	2,138.4	7,250.6
1956	10.9	4,730.1	724.9	2,379.9	7,845.8
1957	8.6	5,176.2	815.8	2,957.7	8,958.2
1958	5.9	5,187.1	586.2	2,764.2	8,543.5
1959	5.2	5,106.8	336.4	1,800.8	7,249.2
1960	5.6	5,502.2	627.7	2,421.7	8,557.2
1961	4.1	4,626.7	251.4	936.5	5,818.7
1962	2.9	4,603.3	215.1	894.8	5,716.2
Total through June 30, 1962	4,987.5	84,034.6	6,391.3	23,956.4	119,369.7
1961—July	.2	357.5	12.0	53.3	422.9
August	.3	378.1	12.4	47.1	437.9
September	.3	360.6	11.5	43.0	415.3
October	.3	349.7	12.4	43.6	406.0
November	.2	330.8	10.9	41.7	383.5
December	.2	343.4	60.4	305.6	709.5
1962—January	.2	483.2	23.5	114.4	621.3
February	.4	375.9	14.0	51.7	442.0
March	.3	396.5	17.6	64.8	479.1
April	.2	401.0	13.9	42.6	457.7
May	.3	402.4	13.6	43.9	460.2
June	.2	424.3	13.0	43.3	480.7

*Less than $50,000.

[1] Sales and redemption figures include exchanges of minor amounts of matured Series E for Series G and K bonds from May 1951 through April 1957, and Series F and J for Series H bonds beginning January 1960; they exclude exchanges of Series E for Series H bonds, which are reported in table 47. Redemption figures for fiscal 1960–62 also include the maturing Series F and G savings bonds exchanged for marketable Treasury securities during special exchange offerings. The amounts involved were $745 million in 1960, $147 million in 1961, and $320 million in 1962.

[2] Series G, H, and K are stated at par.

[3] Reductions were made in issues and redemptions of Series E, H, F, G, J, and K bonds in July 1954 to compensate for the erroneous inclusion of reissue transactions in June 1954 as reported in the daily Treasury statement. The amounts involved were as follows: $18 million for issues of Series E and H, $17 million for issues of Series F, G, J, and K, and $35 million for unclassified retirements.

[4] Includes exchanges of Series 1941 F and G savings bonds for 3¼% Treasury bonds of 1978–83.

NOTE.—Series E and H are the only savings bonds now being sold. Series A–D were sold from March 1, 1935, through April 30, 1941. Series F and G were sold from May 1, 1941, through April 30, 1952. Series J and K were sold from May 1, 1952, through April 30, 1957. Sales figures for discontinued series represent accrued discount on outstanding bonds and adjustments.

TABLE 47.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–62 and monthly 1962* [1] [2]

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price [3]	Redemptions: Accrued discount [3]	Amount outstanding: Interest-bearing	Amount outstanding: Matured noninterest-bearing
				Series E and H				
1941–51	61, 969. 5	4, 703. 9	66, 673. 4	32, 167. 0	31, 161. 6	1, 005. 4	34, 506. 4	--------
1952	3, 296. 1	1, 110. 6	4, 406. 7	4, 007. 8	3, 581. 0	426. 8	34, 905. 4	--------
1953	4, 060. 6	1, 120. 3	5, 180. 9	4, 038. 1	3, 540. 5	497. 6	36, 048. 2	--------
1954 [4]	4, 652. 9	1, 125. 9	5, 778. 7	4, 345. 0	3, 774. 8	570. 2	37, 482. 0	--------
1955 [4]	5, 224. 5	1, 123. 1	6, 347. 6	4, 544. 4	3, 911. 4	633. 0	39, 285. 1	--------
1956	5, 259. 9	1, 114. 1	6, 374. 0	4, 730. 1	4, 069. 1	660. 9	40, 929. 1	--------
1957	4, 613. 0	1, 132. 6	5, 745. 5	5, 176. 2	4, 444. 0	732. 2	41, 498. 5	--------
1958	4, 670. 1	1, 160. 7	5, 830. 8	5, 187. 1	r 4, 431. 9	r 755. 3	42, 142. 2	--------
1959	4, 506. 0	1, 174. 5	5, 680. 4	5, 106. 8	4, 309. 8	797. 0	42, 715. 8	--------
1960	4, 307. 0	1, 194. 2	5, 501. 2	5, 502. 2	4, 616. 3	885. 9	42, 714. 8	--------
1961	4, 463. 7	1, 253. 7	5, 717. 4	4, 626. 7	3, 905. 8	720. 8	43, 805. 6	--------
1962	4, 421. 5	1, 331. 0	5, 752. 5	4, 603. 3	3, 872. 7	730. 6	44, 954. 8	--------
Total through June 30, 1962	111, 444. 8	17, 544. 5	128, 989. 3	84, 034. 6	75, 619. 0	8, 415. 6	44, 954. 8	--------
1961—July	342. 3	131. 9	474. 1	357. 5	299. 5	58. 0	43, 922. 3	--------
August	393. 1	100. 1	493. 2	378. 1	320. 5	57. 5	44, 037. 4	--------
September	338. 8	97. 8	436. 6	360. 6	305. 5	55. 1	44, 113. 4	--------
October	369. 7	98. 1	467. 9	349. 7	295. 7	54. 0	44, 231. 5	--------
November	357. 9	99. 6	457. 5	330. 8	280. 3	50. 5	44, 358. 3	--------
December	342. 7	127. 7	470. 5	343. 4	290. 9	52. 5	44, 485. 3	--------
1962—January	475. 9	132. 3	608. 3	483. 2	394. 7	88. 5	44, 610. 4	--------
February	362. 4	102. 5	464. 8	375. 9	314. 9	61. 0	44, 699. 3	--------
March	373. 5	109. 7	483. 3	396. 5	337. 6	58. 9	44, 786. 1	--------
April	349. 0	104. 5	453. 5	401. 0	341. 6	59. 4	44, 838. 5	--------
May	352. 9	99. 0	451. 9	402. 4	336. 7	65. 7	44, 888. 1	--------
June	363. 2	127. 8	491. 0	424. 3	354. 7	69. 6	44, 954. 8	--------
				Series F, G, J, and K				
1941–51	27, 875. 9	416. 8	28, 292. 7	5, 227. 1	5, 162. 7	64. 4	23, 065. 6	--------
1952	629. 3	96. 4	725. 6	1, 011. 7	990. 2	21. 4	22, 779. 6	--------
1953	501. 5	108. 3	609. 8	1, 552. 0	1, 511. 8	40. 1	21, 837. 4	--------
1954 [4]	841. 0	107. 7	948. 6	2, 151. 6	2, 069. 1	82. 6	20, 579. 2	55. 2
1955 [4]	1, 248. 9	107. 7	1, 356. 6	2, 692. 0	2, 565. 0	127. 1	19, 080. 3	218. 7
1956	586. 3	99. 6	686. 0	3, 104. 8	2, 940. 6	164. 2	16, 567. 6	312. 4
1957	268. 4	83. 4	351. 8	3, 773. 5	3, 605. 0	168. 5	13, 123. 5	334. 8
1958	(*)	65. 2	65. 2	3, 350. 5	3, 234. 6	115. 9	9, 842. 2	331. 0
1959	(*)	53. 6	53. 6	2, 137. 2	2, 063. 4	73. 8	7, 786. 7	302. 8
1960	(*)	46. 0	46. 0	3, 049. 3	2, 921. 2	128. 1	4, 829. 0	257. 3
1961	(*)	32. 1	32. 1	1, 188. 0	1, 128. 8	59. 1	3, 708. 7	221. 6
1962	--------	27. 4	27. 4	1, 109. 9	1, 059. 0	50. 9	2, 651. 9	195. 8
Total through June 30, 1962	31, 951. 2	1, 244. 2	33, 195. 4	30, 347. 7	29, 251. 5	1, 096. 2	2, 651. 9	195. 8
1961—July	--------	2. 6	2. 6	65. 2	62. 5	2. 8	3, 652. 0	215. 8
August	--------	2. 0	2. 0	59. 5	56. 8	2. 6	3, 603. 1	207. 1
September	--------	2. 0	2. 0	54. 5	52. 0	2. 5	3, 556. 6	201. 1
October	--------	2. 9	2. 9	56. 0	53. 4	2. 6	3, 511. 5	193. 1
November	--------	2. 0	2. 0	52. 5	50. 1	2. 5	3, 466. 1	188. 0
December	--------	2. 5	2. 5	366. 0	350. 7	15. 3	2, 972. 5	318. 2
1962—January	--------	2. 5	2. 5	137. 9	132. 2	5. 7	2, 889. 4	265. 9
February	--------	2. 5	2. 5	65. 7	62. 4	3. 3	2, 850. 1	242. 0
March	--------	1. 8	1. 8	82. 3	78. 2	4. 2	2, 783. 2	228. 4
April	--------	2. 4	2. 4	56. 5	53. 3	3. 2	2, 742. 5	215. 0
May	--------	1. 8	1. 8	57. 5	54. 4	3. 2	2, 697. 3	204. 4
June	--------	2. 2	2. 2	56. 3	53. 2	3. 1	2, 651. 9	195. 8

Footnotes at end of table.

TABLE 47.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–62 and monthly 1962* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price [3]	Redemptions: Accrued discount [3]	Exchanges of E bonds for H bonds	Amount outstanding (interest-bearing)
				Series E				
1941–51	61,969.5	4,703.9	66,673.4	32,167.0	31,161.6	1,005.4	----------	34,506.4
1952	3,266.1	1,110.6	4,376.7	4,007.8	3,581.0	426.8	----------	34,875.4
1953	3,700.3	1,120.3	4,820.6	4,032.3	3,534.7	497.6	----------	35,663.6
1954 [4]	3,988.0	1,125.9	5,113.9	4,319.4	3,749.3	570.2	----------	36,458.0
1955 [4]	4,094.9	1,123.1	5,218.0	4,489.6	3,856.5	633.0	----------	37,186.4
1956	4,219.3	1,114.1	5,333.4	4,622.0	3,961.0	660.9	----------	37,897.8
1957	3,919.2	1,132.6	5,051.8	4,980.6	4,248.5	732.2	----------	37,969.0
1958	3,888.6	1,160.7	5,049.3	4,951.0	r 4,195.8	r 755.3	----------	38,067.2
1959	3,688.0	1,174.5	4,862.5	4,889.4	4,092.4	797.0	----------	38,040.3
1960	3,603.2	1,194.2	4,797.4	5,180.6	4,294.7	885.9	201.3	37,455.7
1961	3,689.2	1,253.7	4,942.9	4,393.8	3,672.9	720.8	188.3	37,816.6
1962	3,674.3	1,331.0	5,005.3	4,343.3	3,612.6	730.6	218.6	38,260.1
Total through June 30, 1962	103,700.5	17,544.5	121,245.0	82,376.7	73,961.1	8,415.6	608.2	38,260.1
1961—July	275.7	131.9	407.6	337.0	279.0	58.0	16.7	37,870.6
August	329.3	100.1	429.3	357.2	299.7	57.5	16.6	37,926.1
September	284.4	97.8	382.1	339.9	284.8	55.1	15.8	37,952.5
October	302.4	98.1	400.5	329.3	275.3	54.0	18.7	38,005.0
November	292.4	99.6	392.0	311.6	261.1	50.5	16.6	38,068.8
December	282.9	127.7	410.7	323.8	271.3	52.5	15.7	38,140.0
1962—January	379.5	132.3	511.8	463.5	375.0	88.5	28.6	38,159.7
February	302.9	102.5	405.4	357.0	296.0	61.0	21.2	38,186.9
March	312.7	109.7	422.5	367.8	309.0	58.9	19.7	38,221.9
April	291.0	104.5	395.5	378.5	319.0	59.4	16.8	38,222.1
May	314.3	99.0	413.3	377.7	311.9	65.7	15.4	38,242.3
June	306.8	127.8	434.6	400.1	330.5	69.6	16.7	38,260.1
				Series H				
1952	30.0	----------	30.0	----------	----------	----------	----------	30.0
1953	360.3	----------	360.3	5.7	5.7	----------	----------	384.6
1954 [4]	664.9	----------	664.9	25.5	25.5	----------	----------	1,023.9
1955 [4]	1,129.6	----------	1,129.6	54.9	54.9	----------	----------	2,098.7
1956	1,040.6	----------	1,040.6	108.1	108.1	----------	----------	3,031.2
1957	693.8	----------	693.8	195.5	195.5	----------	----------	3,529.5
1958	781.6	----------	781.6	236.1	236.1	----------	----------	4,075.0
1959	818.0	----------	818.0	217.4	217.4	----------	----------	4,675.5
1960	703.9	----------	703.9	321.6	321.6	----------	201.3	5,259.1
1961	774.5	----------	774.5	232.9	232.9	----------	188.3	5,989.0
1962	747.2	----------	747.2	260.1	260.1	----------	218.6	6,694.7
Total through June 30, 1962	7,744.3	----------	7,744.3	1,657.8	1,657.8	----------	608.2	6,694.7
1961—July	66.5	----------	66.5	20.5	20.5	----------	16.7	6,051.7
August	63.8	----------	63.8	20.9	20.9	----------	16.6	6,111.3
September	54.5	----------	54.5	20.7	20.7	----------	15.8	6,160.9
October	67.3	----------	67.3	20.4	20.4	----------	18.7	6,226.5
November	65.5	----------	65.5	19.2	19.2	----------	16.6	6,289.5
December	59.8	----------	59.8	19.6	19.6	----------	15.7	6,345.4
1962—January	96.5	----------	96.5	19.7	19.7	----------	28.6	6,450.6
February	59.5	----------	59.5	18.9	18.9	----------	21.2	6,512.3
March	60.8	----------	60.8	28.7	28.7	----------	19.7	6,564.2
April	58.0	----------	58.0	22.6	22.6	----------	16.8	6,616.4
May	38.6	----------	38.6	24.7	24.7	----------	15.4	6,645.8
June	56.4	----------	56.4	24.2	24.2	----------	16.7	6,694.7

Footnotes at end of table.

TABLE 47.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941-62 and monthly 1962* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price [3]	Redemptions: Accrued discount [3]	Amount outstanding: Interest-bearing	Amount outstanding: Matured noninterest-bearing
				Series F				
1941-51	4,860.4	416.8	5,277.3	1,388.6	1,324.2	64.4	3,888.7	
1952	97.1	96.4	193.5	228.9	207.4	21.4	3,853.3	
1953	(*)	107.6	107.7	255.6	215.5	40.1	3,705.3	
1954 [4]	2.9	105.1	108.0	394.4	312.0	82.4	3,388.8	30.1
1955 [4]	−2.8	100.9	98.1	532.4	405.7	126.7	2,876.9	107.6
1956	(*)	87.7	87.7	665.3	502.3	163.0	2,249.9	157.1
1957	(*)	67.5	67.5	709.3	544.8	164.6	1,598.3	166.8
1958	(*)	47.1	47.1	487.9	377.6	110.3	1,169.1	155.3
1959	(*)	35.7	35.7	285.2	215.3	69.9	943.9	131.0
1960	(*)	27.8	27.8	483.5	370.3	113.1	508.2	111.1
1961		15.4	15.4	212.3	157.9	54.4	331.2	91.2
1962		10.6	10.6	177.9	132.5	45.4	182.9	72.1
Total through June 30, 1962	4,957.7	1,118.7	6,076.3	5,821.3	4,765.6	1,055.7	182.9	72.1
1961—July		1.0	1.0	9.9	7.5	2.5	324.2	89.2
August		.7	.7	9.0	6.8	2.2	318.6	86.4
September		.7	.7	8.3	6.3	2.1	312.8	84.7
October		1.7	1.7	8.6	6.6	2.1	308.4	82.0
November		.7	.7	7.9	5.8	2.0	302.6	80.7
December		1.0	1.0	57.0	42.2	14.8	219.6	107.6
1962—January		.9	.9	20.0	14.9	5.2	210.5	97.6
February		1.2	1.2	11.0	8.2	2.8	207.9	90.3
March		.5	.5	13.8	10.2	3.6	199.3	85.7
April		1.1	1.1	11.3	8.5	2.8	194.9	79.9
May		.5	.5	10.8	8.0	2.7	188.8	75.8
June		.7	.7	10.2	7.5	2.6	182.9	72.1
				Series G				
1941-51	23,015.4		23,015.4	3,838.5	3,838.5		19,177.0	
1952	422.3		422.3	782.8	782.8		18,816.5	
1953	.1		.1	1,288.7	1,288.7		17,527.9	
1954 [4]	13.4		13.4	1,726.2	1,726.2		15,789.8	25.2
1955 [4]	−13.4		−13.4	2,107.3	2,107.3		13,583.3	111.1
1956				2,300.5	2,300.5		11,238.5	155.4
1957				2,719.5	2,719.5		8,506.3	168.0
1958				2,506.5	2,506.5		5,992.1	175.7
1959				1,668.6	1,668.6		4,327.4	171.8
1960				2,055.9	2,055.9		2,297.2	146.2
1961				843.9	843.9		1,469.0	130.5
1962				805.4	805.4		670.4	123.7
Total through June 30, 1962	23,437.9		23,437.9	22,643.8	22,643.8		670.4	123.7
1961—July				46.1	46.1		1,426.8	126.5
August				41.1	41.1		1,391.6	120.7
September				36.8	36.8		1,359.1	116.5
October				35.8	35.8		1,328.6	111.1
November				35.7	35.7		1,296.7	107.3
December				299.5	299.5		894.0	210.5
1962—January				104.9	104.9		831.3	168.3
February				45.8	45.8		802.1	151.7
March				53.4	53.4		757.7	142.7
April				36.0	36.0		729.3	135.1
May				35.8	35.8		699.9	128.7
June				34.6	34.6		670.4	123.7

Footnotes at end of table.

TABLE 47.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–62 and monthly 1962* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price [3]	Redemptions: Accrued discount [3]	Amount outstanding (interest-bearing)
			Series J				
1952	24.0	-	24.0	-	-	-	24.0
1953	128.8	0.7	129.4	1.9	1.9	(*)	151.5
1954 [4]	225.5	2.5	228.1	10.6	10.5	0.1	369.0
1955 [4]	318.5	6.8	325.3	21.2	20.9	.3	673.1
1956	183.2	11.9	195.2	59.6	58.4	1.3	808.6
1957	92.4	15.9	108.3	106.5	102.5	3.9	810.4
1958	(*)	18.1	18.1	98.4	92.8	5.6	730.2
1959	(*)	17.8	17.8	51.2	47.3	3.9	696.9
1960	-	18.2	18.2	144.2	129.2	15.0	570.8
1961	(*)	16.7	16.7	39.1	34.4	4.8	548.4
1962	-	16.8	16.8	37.2	31.7	5.5	527.9
Total through June 30, 1962	972.4	125.5	1,097.9	570.0	529.5	40.4	527.9
1961—July	-	1.6	1.6	2.0	1.8	.3	548.0
August	-	1.3	1.3	3.4	2.9	.5	545.9
September	-	1.3	1.3	3.2	2.7	.4	544.1
October	-	1.3	1.3	3.8	3.3	.5	541.5
November	-	1.3	1.3	3.0	2.6	.4	539.8
December	-	1.5	1.5	3.4	2.9	.5	538.0
1962—January	-	1.6	1.6	3.4	2.9	.5	536.2
February	-	1.3	1.3	3.0	2.5	.4	534.5
March	-	1.3	1.3	3.8	3.2	.6	532.1
April	-	1.3	1.3	2.6	2.2	.4	530.7
May	-	1.3	1.3	2.9	2.4	.4	529.2
June	-	1.6	1.6	2.8	2.3	.4	527.9
			Series K				
1952	85.9	-	85.9	-	-	-	85.9
1953	372.6	-	372.6	5.7	5.7	-	452.7
1954 [4]	599.2	-	599.2	20.3	20.3	-	1,031.5
1955 [4]	946.5	-	946.5	31.1	31.1	-	1,947.0
1956	403.1	-	403.1	79.5	79.5	-	2,270.6
1957	176.0	-	176.0	238.2	238.2	-	2,208.5
1958	(*)	-	(*)	257.7	257.7	-	1,950.7
1959	(*)	-	(*)	132.2	132.2	-	1,818.6
1960	-	-	-	365.8	365.8	-	1,452.8
1961	-	-	-	92.7	92.7	-	1,360.1
1962	-	-	-	89.4	89.4	-	1,270.7
Total through June 30, 1962	2,583.3	-	2,583.3	1,312.6	1,312.6	-	1,270.7
1961—July	-	-	-	7.2	7.2	-	1,352.9
August	-	-	-	6.0	6.0	-	1,346.9
September	-	-	-	6.2	6.2	-	1,340.7
October	-	-	-	7.8	7.8	-	1,333.0
November	-	-	-	6.0	6.0	-	1,327.0
December	-	-	-	6.1	6.1	-	1,320.9
1962—January	-	-	-	9.5	9.5	-	1,311.4
February	-	-	-	5.9	5.9	-	1,305.5
March	-	-	-	11.4	11.4	-	1,294.1
April	-	-	-	6.5	6.5	-	1,287.6
May	-	-	-	8.1	8.1	-	1,279.4
June	-	-	-	8.7	8.7	-	1,270.7

*Less than $50,000.

r Revised.

[1] See table 46, note and footnotes 1 and 4.

[2] Sales of Series E, F, and J bonds are included at issue price, and their redemptions and amounts outstanding at current redemption value. Series G, H, and K bonds are included at face value throughout. Matured F and G bonds outstanding are included in the interest-bearing debt until all bonds of the annual series have matured, and are then transferred to matured debt upon which interest has ceased.

[3] Because there is a normal lag in classifying redemptions the distribution of redemptions between original purchase price and accrued discount has been estimated. During fiscal 1961 the method of distributing redemptions between original purchase price and accrued discount was changed to reflect the distribution shown in final reports of classified redemptions. All periods shown have been revised on this basis.

[4] See table 46, footnote 3.

NOTE.—Details by months for Series E, F, and G bonds from May 1941 will be found on p. 608 of the 1943 annual report, and in corresponding tables in subsequent reports. Monthly detail for Series H, J, and K bonds will be found in the 1952 annual report, pp. 629 and 630, and in corresponding tables in subsequent reports.

TABLE 48.—*Sales and redemptions of Series E and H savings bonds by denominations, fiscal years 1941–62 and monthly 1962* [1]

[In thousands of pieces. Estimated on basis of daily Treasury statements and reports from Bureau of the Public Debt]

Fiscal year or month	Total, all denominations [2]	$25	$50	$100	[3] $200	$500	$1,000	$5,000	[4 5] $10,000
	Sales [6]								
1941-51	1,371,227	938,127	208,207	155,894	5,545	21,051	21,327	----------	----------
1952	74,136	50,701	13,129	7,559	720	948	1,076	1	(*)
1953	80,485	54,380	14,372	8,211	794	1,243	1,462	16	7
1954 [7]	85,419	56,903	15,686	8,810	854	1,411	1,708	33	14
1955 [7]	85,342	55,164	16,374	9,315	884	1,578	1,945	56	26
1956	90,053	56,719	18,784	10,090	929	1,608	1,854	48	21
1957	90,160	56,327	20,256	9,969	851	1,320	1,396	29	12
1958	89,428	54,908	21,043	9,824	893	1,303	1,411	32	14
1959	85,882	52,895	20,108	9,477	798	1,212	1,340	35	16
1960	85,607	52,972	20,220	9,208	774	1,165	1,230	27	11
1961	86,495	53,453	20,434	9,273	789	1,201	1,299	31	15
1962	86,479	53,010	20,901	9,286	813	1,186	1,237	30	16
1961—July	6,245	3,801	1,490	685	61	98	105	3	1
August	7,209	4,350	1,715	824	76	117	124	3	1
September	6,854	4,205	1,666	738	63	90	91	2	1
October	7,350	4,531	1,775	776	66	98	99	3	1
November	6,845	4,149	1,661	762	68	101	101	3	1
December	7,009	4,377	1,671	718	61	88	90	2	1
1962—January	8,540	5,240	2,023	908	83	131	150	4	2
February	6,596	3,997	1,574	740	66	101	113	2	2
March	7,652	4,685	1,898	808	69	94	95	2	1
April	6,901	4,253	1,664	729	64	92	96	2	1
May	7,652	4,690	1,915	803	69	86	85	2	1
June	7,625	4,732	1,849	795	68	89	89	2	1
	Redemptions [6]								
1941-51	890,537	659,947	125,084	72,022	1,595	7,921	7,156	----------	----------
1952	76,403	51,649	12,662	8,777	371	1,211	1,291	----------	----------
1953	81,983	56,734	13,535	8,840	342	1,112	1,106	(*)	(*)
1954 [7]	90,387	62,941	15,084	9,480	357	1,151	1,109	1	1
1955 [7]	89,749	61,049	15,650	9,914	396	1,210	1,177	2	2
1956	89,953	60,014	16,593	9,925	537	1,255	1,281	5	3
1957	93,175	60,612	18,165	10,590	633	1,354	1,485	9	6
1958	93,452	59,880	19,467	10,433	639	1,320	1,464	11	6
1959	88,647	56,036	18,598	10,394	675	1,301	1,451	9	5
1960	90,748	56,796	19,507	10,634	725	1,351	1,567	15	8
1961 r	85,077	54,280	18,654	9,197	616	1,076	1,139	10	4
1962	83,804	52,958	18,746	9,150	653	1,077	1,126	10	5
1961—July	6,466	4,100	1,436	703	47	84	89	1	(*)
August	7,126	4,560	1,572	756	52	87	90	1	(*)
September	6,788	4,286	1,554	724	49	84	83	1	(*)
October	6,491	4,109	1,469	692	47	82	83	1	(*)
November	6,311	4,039	1,412	658	44	75	76	1	(*)
December	6,603	4,278	1,452	666	44	76	81	1	(*)
1962—January	7,809	4,802	1,736	941	65	119	136	1	1
February	6,777	4,321	1,462	739	67	88	93	1	(*)
March	7,111	4,477	1,585	787	57	95	101	1	1
April	7,359	4,592	1,676	830	60	95	98	1	(*)
May	7,341	4,643	1,650	797	57	92	95	1	(*)
June	7,621	4,751	1,743	856	63	98	101	1	1

*Less than 500 pieces.

r Revised.

[1] Sales of Series H began on June 1, 1952; the denominations authorized were $500, $1,000, $5,000, and $10,000.

[2] Total includes $10 denomination Series E bonds sold to Armed Forces only from June 1944 through March 1950. Details by years will be found in the 1952 annual report, pp. 631, 633. Thereafter monthly detail for each fiscal year appears in a footnote to the redemptions by denominations table of successive annual reports. Details in thousands of pieces by months for the fiscal year 1962 and revised figures for 1961 follow:

Fiscal Year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
1961r	10	10	9	8	7	7	9	9	9	8	7	7	101
1962	6	8	6	6	6	5	8	6	7	7	6	6	78

[3] Sale of $200 denomination Series E bonds began in October 1945.

[4] Sale of $10,000 denomination Series E bonds was authorized on May 1, 1952.

[5] Includes sales of $100,000 denomination Series E bonds which are purchasable only by trustees of employees' savings plans beginning April 1954, and personal trust accounts beginning January 1955.

[6] See table 46, footnote 1.

[7] See table 46, footnote 3.

TABLE 49.—*Sales of Series E and H savings bonds by States, fiscal years 1961, 1962, and cumulative* [1]

[In thousands of dollars, at issue price. On basis of reports received by the Treasury Department, with totals adjusted to basis of daily Treasury statements]

State	Fiscal year 1961	Fiscal year 1962	May 1941–June 1962
Alabama	38, 518	38, 336	1, 085, 384
Alaska	3, 156	4, 153	[2] 47, 488
Arizona	19, 135	18, 676	404, 006
Arkansas	21, 774	19, 280	650, 138
California	271, 753	274, 515	7, 629, 521
Colorado	32, 639	32, 633	845, 184
Connecticut	63, 569	68, 642	1, 724, 180
Delaware	17, 157	17, 301	287, 582
District of Columbia	34, 272	37, 680	1, 173, 400
Florida	71, 066	74, 884	1, 418, 644
Georgia	39, 920	40, 221	1, 209, 468
Hawaii	10, 093	9, 986	424, 851
Idaho	7, 913	7, 249	276, 550
Illinois	353, 686	332, 851	9, 018, 202
Indiana	124, 157	126, 266	3, 120, 014
Iowa	137, 912	118, 009	3, 086, 298
Kansas	78, 162	71, 636	1, 821, 183
Kentucky	50, 235	53, 253	1, 227, 209
Louisiana	34, 200	34, 674	1, 067, 016
Maine	15, 674	14, 418	421, 898
Maryland	56, 350	62, 314	1, 377, 271
Massachusetts	107, 412	107, 799	3, 112, 571
Michigan	254, 890	238, 795	6, 111, 157
Minnesota	72, 277	64, 083	2, 120, 959
Mississippi	18, 562	16, 387	634, 155
Missouri	136, 927	130, 080	3, 108, 786
Montana	19, 490	17, 087	554, 114
Nebraska	88, 625	80, 464	1, 766, 521
Nevada	5, 981	5, 846	131, 806
New Hampshire	9, 532	9, 261	258, 610
New Jersey	169, 284	174, 434	4, 133, 440
New Mexico	12, 148	12, 474	269, 386
New York	439, 689	473, 573	12, 343, 013
North Carolina	41, 720	44, 375	1, 243, 140
North Dakota	20, 163	17, 524	556, 312
Ohio	281, 297	271, 311	6, 924, 577
Oklahoma	58, 055	54, 922	1, 370, 667
Oregon	30, 965	30, 337	1, 069, 983
Pennsylvania	390, 055	414, 749	9, 090, 392
Rhode Island	14, 158	13, 497	489, 502
South Carolina	22, 580	22, 045	633, 588
South Dakota	27, 871	24, 024	674, 152
Tennessee	35, 445	35, 288	1, 150, 108
Texas	141, 665	135, 368	3, 942, 238
Utah	17, 229	17, 129	430, 234
Vermont	4, 624	4, 625	141, 723
Virginia	72, 997	74, 085	1, 819, 676
Washington	56, 169	55, 462	1, 822, 623
West Virginia	48, 248	48, 157	1, 120, 169
Wisconsin	96, 365	90, 447	2, 511, 102
Wyoming	7, 265	7, 050	216, 153
Canal Zone	2, 568	2, 521	66, 016
Puerto Rico	1, 958	1, 674	60, 579
Virgin Islands	97	121	3, 035
Adjustment to daily Treasury statement	+276, 076	+269, 519	[3] +3, 248, 831
Total	4, 463, 728	4, 421, 490	111, 444, 805

[1] Figures include exchanges of minor amounts of Series F and J bonds for Series H bonds beginning January 1960; however, they exclude exchanges of Series E bonds for Series H bonds, which are reported in table 47.

[2] Excludes data for period April 1947 through December 1956, when reports were not available. In the annual reports for 1952–1958 data for period May 1941 through March 1947 were included with "Other possessions."

[3] Includes a small amount for other possessions.

NOTE—Sales by States of the various series of savings bonds were published in the annual report for 1943, pp. 614–621, and in subsequent reports; and by months at intervals in the *Treasury Bulletin*, beginning with the issue of July 1946. Since April 30, 1953, figures for sales of Series E and H bonds only have been available by States.

IV.—Interest

TABLE 50.—*Amount of interest-bearing public debt outstanding, the computed annual interest charge, and the computed rate of interest, June 30, 1916–62, and at the end of each month during 1962* [1]

[On basis of Public Debt accounts through June 1937, and subsequently on basis of daily Treasury statements, see "Bases of Tables"]

End of fiscal year or month	Interest-bearing debt [2]	Computed annual interest charge [1]	Computed rate of interest [1]
			Percent
1916	$971, 562, 590	$23, 084, 635	2. 376
1917	2, 712, 549, 476	83, 625, 482	3. 120
1918	11, 985, 882, 436	468, 618, 544	3. 910
1919	25, 234, 496, 273	1, 054, 204, 509	4. 178
1920	24, 061, 095, 361	1, 016, 592, 219	4. 225
1921	23, 737, 352, 080	1, 029, 917, 903	4. 339
1922	22, 711, 035, 587	962, 896, 535	4. 240
1923	22, 007, 590, 754	927, 331, 341	4. 214
1924	20, 981, 586, 429	876, 960, 673	4. 180
1925	20, 210, 906, 251	829, 680, 044	4. 105
1926	19, 383, 770, 860	793, 423, 952	4. 093
1927	18, 250, 943, 965	722, 675, 553	3. 960
1928	17, 317, 695, 096	671, 353, 112	3. 877
1929	16, 638, 941, 379	656, 654, 311	3. 946
1930	15, 921, 892, 350	606, 031, 831	3. 807
1931	16, 519, 588, 640	588, 987, 438	3. 566
1932	19, 161, 273, 540	671, 604, 676	3. 505
1933	22, 157, 643, 120	742, 175, 955	3. 350
1934	26, 480, 487, 920	842, 301, 133	3. 181
1935	27, 645, 229, 826	750, 677, 802	2. 716
1936	32, 755, 631, 770	838, 002, 053	2. 559
1937	35, 802, 586, 915	924, 347, 089	2. 582
1938	36, 575, 925, 880	947, 084, 058	2. 589
1939	39, 885, 969, 732	1, 036, 937, 397	2. 600
1940	42, 376, 495, 928	1, 094, 619, 914	2. 583
1941	48, 387, 399, 539	1, 218, 238, 845	2. 518
1942	71, 968, 418, 098	1, 644, 476, 360	2. 285
1943	135, 380, 305, 795	2, 678, 779, 036	1. 979
1944	199, 543, 355, 301	3, 849, 254, 656	1. 929
1945	256, 356, 615, 818	4, 963, 730, 414	1. 936
1946	268, 110, 872, 218	5, 350, 772, 231	1. 996
1947	255, 113, 412, 039	5, 374, 409, 074	2. 107
1948	250, 063, 348, 379	5, 455, 475, 791	2. 182
1949	250, 761, 636, 723	5, 605, 929, 714	2. 236
1950	255, 209, 353, 372	5, 612, 676, 516	2. 200
1951	252, 851, 765, 497	5, 739, 615, 990	2. 270
1952	256, 862, 861, 128	5, 981, 357, 116	2. 329
1953	263, 946, 017, 740	6, 430, 991, 316	2. 438
1954	268, 909, 766, 654	6, 298, 069, 299	2. 342
1955	271, 741, 267, 507	6, 387, 225, 600	2. 351
1956	269, 883, 068, 041	6, 949, 699, 625	2. 576
1957	268, 485, 562, 677	7, 325, 146, 596	2. 730
1958	274, 697, 560, 009	7, 245, 154, 946	2. 638

Footnotes at end of table.

TABLE 50.—*Amount of interest-bearing public debt outstanding, the computed annual interest charge, and the computed rate of interest, June 30, 1916–62, and at the end of each month during 1962* [1]—Continued

End of fiscal year or month	Interest-bearing debt [2]	Computed annual interest charge [1]	Computed rate of interest [1]
			Percent
1959	$281,833,362,429	$8,065,917,424	2.867
1960	283,241,182,755	9,316,066,872	3.297
1961	285,671,608,619	8,761,495,974	3.072
1962	294,442,000,790	9,518,857,333	3.239
1961—July	288,997,837,717	8,841,041,977	3.065
August	290,658,634,550	8,942,109,523	3.082
September	290,772,892,148	8,984,454,165	3.096
October	292,709,111,442	9,049,209,314	3.098
November	293,603,727,677	9,149,755,112	3.123
December	292,689,094,798	9,156,019,992	3.135
1962—January	293,110,948,599	9,226,333,154	3.155
February	293,549,445,157	9,313,861,321	3.180
March	292,484,513,816	9,367,808,594	3.209
April	293,361,331,806	9,413,158,546	3.215
May	295,518,643,512	9,543,035,467	3.236
June	294,442,000,790	9,518,857,333	3.239

[1] Comparable monthly data 1929–36 appear in 1936 annual report, p. 442, and from 1937 in later reports. Annual interest charge monthly 1916–29 appears in 1929 annual report, p. 509.

[2] Includes from June 30, 1930, discount on Treasury bills; the current redemption value from May 1935 of savings bonds of Series A–F and J; and beginning August 1941, the face amount of Treasury tax and savings notes. The face value of matured savings bonds and notes outstanding is included until all of the annual series have matured, when they are transferred to matured debt on which interest has ceased.

NOTE.—The computed annual interest charge represents the amount of interest that would be paid if each interest-bearing issue outstanding at the end of the month or year should remain outstanding for a year at the applicable annual rate of interest. The charge is computed for each issue by applying the appropriate annual interest rate to the amount outstanding on that date. The aggregate charge for all interest-bearing issues constitutes the total computed annual interest charge.

The average annual interest rate is computed by dividing the computed annual interest charge for the total, or for any group of issues, by the corresponding principal amount. Beginning Dec. 31, 1958, the computed average rate is based upon the rate of effective yield for issues sold at premiums or discounts. Before that date the computed average rate was based upon the coupon rates of the securities. This rate did not materially differ from the rate on the basis of effective yield. The Treasury announced on Nov. 18, 1958, however, that when appropriate there might be more frequent issues of securities sold with premiums or discounts. This "effective yield" method of computing the average interest rate on the public debt more accurately reflects the interest cost to the Treasury, and is believed to be in accord with the intent of Congress where legislation has required the use of the rate of effective yield for various purposes.

TABLE 51.—*Computed annual interest rate and computed annual interest charge on the public debt by security classes, June 30, 1939–62* [1]

[Dollar amounts in millions. On basis of daily Treasury statements, see "Bases of Tables"]

End of fiscal year or month	Total public debt	Marketable issues					Nonmarketable issues				Special issues
		Total [2]	Bills [3]	Certificates	Notes	Treasury bonds	Total	Savings bonds [4]	Tax and savings notes	Other	
	Computed annual interest rate										
1939	2.600	2.525	0.010	—	1.448	2.964	2.913	2.900	—	3.000	3.091
1940	2.583	2.492	.038	—	1.256	2.908	2.908	2.900	—	3.000	3.026
1941	2.518	2.413	.089	—	1.075	2.787	2.865	2.858	—	3.000	2.904
1942	2.285	2.225	.360	0.564	1.092	2.680	2.277	2.787	0.506	2.743	2.681
1943	1.979	1.822	.380	.875	1.165	2.494	2.330	2.782	1.040	2.495	2.408
1944	1.929	1.725	.381	.875	1.281	2.379	2.417	2.788	1.080	2.314	2.405
1945	1.936	1.718	.381	.875	1.204	2.314	2.473	2.789	1.076	2.000	2.436
1946	1.996	1.773	.381	.875	1.289	2.307	2.567	2.777	1.070	2.000	2.448
1947	2.107	1.871	.382	.875	1.448	2.307	2.593	2.765	1.070	2.423	2.510
1948	2.182	1.942	1.014	1.042	1.204	2.309	2.623	2.759	1.070	2.414	2.588
1949	2.236	2.001	1.176	1.225	1.375	2.313	2.629	2.751	1.290	2.393	2.596
1950	2.200	1.958	1.187	1.163	1.344	2.322	2.569	2.748	1.383	2.407	2.589
1951	2.270	1.981	1.569	1.875	1.399	2.327	2.623	2.742	1.567	2.717	2.606
1952	2.329	2.051	1.711	1.875	1.560	2.317	2.659	2.745	1.785	2.714	2.675
1953	2.438	2.207	2.254	2.319	1.754	2.342	2.720	2.760	2.231	2.708	2.746
1954	2.342	2.043	.843	1.928	1.838	2.440	2.751	2.793	2.377	2.709	2.671
1955	2.351	2.079	1.539	1.173	1.846	2.480	2.789	2.821	2.359	2.708	2.585
1956	2.576	2.427	2.654	2.625	2.075	2.485	2.824	2.848	—	2.713	2.705
1957	2.730	2.707	3.197	3.345	2.504	2.482	2.853	2.880	—	2.718	2.635
1958	2.638	2.546	1.033	3.330	2.806	2.576	2.892	2.925	—	2.718	2.630
1959	2.867	2.891	3.316	2.842	3.304	2.619	2.925	2.961	—	2.714	2.694
1960	3.297	3.449	3.815	4.721	4.058	2.639	3.219	3.293	—	2.715	2.772
1961	3.072	3.063	2.584	3.073	3.704	2.829	3.330	3.408	—	2.713	2.803
1962	3.239	3.285	2.926	3.377	3.680	3.122	3.364	3.449	—	2.670	2.891
1961—July	3.065	3.048	2.565	3.073	3.703	2.830	3.332	3.410	—	2.711	2.811
August	3.082	3.072	2.584	3.000	3.662	2.842	3.329	3.413	—	2.688	2.835
September	3.096	3.093	2.605	3.000	3.657	2.890	3.332	3.416	—	2.685	2.827
October	3.098	3.096	2.628	3.000	3.636	2.889	3.338	3.419	—	2.668	2.815
November	3.123	3.133	2.646	3.000	3.615	2.961	3.338	3.422	—	2.662	2.817
December	3.135	3.146	2.701	3.000	3.614	2.966	3.350	3.433	—	2.664	2.823
1962—January	3.155	3.173	2.807	3.000	3.612	2.981	3.354	3.436	—	2.669	2.821
February	3.180	3.206	2.858	3.277	3.696	2.981	3.361	3.439	—	2.697	2.835
March	3.209	3.248	2.915	3.277	3.692	3.054	3.365	3.442	—	2.702	2.841
April	3.215	3.253	2.927	3.277	3.692	3.065	3.367	3.445	—	2.702	2.846
May	3.236	3.280	2.927	3.377	3.681	3.117	3.370	3.447	—	2.699	2.879
June	3.239	3.285	2.926	3.377	3.680	3.122	3.364	3.449	—	2.670	2.891

TABLE 51.—*Computed annual interest rate and computed annual interest charge on the public debt by security classes, June 30, 1939–62* [1]—Con.

End of fiscal year or month	Total public debt	Marketable issues					Nonmarketable issues				Special issues
		Total [2]	Bills [3]	Certificates	Notes	Treasury bonds	Total	Savings bonds [4]	Tax and savings notes	Other	
	Computed annual interest charge										
1939	$1,037	$858	(*)		$105	$747	$63	$54		$8	$117
1940	1,095	858	(*)		80	772	92	84		8	145
1941	1,218	910	$1		61	842	130	123		7	178
1942	1,644	1,125	9	$17	73	1,021	307	284	$15	8	211
1943	2,679	1,737	45	145	107	1,435	680	591	78	11	262
1944	3,849	2,422	56	252	223	1,885	1,084	965	103	16	344
1945	4,964	3,115	65	299	283	2,463	1,390	1,271	109	10	458
1946	5,351	3,362	65	305	235	2,753	1,442	1,362	72	9	547
1947	5,374	3,156	60	221	118	2,753	1,530	1,420	59	51	687
1948	5,455	3,113	139	235	137	2,597	1,561	1,470	47	44	782
1949	5,606	3,103	135	361	49	2,554	1,652	1,548	63	41	851
1950	5,613	3,040	160	214	274	2,387	1,735	1,581	117	37	838
1951	5,740	2,731	213	178	501	1,835	2,106	1,579	123	405	903
1952	5,981	2,879	293	533	296	1,753	2,093	1,583	118	391	1,010
1953	6,431	3,249	442	368	534	1,903	2,069	1,598	99	372	1,115
1954	6,298	3,071	164	355	588	1,962	2,099	1,622	121	357	1,128
1955	6,387	3,225	299	162	752	2,010	2,044	1,647	45	352	1,118
1956	6,950	3,758	549	428	746	2,034	1,972	1,637		334	1,220
1957	7,325	4,210	743	685	776	2,005	1,881	1,573		308	1,234
1958	7,245	4,242	231	1,096	573	2,341	1,787	1,520		266	1,216
1959	8,066	5,133	1,046	962	902	2,221	1,728	1,496		232	1,206
1960	9,316	6,317	1,249	833	2,088	2,145	1,754	1,566		189	1,245
1961	8,761	5,718	937	410	2,084	2,288	1,781	1,619		162	1,263
1962	9,519	6,422	1,212	457	2,408	2,344	1,798	1,642		156	1,299
1961—July	8,841	5,815	1,033	410	2,084	2,287	1,784	1,622		161	1,243
August	8,942	5,854	1,043	165	2,381	2,264	1,796	1,626		170	1,292
September	8,984	5,918	1,077	165	2,383	2,292	1,794	1,628		166	1,272
October	9,049	6,025	1,105	165	2,465	2,291	1,788	1,633		156	1,235
November	9,150	6,110	1,133	165	2,584	2,228	1,794	1,637		158	1,246
December	9,156	6,145	1,157	165	2,584	2,239	1,782	1,629		153	1,229
1962—January	9,226	6,249	1,215	165	2,585	2,284	1,784	1,632		152	1,193
February	9,314	6,314	1,245	406	2,380	2,284	1,787	1,635		152	1,212
March	9,368	6,364	1,236	405	2,382	2,340	1,788	1,637		151	1,216
April	9,413	6,426	1,252	405	2,381	2,387	1,788	1,639		149	1,199
May	9,543	6,480	1,261	457	2,408	2,354	1,787	1,640		147	1,275
June	9,519	6,422	1,212	457	2,408	2,344	1,798	1,642		156	1,299

*Less than $500,000.

[1] See table 32 for amounts of public debt outstanding by security classes.

[2] Total includes Panama Canal bonds prior to 1961, postal savings bonds prior to 1956, and conversion bonds prior to 1947.

[3] Included in debt outstanding at face amount, but the annual interest charge and the annual interest rate are computed on the discount value.

[4] The annual interest charge and annual interest rate on United States savings bonds are computed on the basis of the rate to maturity applied against the amount outstanding.

NOTE.—For methods of computing annual interest rate and charge see note to table 50.

TABLE 52.—*Interest on the public debt by security classes, fiscal years 1958–62* [1]

[In millions of dollars. On basis of Public Debt accounts, see "Bases of Tables"]

Class of security	1958	1959	1960	1961	1962
Public issues:					
Marketable obligations:					
Treasury bills [2]	738.4	734.2	1,572.0	1,108.7	1,149.3
Certificates of indebtedness	1,143.8	915.3	783.8	712.3	282.5
Treasury notes	600.8	741.0	1,703.4	1,951.8	2,417.9
Treasury bonds	2,097.4	2,229.1	2,223.2	2,214.1	2,216.8
Other [3]	1.5	1.5	1.5	1.4	(*)
Total marketable obligations	4,581.9	4,621.1	6,283.9	5,988.3	6,066.5
Nonmarketable obligations:					
United States savings bonds:					
Series E, F, and J [2]	1,218.2	1,232.0	1,246.0	1,285.8	1,358.3
Series G, H, and K	308.1	296.1	257.0	261.1	277.7
Depositary bonds	3.3	4.0	3.6	2.6	2.9
Treasury bonds, R.E.A. series	----------	----------	----------	.2	.5
Certificates of indebtedness:					
Foreign series	----------	----------	----------	----------	10.7
Foreign currency series	----------	----------	----------	----------	.9
Treasury bonds, investment series	272.3	242.2	196.0	169.1	140.2
Other [4]	(*)	(*)	(*)	(*)	(*)
Total nonmarketable obligations	1,801.9	1,774.3	1,702.6	1,718.8	1,791.2
Total public issues	6,383.8	6,395.4	7,986.5	7,707.1	7,857.7
Special issues:					
Certificates of indebtedness	778.0	592.1	244.8	243.6	228.6
Treasury notes	358.4	431.9	373.4	265.7	204.6
Treasury bonds	86.6	173.4	574.9	740.8	828.9
Total special issues	1,223.0	1,197.4	1,193.1	1,250.1	1,262.1
Total interest on public debt	7,606.8	7,592.8	9,179.6	8,957.2	9,119.8

*Less than $50,000.
[1] On an accrual basis.
[2] Amounts represent discount treated as interest.
[3] Includes postal savings bonds, Liberty bonds, Victory notes, and Panama Canal bonds.
[4] Includes Treasury tax and savings notes, Armed Forces leave bonds, and adjusted service bonds.

TABLE 53.—*Interest on the public debt and guaranteed obligations by tax status, fiscal years 1940–62* [1]

[In millions of dollars. On basis of Public Debt accounts, see "Bases of Tables"]

Fiscal year	Total	Tax-exempt			Taxable	Special issues to Government agencies and trust funds
		Total	Wholly	Partially		
	Issued by U. S. Government					
1940	1,041.4	909.6	104.2	805.4	----------	131.8
1941	1,110.2	950.1	79.2	870.9	0.5	159.6
1942	1,260.1	907.2	57.1	850.1	153.5	199.4
1943	1,813.0	895.6	38.3	857.4	676.1	241.3
1944	2,610.1	852.2	27.2	825.0	1,449.8	308.2
1945	3,621.9	780.2	45.3	734.9	2,436.3	405.4
1946	4,747.5	711.9	26.0	685.9	3,530.8	504.8
1947	4,958.0	601.0	7.0	594.0	3,755.1	601.9
1948	5,187.8	574.8	5.6	569.2	3,884.9	728.1
1949	5,352.3	494.5	5.1	489.4	4,040.3	817.5
1950	5,496.3	416.7	4.3	412.4	4,218.8	860.8
1951	5,615.1	329.9	4.2	325.7	4,413.0	872.2
1952	5,853.0	226.0	4.1	221.9	4,686.9	940.1
1953	6,503.6	201.7	3.7	198.0	5,258.4	1,043.5
1954	6,382.5	183.9	3.1	180.8	5,071.0	1,127.6
1955	6,370.4	148.6	2.2	146.4	5,107.1	1,114.7
1956	6,786.6	94.6	1.5	93.1	5,553.6	1,138.4
1957	7,244.2	73.3	1.5	71.8	5,930.2	1,240.7
1958	7,606.8	66.6	1.5	65.1	6,317.2	1,223.0
1959	7,592.8	42.3	1.5	40.8	6,353.1	1,197.4
1960	9,179.6	42.3	1.5	40.8	7,944.2	1,193.1
1961	8,957.2	42.2	1.4	40.8	7,664.9	1,250.1
1962	9,119.8	40.8	(*)	40.8	7,816.9	1,262.1
	Issued by Federal instrumentalities: Guaranteed issues					
1940	109.9	109.9	----------	109.9	----------	----------
1941	110.9	110.9	----------	110.9	----------	----------
1942	125.6	113.0	----------	113.0	12.6	----------
1943	82.0	66.6	----------	66.6	15.4	----------
1944	77.9	65.7	----------	65.7	12.2	----------
1945	18.0	13.2	----------	13.2	4.8	----------
1946	1.6	1.6	----------	1.6	(*)	----------
1947	1.6	1.6	----------	1.6	(*)	----------
1948	1.1	1.1	----------	1.1	(*)	----------
1949	.7	.4	----------	.4	.2	----------
1950	.5	.3	----------	.3	.1	----------
1951	1.1	.3	----------	.3	.8	----------
1952	1.8	.4	----------	.4	1.4	----------
1953	2.4	.3	----------	.3	2.1	----------
1954	2.2	.2	----------	.2	2.0	----------
1955	2.1	.2	----------	.2	1.9	----------
1956	2.5	.2	----------	.2	2.3	----------
1957	3.8	.2	----------	.2	3.6	----------
1958	4.0	.2	----------	.2	3.8	----------
1959	4.9	.1	----------	.1	4.8	----------
1960	5.0	.1	----------	.1	4.9	----------
1961	8.3	(*)	----------	(*)	r8.2	----------
1962	15.8	(*)	----------	(*)	15.8	----------

r Revised.
* Less than $50,000.
1 Figures for 1940 to 1949, inclusive, represent actual interest payments; figures for 1950 to 1954, inclusive, represent interest which became due and payable during those years without regard to actual payments; figures for 1955 to 1962, inclusive, are shown on an accrual basis.

NOTE.—Amount of interest paid includes increase in redemption value of United States savings bonds and discount on unmatured issues of Treasury bills. Interest paid on guaranteed issues does not include amounts paid on demand obligations of Commodity Credit Corporation. Data for 1913–33 will be found in the 1948 annual report, p. 539, and for 1934–39 in the 1952 annual report, p. 645.

V.—Prices and yields of securities

TABLE 54.—*Average yields of taxable [1] long-term Treasury bonds by months, October 1941–June 1962 [2]*

[Averages of daily figures. Percent per annum compounded semiannually]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1941	------	------	------	------	------	------	------	------	------	[3] 2.34	2.34	2.47	------
1942	2.48	2.48	2.46	2.44	2.45	2.43	2.46	2.47	2.46	2.45	2.47	2.49	2.46
1943	2.46	2.46	2.48	2.48	2.46	2.45	2.45	2.46	2.48	2.48	2.48	2.49	2.47
1944	2.49	2.49	2.48	2.48	2.49	2.49	2.49	2.48	2.47	2.48	2.48	2.48	2.48
1945	2.44	2.38	2.40	2.39	2.39	2.35	2.34	2.36	2.37	2.35	2.33	2.33	2.37
1946	2.21	2.12	2.09	2.08	2.19	2.16	2.18	2.23	2.28	2.26	2.25	2.24	2.19
1947	2.21	2.21	2.19	2.19	2.19	2.22	2.25	2.24	2.24	2.27	2.36	2.39	2.25
1948	2.45	2.45	2.44	2.44	2.42	2.41	2.44	2.45	2.45	2.45	2.44	2.44	2.44
1949	2.42	2.39	2.38	2.38	2.38	2.38	2.27	2.24	2.22	2.22	2.20	2.19	2.31
1950	2.20	2.24	2.27	2.30	2.31	2.33	2.34	2.33	2.36	2.38	2.38	2.39	2.32
1951	2.39	2.40	2.47	2.56	2.63	2.65	2.63	2.57	2.56	2.61	2.66	2.70	2.57
1952	2.74	2.71	2.70	[3] 2.64	2.57	2.61	2.61	2.70	2.71	2.74	2.71	2.75	2.68
1953	2.80	2.83	2.89	[3] 2.97	3.11	3.13	3.02	3.02	2.98	3.83	2.86	2.79	2.94
1954	2.69	2.62	2.53	2.48	2.54	2.55	2.47	2.48	2.52	2.54	2.57	2.59	2.55
1955	2.68	2.78	2.78	2.82	2.81	2.82	2.91	2.95	2.92	2.87	2.89	2.91	2.84
1956	2.88	2.85	2.93	3.07	2.97	2.93	3.00	3.17	3.21	3.20	3.30	3.40	3.08
1957	3.34	3.22	3.26	3.32	3.40	3.58	3.60	3.63	3.66	3.73	3.57	3.30	3.47
1958	3.24	3.28	3.25	3.12	3.14	3.20	3.36	3.60	3.75	3.76	3.70	3.80	3.43
1959	3.91	3.92	3.92	4.01	4.08	4.09	4.11	4.10	4.26	4.11	4.12	4.27	4.08
1960	4.37	4.22	4.08	4.18	4.16	3.98	3.86	3.79	3.84	3.91	3.93	3.88	4.02
1961	3.89	3.81	3.78	3.80	3.73	3.88	3.90	4.00	4.02	3.98	3.98	4.06	3.90
1962	4.08	4.09	4.01	3.89	3.88	3.90	------	------	------	------	------	------	------

[1] Taxable bonds are those on which the interest is subject to both the normal and surtax rates of the Federal income tax. This average commenced Oct. 20, 1941.

[2] Prior to October 1941 yields were on partially tax-exempt long-term bonds. For January 1930 through December 1945, see the 1956 annual report, page 492, and for January 1919 through December 1929, see the 1943 annual report, p. 662.

[3] Beginning Oct. 20, 1941, through Mar. 31, 1952, yields are based on bonds neither due nor callable for 15 years; beginning Apr. 1, 1952, through Mar. 31, 1953, on bonds neither due nor callable for 12 years; beginning Apr. 1, 1953, on bonds neither due nor callable for 10 years.

NOTE.—For bonds selling above par and callable at par before maturity, the yields are computed on the basis of redemption at first call date; while for bonds selling below par, yields are computed to maturity. Monthly averages are averages of daily figures. Each daily figure is an unweighted average of the yields of the individual issues. Yields before 1953 are computed on the basis of the mean of closing bid and ask quotations in the over-the-counter market. Commencing April 1953, yields, as reported by the Federal Reserve Bank of New York, are based on over-the-counter bid quotations. See *Treasury Bulletin* for current monthly yields.

TABLE 55.—*Prices and yields of marketable public debt issues June 30, 1961, and June 29, 1962, and price range since first traded* [1]

[Price decimals are thirty-seconds and + indicates additional sixty-fourth]

Issue [2]	June 30, 1961			June 29, 1962			Price range since first traded [3]			
	Price		Yield to call or to maturity [4]	Price		Yield to call or to maturity [4]	High		Low	
	Bid	Ask		Bid	Ask		Price	Date	Price	Date
Taxable issues:										
Treasury bonds:			*Percent*			*Percent*				
2¼% June 15, 1959–62	99.13	99.15	2.89				104.20	Apr. 6, 1946	91.30	July 24, 1957
2¼% Dec. 15, 1959–62	98.29	98.31	3.03	99.22	99.24	2.95	104.21	Apr. 6, 1946	91.18	July 24, 1957
2¾% Sept. 15, 1961	100.03+	100.05+	2.17				104.22	Apr. 30, 1954	95.00	Oct. 17, 1957
2½% Nov. 15, 1961	99.31+	100.01+	2.54				103.00	Apr. 30, 1954	93.20	July 22, 1957
2½% June 15, 1962–67	92.24	93.00	3.88	94.24	95.00	3.67	108.12	Apr. 6, 1946	84.22	Sept. 15, 1959
2½% Aug. 15, 1963	98.11	98.13	3.32	99.10	99.14	3.13	100.24	Apr. 18, 1958	91.05	Sept. 15, 1959
2½% Dec. 15, 1963–68	90.30	94.06	3.91	92.04	92.12	3.89	108.03	Apr. 6, 1946	82.08	Jan. 6, 1960
3% Feb. 15, 1964	98.29	99.01	3.44	99.21	99.25	3.22	103.19	Apr. 21, 1958	92.06	Sept. 15, 1959
2½% June 15, 1964–69	90.12	90.20	3.92	91.04	91.12	3.97	107.25	Apr. 6, 1946	81.10	Jan. 6, 1960
2½% Dec. 15, 1964–69	89.28	90.04	3.92	90.12	90.20	4.01	107.24	Apr. 6, 1946	81.04	Jan. 6, 1960
2⅝% Feb. 15, 1965	96.08	96.12	3.74	97.28	98.00	3.48	100.13	June 5, 1958	89.00	Jan. 6, 1960
2½% Mar. 15, 1965–70	89.14	89.22	3.95	90.07	90.15	3.99	107.23	Apr. 6, 1946	80.10	Jan. 6, 1960
2½% Mar. 15, 1966–71	88.14	88.22	3.95	89.08	89.16	3.97	107.22	Apr. 6, 1946	79.28	Jan. 6, 1960
3¾% May 15, 1966	100.07	100.11	3.70	100.10	100.14	3.66	102.11	May 15, 1961	99.09	Feb. 1, 1962
3% Aug. 15, 1966	97.01	97.05	3.64	97.25	97.29	3.58	103.20	Apr. 21, 1958	89.24	Jan. 6, 1960
3⅜% Nov. 15, 1966	98.04	98.08	3.77	98.29	99.01	3.65	100.06	May 15, 1961	97.10	Dec. 12, 1961
2½% June 15, 1967–72	87.12	87.20	3.93	87.30	88.06	3.98	106.16	Apr. 6, 1946	79.12	Jan. 6, 1960
2½% Sept. 15, 1967–72	87.06	87.14	3.93	87.26	88.02	3.96	109.18	Apr. 6, 1946	78.24	Jan. 6, 1960
3⅝% Nov. 15, 1967	98.25	98.29	3.84	99.10	99.14	3.77	100.24	May 12, 1961	97.18	Aug. 8, 1961
2½% Dec. 15, 1967–72	87.10	87.18	3.88	87.22	87.30	3.95	106.16	Apr. 6, 1946	79.06	Jan. 6, 1960
3⅞% May 15, 1968	100.06	100.10	3.84	100.04	100.12	3.85	102.04	May 12, 1961	98.11	June 9, 1960
3¾% Aug. 15, 1968				99.18	99.22	3.83	100.09	June 11, 1962	99.17	May 21, 1962
4% Oct. 1, 1969	101.00	101.08	3.86	100.16	100.20	3.92	110.14	Apr. 21, 1958	94.04	Dec. 30, 1959
4% Aug. 15, 1971				100.00	100.08	4.00	101.15	Apr. 4, 1962	99.04	Feb. 20, 1962
3⅞% Nov. 15, 1971				99.00	99.04	4.00	99.31	June 12, 1962	99.00	June 29, 1962
3⅞% Nov. 15, 1974	99.24	100.00	3.90	98.24	99.00	4.00	110.24	Apr. 22, 1958	92.08	Jan. 6, 1960
4¼% May 15, 1975–85	102.24	103.00	3.99	103.04	103.12	3.94	105.28	May 5, 1961	98.10	May 19, 1960
3¼% June 15, 1978–83	89.26	90.02	3.95	90.00	90.08	3.96	111.28	Aug. 4, 1954	82.06	Jan. 6, 1960

4% Feb. 15, 1980	100.26	101.02	3.94	99.24	100.00	4.02	103.18	May 12, 1961	93.08	Jan. 6, 1960
3½% Nov. 15, 1980	94.04	94.12	3.94	93.16	93.24	4.00	97.24	May 12, 1961	91.08	Feb. 20, 1962
3¼% May 15, 1985	89.22	89.30	3.92	89.30	90.06	3.92	101.04	June 11, 1958	82.04	Jan. 6, 1960
3½% Feb. 15, 1990	92.12	92.20	3.95	90.18	90.26	4.07	106.26	Apr. 21, 1958	84.08	Jan. 6, 1960
3% Feb. 15, 1995	85.08	85.16	3.78	85.00	85.08	3.81	101.12	June 8, 1955	79.08	Jan. 6, 1960
3½% Nov. 15, 1998	91.12	91.20	3.95	89.10	89.18	4.07	95.14	May 12, 1961	87.10	Feb. 20, 1962
Treasury notes:										
4% A, Aug. 1, 1961	100.05+	100.07+	1.67	----	----	----	106.05	June 6, 1958	98.04	Sept. 7, 1959
3⅝% A, Feb. 15, 1962	100.16	100.18	2.79	----	----	----	105.12	Apr. 24, 1958	96.30	Dec. 22, 1959
4% D, Feb. 15, 1962	100.24+	100.26+	2.72	----	----	----	101.26	Oct. 14, 1960	97.22	Dec. 17, 1959
3¼% F, Feb. 15, 1962	100.08	100.10	2.83	----	----	----	----	----	----	----
4% E, May 15, 1962	100.27	100.31	3.00	----	----	----	101.24	Dec. 30, 1960	98.31	May 18, 1960
4% B, Aug. 15, 1962	100.28	101.04	3.19	100.03	100.07	3.16	107.05	June 6, 1958	98.06	Dec. 4, 1959
3¼% G, Aug. 15, 1962	100.05+	100.07+	3.09	100.01+	100.03+	2.82	----	----	----	----
3¾% C, Nov. 15, 1962	100.28	101.00	3.09	100.08	100.12	3.05	106.13	Apr. 22, 1958	96.06	Dec. 28, 1959
3¼% H, Nov. 15, 1962	----	----	----	100.02	100.04	3.07	----	----	----	----
2⅝% A, Feb. 15, 1963	99.03	99.05	3.21	99.23	99.25	3.09	101.14	June 11, 1958	92.09	Sept. 15, 1959
3¼% E, Feb. 15, 1963	----	----	----	100.02	100.04	3.15	----	----	----	----
4% B, May 15, 1963	101.07	101.11	3.31	100.24	100.26	3.12	102.08	Dec. 29, 1960	96.14	Dec. 29, 1959
3¼% D, May 15, 1963	99.30	100.00	3.29	100.02	100.04	3.18	100.14	May 12, 1961	99.20	June 5, 1961
4⅞% C, Nov. 15, 1963	103.06	103.10	3.46	102.07	102.11	3.21	104.23	Dec. 30, 1960	99.19	Jan. 6, 1960
4¾% A, May 15, 1964	103.12	103.16	3.50	102.14	102.18	3.39	104.25	May 12, 1961	99.18	Dec. 29, 1959
3¾% D, May 15, 1964	100.18	100.22	3.54	100.21	100.23	3.38	101.26	May 15, 1961	98.11	June 9, 1960
5% B, Aug. 15, 1964	104.02	104.06	3.61	103.03	103.07	3.47	105.28	May 12, 1961	100.09	Dec. 4, 1959
3¾% E, Aug. 15, 1964	----	----	----	100.20	100.24	3.44	101.07	June 12, 1962	99.23	Aug. 14, 1961
4⅞% C, Nov. 15, 1964	103.26	103.30	3.66	103.03	103.07	3.50	105.22	May 15, 1961	99.25	Feb. 2, 1960
4⅝% A, May 15, 1965	103.06	103.10	3.73	103.02	103.06	3.49	105.07	May 12, 1961	99.25	May 18, 1960
3⅝% B, Feb. 15, 1966	----	----	----	99.30	100.02	3.64	100.20	June 12, 1962	99.28+	Apr. 27, 1962
4% A, Aug, 15, 1966	----	----	----	101.06	101.10	3.69	102.02	June 12, 1962	100.02	Feb. 5, 1962
1½% EO, Oct. 1, 1961	99.23	99.31	2.67	----	----	----	99.31+	Sept. 28, 1961	90.06	June 21, 1957
1½% EA, Apr. 1, 1962	99.07	99.15	2.58	----	----	----	99.15	Mar. 27, 1962	88.18	Aug. 13, 1957
1½% EO, Oct. 1, 1962	98.10	98.18	2.90	99.21	99.25	2.90	99.22	June 18, 1962	88.12	Oct 2, 1957
1½% EA, Apr. 1, 1963	97.04	97.12	3.21	99.03	99.11	2.75	99.05	June 22, 1962	88.14	Sept. 16, 1959
1½% EO, Oct. 1, 1963	96.04	96.12	3.31	98.14	98.22	2.78	98.18	June 22, 1962	87.08	Sept. 16, 1959
1½% EA, Apr. 1, 1964	94.30	95.06	3.45	97.08	97.16	3.13	97.24	June 22, 1962	85.16	Sept. 15, 1959
1½% EO, Oct. 1, 1964	93.30	94.06	3.44	96.08	96.16	3.28	96.26	May 11, 1962	85.00	Sept. 30, 1959
1½% EA, Apr. 1, 1965	92.20	92.28	3.62	94.28	95.04	3.47	96.04	May 11, 1962	87.12	May 24, 1960
1½% EO, Oct. 1, 1965	91.26	92.02	3.60	93.26	94.02	3.53	95.18	May 9, 1962	90.06	Nov. 29, 1960
1½% EA, Apr. 1, 1966	90.24	91.00	3.64	92.20	92.28	3.62	94.17	May 9, 1962	89.06	Sept. 8, 1961
1½% EO, Oct. 1, 1966	----	----	----	91.22	91.30	3.63	93.30	May 9, 1962	89.12	Oct. 11, 1961
1½% EA, Apr. 1, 1967	----	----	----	90.22	90.30	3.66	93.10	May 14, 1962	90.22	June 29, 1962

Footnotes at end of table.

TABLE 55.—*Prices and yields of marketable public debt issues June 30, 1961, and June 29, 1962, and price range since first traded* [1]—Con

[Price decimals are thirty-seconds and + indicates additional sixty-fourth]

Issue [2]	June 30, 1961			June 29, 1962			Price range since first traded [3]			
	Price		Yield to call or to maturity [4]	Price		Yield to call or to maturity [4]	High		Low	
	Bid	Ask		Bid	Ask		Price	Date	Price	Date
Taxable issues—Continued			*Percent*			*Percent*				
Certificates of indebtedness:										
3⅛% C, Aug. 1, 1961	100.03	100.04+	1.84							
3% A, May 15, 1962	100.00	100.02	3.00							
3½% A, Feb. 15, 1963				100.07	100.09	3.14				
3¼% B, May 15, 1963				100.02	100.04	3.18				
Partially tax-exempt issue:										
Treasury bond, 2¾% Dec. 15, 1960–65	100.16	100.20	1.62	100.15	100.19	1.70	119.00	Jan. 25, 1946	95.16	Dec. 28, 1959

[1] Prices and yields (based on bid prices) on June 30, 1961 and 1962, are over-the-counter quotations, as reported to the Treasury Department by the Federal Reserve Bank of New York. Yields are percent per annum compounded semiannually except that on securities having only one interest payment, they are computed on a simple interest basis.

[2] Excludes Treasury bills, which are fully taxable. For description and amount of each issue outstanding on June 30, 1962, see table 33; for information as of June 30, 1961, see 1961 annual report, p. 518.

[3] Beginning April 1953, prices are closing bid quotations. Prices for prior dates are the mean of closing bid and ask quotations, except that before Oct. 1, 1939, they were closing prices on the New York Stock Exchange. "When issued" prices are included in price range beginning Oct. 1, 1939. Dates of highs and lows in case of recurrence are the latest dates. Issues with original maturity of less than 2 years are excluded.

[4] Yields are computed to earliest call date when prices are above par and to maturity date when prices are at par or below.

See monthly *Treasury Bulletin* for current data.

VI.—Ownership of governmental securities

TABLE 56.—*Estimated ownership of interest-bearing governmental securities outstanding June 30, 1952–62, by type of issuer*

[Par value.[1] In billions of dollars]

June 30	Total amount outstanding	Held by banks: Total	Held by banks: Commercial banks	Held by banks: Federal Reserve Banks	Held by U.S. Government investment accounts	Held by private nonbank investors: Total	Individuals[2]	Insurance companies	Mutual savings banks	Corporations[3]	State, local, and Territorial governments[4]	Miscellaneous investors[5]
	I. Securities of U. S. Government and Federal instrumentalities guaranteed by United States[6]											
1952	256.9	84.0	61.1	22.9	44.3	128.5	63.8	15.7	9.6	18.8	10.4	10.3
1953	264.0	83.6	58.8	24.7	47.6	132.9	65.3	16.0	9.5	18.6	12.0	11.5
1954	269.0	88.7	63.6	25.0	49.3	131.0	63.7	15.4	9.1	16.6	13.9	12.2
1955	271.8	87.1	63.5	23.6	50.5	134.1	64.0	15.0	8.7	18.8	14.7	12.8
1956	270.0	81.0	57.3	23.8	53.5	135.4	65.1	13.6	8.4	17.7	16.1	14.6
1957	268.6	79.2	56.2	23.0	55.6	133.8	64.6	12.7	7.9	16.8	16.8	14.9
1958	274.8	90.7	65.3	25.4	55.9	128.2	62.7	12.2	7.4	14.8	16.3	14.7
1959	281.9	87.6	61.5	26.0	54.6	139.7	r 64.4	12.6	7.3	r 20.8	16.9	17.7
1960	283.4	81.8	55.3	26.5	55.3	146.2	r 67.3	12.0	6.6	r 21.0	18.8	20.4
1961	285.9	89.8	62.5	27.3	56.1	140.0	r 62.7	11.4	6.3	19.7	r 19.3	20.6
1962	294.9	94.6	65.0	29.7	56.5	143.8	64.3	11.3	6.3	19.3	19.7	22.9
	II. Securities of Federal instrumentalities not guaranteed by United States[7]											
1952	1.2	.7	.7	--------	(*)	.5	.3	(*)	(*)	.1	(*)	(*)
1953	1.1	.6	.6	--------	(*)	.5	.3	(*)	(*)	.1	(*)	(*)
1954	1.0	.5	.5	--------	(*)	.5	.3	(*)	(*)	.1	(*)	(*)
1955	1.8	.9	.9	--------	(*)	.9	.4	(*)	(*)	.4	(*)	(*)
1956	2.6	.9	.9	--------	(*)	1.6	.6	.1	.1	.7	(*)	.1
1957	3.5	1.0	1.0	--------	(*)	2.4	.9	.1	.2	1.0	(*)	.2
1958	3.8	1.4	1.4	--------	(*)	2.4	.8	.1	.2	1.0	.1	.2
1959	4.8	1.2	1.2	--------	(*)	3.6	1.2	.1	.3	1.3	.2	.5
1960	6.3	1.1	1.1	--------	(*)	5.2	1.7	.2	.4	1.6	.3	1.0
1961	5.4	1.2	1.2	--------	(*)	4.2	1.1	.2	.3	1.5	.4	.7
1962	6.8	1.7	1.7	--------	(*)	5.1	1.4	.3	.4	1.5	.6	.9
	III. Securities of State and local governments, Territories, and possessions[8]											
1952	29.3	9.9	9.9	--------	.7	18.7	10.5	2.8	.2	.6	3.9	.6
1953	32.3	10.6	10.6	--------	.7	21.0	11.6	3.5	.4	.7	4.2	.6
1954	37.4	12.0	12.0	--------	.3	25.1	13.8	4.6	.5	.9	4.5	.7
1955	42.8	12.8	12.8	--------	.3	29.7	16.4	5.8	.7	1.1	4.9	.8
1956	47.6	13.0	13.0	--------	.2	34.5	19.5	6.6	.7	1.4	5.3	.9
1957	52.1	13.4	13.4	--------	.2	38.4	22.0	7.4	.7	1.5	5.8	1.0
1958	56.8	15.8	15.8	--------	.3	40.7	22.8	8.2	.7	1.5	6.4	1.1
1959	62.0	17.0	17.0	--------	.3	44.6	24.6	9.5	.7	1.7	6.8	1.3
1960	66.4	16.8	16.8	--------	.3	49.2	27.2	10.9	.7	1.9	7.1	1.5
1961	71.7	18.8	18.8	--------	.4	52.5	28.3	12.3	.7	2.2	7.4	1.6
962	80.1	23.2	23.2	--------	.5	56.4	30.5	13.6	.6	2.7	7.2	1.8

*Less than $50 million.
r Revised.
[1] Except data including U.S. savings bonds of Series A–F and J, which are on the basis of current redemption value.
[2] Includes partnerships and personal trust accounts.
[3] Exclusive of banks and insurance companies.
[4] Comprises trust, sinking, and investment funds of State and local governments, Territories, and possessions.
[5] Includes savings and loan associations, nonprofit associations, corporate pension trust funds, dealers and brokers, and investments of foreign balances and international accounts in this country.
[6] On daily Treasury statement basis. Since noninterest-bearing debt is excluded the figures differ slightly from those in discussion of debt ownership. Special issues to Federal agencies and trust funds are included and guaranteed securities held by the Treasury are excluded.
[7] Excludes stocks and interagency loans.
[8] Excludes obligations of Puerto Rico after June 30, 1952.

NOTE.—For data from 1937 through 1951, see the 1952 annual report, pp. 764 and 765.

TABLE 57.—*Estimated distribution of interest-bearing governmental securities outstanding June 30, 1952–62, by tax status and type of issuer* [1]

[Par value.[2] In millions of dollars]

June 30	Securities of U.S. Government and Federal instrumentalities guaranteed by U.S.[3]					Securities of Federal instrumentalities not guaranteed by U.S.[4]				Securities of State, local, and Territorial governments		
	Total	Tax-exempt		Taxable [7]	Special issues [8]	Total	Tax-exempt		Taxable [7]	Wholly tax-exempt [5]		
		Wholly[5]	Partially[6]				Wholly[6]	Partially[6]		Total	Issues of States and localities	Issues of Territories and possessions [9]
	I. Total amount outstanding											
1952	256,907	142	7,402	211,623	37,739	1,220	--------	------	1,220	29,279	29,111	168
1953	263,997	124	6,678	216,657	40,538	1,142	--------	------	1,142	32,339	32,200	139
1954	268,990	96	5,997	220,668	42,229	960	--------	------	960	37,448	37,300	148
1955	271,785	71	3,386	225,078	43,250	1,815	--------	------	1,815	42,763	42,600	163
1956	269,956	50	3,386	221,406	45,114	2,567	--------	------	2,567	47,586	47,400	186
1957	268,592	50	2,404	219,311	46,827	r 3,460	--------	------	r 3,460	52,081	51,840	241
1958	274,798	50	1,485	227,017	46,246	3,777	--------	------	3,777	56,790	56,500	290
1959	281,944	50	1,485	235,653	44,756	4,820	--------	------	4,820	61,985	61,675	310
1960	283,380	50	1,485	236,946	44,899	6,270	--------	------	6,270	66,425	66,425	--------
1961	285,911	--------	1,485	239,383	45,043	5,408	--------	------	5,408	71,730	71,730	--------
1962	294,886	--------	1,485	248,462	44,939	6,783	--------	------	6,783	80,131	80,131	--------
	II. Held by U.S. Government investment accounts											
1952	44,335	31	86	6,480	37,739	4	--------	------	4	733	730	2
1953	47,560	23	26	6,972	40,538	20	--------	------	20	733	715	18
1954	49,339	13	12	7,086	42,229	8	--------	------	8	332	329	3
1955	50,540	4	4	7,282	43,250	8	--------	------	8	255	250	5
1956	53,495	(*)	2	8,379	45,114	13	--------	------	13	227	220	7
1957	55,551	--------	(*)	8,724	46,827	18	--------	------	18	243	237	6
1958	55,895	--------	(*)	9,649	46,246	25	--------	------	25	271	264	7
1959	54,616	--------	(*)	9,861	44,756	6	--------	------	6	310	304	6
1960	55,337	--------	(*)	10,438	44,899	12	--------	------	12	349	349	--------
1961	56,088	--------	(*)	11,045	45,043	13	--------	------	13	403	403	--------
1962	56,462	--------	(*)	11,523	44,939	8	--------	------	8	528	528	--------
	III. Held by Federal Reserve Banks											
1952	22,906	--------	--------	22,906	--------	------	--------	------	------	--------	--------	--------
1953	24,746	--------	--------	24,746	--------	------	--------	------	------	--------	--------	--------
1954	25,037	--------	--------	25,037	--------	------	--------	------	------	--------	--------	--------
1955	23,607	--------	--------	23,607	--------	------	--------	------	------	--------	--------	--------
1956	23,758	--------	--------	23,758	--------	------	--------	------	------	--------	--------	--------
1957	23,035	--------	--------	23,035	--------	------	--------	------	------	--------	--------	--------
1958	25,438	--------	--------	25,438	--------	------	--------	------	------	--------	--------	--------
1959	26,044	--------	--------	26,044	--------	------	--------	------	------	--------	--------	--------
1960	26,523	--------	--------	26,523	--------	------	--------	------	------	--------	--------	--------
1961	27,253	--------	--------	27,253	--------	------	--------	------	------	--------	--------	--------
962	29,663	--------	--------	29,663	--------	------	--------	------	------	--------	--------	--------

Footnotes at end of table.

TABLE 57.—*Estimated distribution of interest-bearing governmental securities outstanding June 30, 1952–62, by tax status and type of issuer* [1]—Continued

[Par value.[2] In millions of dollars]

June 30	Securities of U.S. Government and Federal instrumentalities guaranteed by U.S.[3]					Securities of Federal instrumentalities not guaranteed by U.S.[4]				Securities of State, local, and Territorial governments		
	Total	Tax-exempt		Taxable [7]	Special issues [8]	Total	Tax-exempt		Taxable [7]	Wholly tax-exempt [5]		
		Wholly [5]	Partially [6]				Wholly [5]	Partially [6]		Total	Issues of States and localities	Issues of Territories and possessions [9]
	IV. Held by State and local governments, Territories, and possessions											
1952	10,357	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	3,879	3,852	27
1953	12,025	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	4,190	4,176	14
1954	13,930	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	4,536	4,523	13
1955	14,731	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	4,865	4,850	15
1956	16,130	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	5,322	5,300	19
1957	16,825	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	5,821	5,800	21
1958	16,285	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	6,358	6,330	28
1959	16,865	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	6,828	6,800	28
1960	18,832	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	7,100	7,100	--------
1961	r 19,318	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	7,350	7,350	--------
1962	19,700	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	7,200	7,200	--------
	V. Privately held securities											
1952	179,309	112	n.a.	n.a.	--------	n.a.	--------	------	n.a.	24,668	24,529	139
1953	179,666	100	n.a.	n.a.	--------	n.a.	--------	------	n.a.	27,416	27,309	107
1954	180,684	83	n.a.	n.a.	--------	n.a.	--------	------	n.a.	32,580	32,448	132
1955	182,907	67	n.a.	n.a.	--------	n.a.	--------	------	n.a.	37,643	37,500	143
1956	176,573	50	n.a.	n.a.	--------	n.a.	--------	------	n.a.	42,040	41,880	160
1957	173,181	50	n.a.	n.a.	--------	n.a.	--------	------	n.a.	46,017	45,803	214
1958	177,180	50	n.a.	n.a.	--------	n.a.	--------	------	n.a.	50,161	49,906	255
1959	184,419	50	n.a.	n.a.	--------	n.a.	--------	------	n.a.	54,847	54,571	276
1960	182,688	50	n.a.	n.a.	--------	n.a.	--------	------	n.a.	58,976	58,976	--------
1961	r 183,252	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	63,977	63,977	--------
1962	189,061	--------	n.a.	n.a.	--------	n.a.	--------	------	n.a.	72,403	72,403	--------

*Less than $500,000. n.a. Not available. r Revised.

[1] The total amount outstanding of securities of the several issuers differs from the gross indebtedness of these issuers as the former excludes noninterest-bearing debt. The total privately held securities differs from the net indebtedness of the borrowers in several additional respects. The former is derived by deducting from the total amount of interest-bearing securities outstanding the amount of such securities held by Federal agencies, Federal Reserve Banks, and by public sinking, trust, and investment funds. Net indebtedness, on the other hand, is derived by deducting from the gross indebtedness an amount equivalent to the total volume of sinking fund assets of the respective borrowers, but makes no allowance for any other public assets.

[2] When included, U.S. savings bonds Series A–F and J are at current redemption value.

[3] On basis of daily Treasury statements. Excludes guaranteed securities held by the Treasury.

[4] Excludes stocks and interagency loans.

[5] Income is exempt from both the normal rates and surtax rates of the Federal income tax.

[6] Income is exempt only from the normal rates of the Federal income tax. Interest derived from $5,000 aggregate principal amount owned by any one holder is exempt from the surtax rates as well.

[7] Income is subject to both the normal and the surtax rates of the Federal income tax.

[8] Special issues to Federal agencies and trust funds.

[9] Excludes obligations of Puerto Rico after June 30, 1952.

NOTE.—For data back to 1913, see 1946 annual report, p. 664, 1949 annual report, p. 591, and 1958 annual report, p. 574.

TABLE 58.—*Summary of Treasury survey of ownership of interest-*

[Par value. In

Classification	Total amount outstanding		Held by investors covered							
			Commercial banks [2] [3]		Mutual savings banks [2]		Insurance companies			
							Life		Fire, casualty, and marine	
	June 30		June 30		June 30		June 30		June 30	
	1961	1962	1961	1962	1961	1962	1961	1962	1961	1962
Number of institutions or funds	--------	--------	6,279	6,200	512	509	307	302	521	512
TYPE OF SECURITY										
Public marketable:										
Treasury bills:										
Regular weekly	28,715	32,225	4,655	5,486	146	199	72	172	103	157
Tax anticipation	1,503	1,802	291	151	2	3	18	44	1	4
Other	6,505	8,009	1,433	1,453	80	105	9	40	38	33
Certificates of indebtedness	13,338	13,547	3,123	3,275	102	115	21	13	80	153
Treasury notes	56,257	65,464	18,373	23,592	1,343	1,468	321	418	1,025	1,286
Treasury bonds	80,830	75,025	27,158	23,081	4,324	4,106	4,187	4,150	2,877	2,580
Guaranteed obligations held outside the Treasury	240	444	41	49	31	68	19	45	4	18
Total public marketable	187,388	196,516	55,073	57,087	6,027	6,063	4,647	4,882	4,129	4,230
Public nonmarketable:										
U.S. savings bonds [6]	47,514	47,607	166	71	27	13	21	12	59	37
Depositary bonds	117	138	[7] 117	[7] 138	------	(*)	------	------	------	------
Treasury bonds:										
R.E.A. series	19	25	------	------	------	------	------	------	------	------
Investment series	5,830	4,727	191	182	236	186	1,318	941	100	81
Treasury certificates:										
Foreign series	--------	860	------	------	------	------	------	------	------	------
Foreign currency series	--------	75	------	------	------	------	------	------	------	------
Total public nonmarketable	53,481	53,431	474	391	264	199	1,339	953	159	118
Special issues	45,043	44,939	------	------	------	------	------	------	------	------
Grand total	285,911	294,886	55,548	57,478	6,291	6,262	5,986	5,835	4,288	4,348
MATURITY CLASSES [8]										
Public marketable:										
Within 1 year	81,120	88,442	21,473	22,850	726	824	244	307	892	913
1 to 5 years	58,400	57,041	24,256	24,478	1,412	1,455	318	475	1,526	1,625
5 to 10 years	26,435	26,049	7,386	7,870	2,289	1,882	1,953	705	1,160	1,109
10 to 15 years	8,706	5,957	1,454	1,242	463	282	299	173	285	251
15 to 20 years	1,527	3,362	98	149	106	223	221	586	50	89
20 years and over	10,960	15,221	366	450	1,001	1,330	1,592	2,590	211	225
Guaranteed obligations	240	444	41	49	31	68	19	45	4	18
Total public marketable	187,388	196,516	55,073	57,087	6,027	6,063	4,647	4,882	4,129	4,230

*Less than $500,000.

[1] Banks and insurance companies covered in the Treasury survey of ownership of securities issued or guaranteed by the U.S. Government, account for approximately 90 percent of the amount of such securities owned by all banks and insurance companies in the United States. The savings and loan associations and corporations which were added to the survey in 1960 account for about half of the Federal securities held by these investor classes. State and local government funds which were added during fiscal 1962 account for about 60 percent. Details as to the ownership of each security are available in the *Treasury Bulletin* monthly for the above investors and semiannually for commercial banks classified by membership in the Federal Reserve System.

[2] Securities held in trust departments are excluded.

[3] Includes trust companies and stock savings banks.

[4] Included with all other investors are those banks, insurance companies, savings and loan associations, corporations, and State and local government funds not reporting in the Treasury survey.

bearing public debt and guaranteed obligations, June 30, 1961 and 1962

millions of dollars]

in Treasury survey [1]										Held by all other investors [4]		Memorandum: Held by corporate pension trust funds [5]	
Savings and loan associations		Corporations		State and local governments: General funds		State and local governments: Pension and retirement funds		U.S. Government investment accounts and Federal Reserve Banks					
June 30		June 30		June 30		June 30		June 30		June 30		June 30	
1961	1962	1961	1962	1961	1962	1961	1962	1961	1962	1961	1962	1961	1962
489	488	489	473	307	298	189	186	-------	-------	-------	-------	12,926	14,085
74	124	3,651	3,745	2,119	2,516	253	272	2,716	2,957	14,926	16,598	287	418
-------	1	598	902	38	59	-------	19	21	95	534	524	12	11
38	58	635	566	366	655	22	7	904	707	2,980	4,385	67	81
37	51	754	1,148	473	391	14	21	6,733	5,901	2,001	2,479	35	55
613	567	2,227	2,447	1,169	1,244	298	279	15,879	18,495	15,009	15,669	453	530
1,881	2,012	2,177	1,079	2,584	2,343	3,744	4,057	9,503	10,499	22,395	21,119	817	767
9	29	-------	-------	6	6	11	22	87	167	32	41	(*)	1
2,651	2,840	10,043	9,887	6,754	7,214	4,342	4,677	35,843	38,821	57,878	60,814	1,672	1,864
53	40	5	4	89	70	75	54	10	9	47,009	47,296	122	110
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	19	25	-------	-------
65	61	5	5	255	80	605	260	2,445	2,356	610	575	41	24
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	860	-------	-------
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	75	-------	-------
118	102	10	9	344	150	680	314	2,455	2,365	47,638	48,830	163	135
-------	-------	-------	-------	-------	-------	-------	-------	45,043	44,939	-------	-------	-------	-------
2,769	2,942	10,053	9,896	7,098	7,364	5,022	4,992	83,340	86,125	105,516	109,645	1,835	1,998
371	479	8,384	8,332	3,795	4,464	367	391	16,348	18,885	28,520	30,999	596	745
780	704	1,506	1,377	1,076	774	406	325	11,961	11,149	15,158	14,680	484	500
747	880	114	138	658	570	569	496	4,717	4,485	6,843	7,915	276	296
298	195	26	18	391	238	450	196	885	621	4,155	2,742	81	56
40	72	(*)	5	57	144	233	384	276	961	446	750	34	57
406	483	13	17	771	1,019	2,306	2,864	1,570	2,555	2,724	3,689	200	209
9	29	-------	-------	6	6	11	22	87	167	32	41	(*)	1
2,651	2,840	10,043	9,887	6,754	7,214	4,342	4,677	35,843	38,821	57,878	60,814	1,672	1,864

[5] Consists of corporate pension trust funds and profit-sharing plans which involve retirement benefits. Quarterly data are presented in the *Treasury Bulletin* as supplemental information in a memorandum column accompanying the Survey of Ownership for each reporting date, beginning with Dec. 31, 1953. The corresponding information from earlier reports, beginning with Dec. 31, 1949, is summarized in the March 1954 *Treasury Bulletin*, p. 30.

[6] U.S. savings bonds other than Series G, H, and K are included at current redemption value. They were reported at maturity value by the investors covered in the Treasury survey and have been adjusted to current redemption value for this table.

[7] Includes depositary bonds held by commercial banks not included in the survey: $29 million in 1961 and $73 million in 1962.

[8] All issues classified to final maturity except partially tax-exempt bonds which are classified to earliest call date. Table 31 in this report shows from 1946–62 the maturity distribution of marketable, interest-bearing public debt and guaranteed obligations by call classes and by maturity classes. The following difference in the two tables should be noted: Table 31 classifies District of Columbia stadium bonds of 1970–79 according to the year of call or maturity whereas this table includes these bonds with guaranteed obligations.

Account of the Treasurer of the United States

TABLE 59.—*Assets and liabilities in the account of the Treasurer of the United States, June 30, 1961 and 1962*

[On basis of daily Treasury statements, see "Bases of Tables"]

	June 30, 1961	June 30, 1962	Increase, or decrease (−)
GOLD			
Assets: Gold	$17,550,069,960.13	$16,435,032,370.92	−$1,115,037,589.21
Liabilities:			
Gold certificates, Series of 1934 outstanding [1]	2,845,870,819.00	2,816,055,600.00	−29,815,219.00
Gold certificate fund—Board of Governors, Federal Reserve System	13,396,587,296.12	12,173,587,296.12	−1,223,000,000.00
Redemption fund—Federal Reserve notes	1,043,034,904.26	1,168,398,114.26	125,363,210.00
Reserve against U.S. notes outstanding	156,039,430.93	156,039,430.93	
Gold balance in Treasurer's account	108,537,509.82	120,951,929.61	12,414,419.79
Total	17,550,069,960.13	16,435,032,370.92	−1,115,037,589.21
SILVER			
Assets:			
Silver bullion (monetary value) [2]	2,252,333,684.63	2,183,103,785.68	−69,229,898.95
Silver dollars	150,172,946.00	115,688,279.00	−34,484,667.00
Total	2,402,506,630.63	2,298,792,064.68	−103,714,565.95
Liabilities:			
Silver certificates (issued after June 30, 1929) outstanding [1]	2,373,870,395.00	2,276,607,555.00	−97,262,840.00
Treasury notes of 1890 outstanding [1]	1,141,667.00		−1,141,667.00
Silver balance in Treasurer's account	27,494,568.63	22,184,509.68	−5,310,058.95
Total	2,402,506,630.63	2,298,792,064.68	−103,714,565.95
GENERAL ACCOUNT			
Assets:			
In Treasury offices:			
Gold balance (as above)	108,537,509.82	120,951,929.61	12,414,419.79
Silver:			
At monetary value, balance (as above)	27,494,568.63	22,184,509.68	−5,310,058.95
Subsidiary coin	4,706,473.95	4,535,811.85	−170,662.10
Bullion at:			
Recoinage value		117,168.16	117,168.16
Cost value	57,111,015.93	21,608,386.55	−35,502,629.38
Monetary value [3]		8,408,418.66	8,408,418.66
Minor coin	1,612,068.83	1,033,321.86	−578,746.97
U.S. notes	4,757,478.00	3,111,576.00	−1,645,902.00
Federal Reserve notes	82,514,195.00	85,907,220.00	3,393,025.00
Federal Reserve Bank notes	458,057.00	100,230.00	−357,827.00
National bank notes	150,705.00	19,770.00	−130,935.00
Gold certificates (prior to Series of 1934)		149,010.00	149,010.00
Unclassified—collections, etc	63,714,886.16	70,287,079.66	6,572,193.50
Subtotal	351,056,958.32	338,414,432.03	−12,642,526.29
Deposits in:			
Federal Reserve Banks:			
Available funds	407,826,163.68	611,926,216.96	204,100,053.28
In process of collection	222,173,188.68	303,269,291.01	81,096,102.33
Special depositaries, Treasury tax and loan accounts	5,452,671,002.11	8,814,673,941.60	3,362,002,939.49
National and other bank depositaries	312,612,177.80	304,901,723.56	−7,710,454.24
Foreign depositaries	22,340,203.74	135,755,628.95	113,415,425.21
Subtotal	6,417,622,736.01	10,170,526,802.08	3,752,904,066.07
Total assets, Treasurer's account	6,768,679,694.33	10,508,941,234.11	3,740,261,539.78
Liabilities:			
Board of Trustees, Postal Savings System:			
5 percent reserve, lawful money	35,500,000.00	30,000,000.00	−5,500,000.00
Other deposits	21,943,831.22	11,686,254.87	−10,257,576.35
Uncollected items, exchanges, etc	17,115,909.35	36,861,430.46	19,745,521.11
Total liabilities, Treasurer's account	74,559,740.57	78,547,685.33	3,987,944.76
Balance in Treasurer's account	6,694,119,953.76	10,430,393,548.78	3,736,273,595.02
Total Treasurer's liabilities and balance	6,768,679,694.33	10,508,941,234.11	3,740,261,539.78

[1] Gold certificates issued before enactment of the Gold Reserve Act of 1934 (31 U.S.C. 440–446) ($29,959,809), silver certificates issued before July 1, 1929 ($29,958,443), and Treasury notes of 1890 ($1,141,667) are included in the outstanding amounts of currencies shown for June 30, 1961. In July 1961 these amounts were transferred to and made a part of the public debt bearing no interest, in accordance with the Old Series Currency Adjustment Act, approved June 30, 1961 (31 U.S.C. 912–916).

[2] There were 64,751,316.1 ounces held on June 30, 1961 and 1962, by certain Federal agencies.

[3] Consists of silver bullion previously revalued and held to secure outstanding silver certificates, which has been released for coinage, pursuant to the President's directive dated November 28, 1961.

TABLE 60.—*Analysis of changes in tax and loan account balances, fiscal years 1952–62*

[In millions of dollars. On basis of telegraphic reports]

Fiscal year or month	Credits							Withdrawals	Balance			
	Proceeds from sales of securities [1]				Taxes		Total credits		End of period	During period		
	Savings bonds	Savings notes	Tax anticipation securities	Other	Withheld and excise [2]	Income (by special arrangement) [3]				High	Low	Average
1952	2,226	4,679	2,451	287	13,579	13,270	36,493	37,066	5,106	5,409	1,425	3,255
1953	2,667	2,231	5,243	5,041	15,859	10,227	41,267	43,303	3,071	8,776	950	4,212
1954	3,457	2,333	6,861	4,304	19,898	4,791	41,644	39,879	4,836	7,493	1,649	3,870
1955	4,424	---	5,977	8,167	20,538	2,967	42,074	42,545	4,365	7,299	1,910	3,991
1956	3,810	---	6,035	786	23,897	4,611	39,140	38,871	4,633	5,486	1,103	3,373
1957	2,976	---	5,043	6,568	26,709	4,152	45,448	46,000	4,082	6,078	813	2,987
1958	2,824	---	2,922	13,513	27,881	7,903	55,044	50,908	8,218	8,869	1,078	3,246
1959	2,668	---	7,581	13,164	29,190	5,919	58,520	62,994	3,744	8,055	912	3 638
1960	2,679	---	7,784	7,920	33,059	6,053	57,496	54,782	6,458	6,458	1,390	4,103
1961	2,787	---	7,613	1,788	34,511	9,142	55,842	56,847	5,453	7,653	1,161	4,151
1962	2,725	---	5,898	3,774	37,519	6,521	56,438	53,076	8,815	8,889	1,531	4,457
1961—July	229	---	3,442	---	1,368	37	5,076	5,242	5,287	5,360	2,010	3,739
August	235	---	---	---	4,158	---	4,393	4,934	4,745	5,291	3,808	4,582
September	208	---	2,457	---	3,515	1,243	7,422	4,413	7,754	7,754	2,408	4,277
October	226	---	---	1,654	1,320	30	3,229	6,149	4,834	7,344	4,834	5,924
November	224	---	---	---	3,919	---	4,143	4,047	4,930	5,460	4,074	4,873
December	225	---	---	---	3,491	1,539	5,256	5,029	5,157	5,512	2,171	3,869
1962—January	301	---	---	980	1,453	29	2,764	4,369	3,552	5,197	2,201	3,213
February	229	---	---	---	4,370	---	4,599	3,979	4,172	4,200	2,484	3,500
March	220	---	---	---	3,872	1,828	5,920	4,523	5,568	6,184	1,880	4,116
April	210	---	---	1,139	1,377	7	2,734	4,152	4,150	5,032	1,531	3,149
May	207	---	---	---	4,619	---	4,826	2,353	6,623	7,129	4,616	6,064
June	210	---	---	---	4,058	1,809	6,076	3,885	8,815	8,889	4,377	6,178

[1] Special depositaries are permitted to make payment in the form of a deposit credit for the purchase price of U.S. Government obligations purchased by them for their own account, or for the account of their customers who enter subscriptions through them, when this method of payment is permitted under the terms of the circulars inviting subscriptions to the issues.

[2] Taxes eligible for credit consist of those deposited by taxpayers in the depositary banks, as follows: Withheld income tax beginning March 1948; taxes on employers and employees under the Federal Insurance Contributions Act beginning January 1950, and under the Railroad Retirement Tax Act beginning July 1951; and a number of excise taxes beginning July 1953.

[3] Under a special procedure begun in March 1951, authorization may be given for income tax payments, or a portion of them, made by checks of $10,000 or more drawn on a special depositary bank to be credited to the tax and loan account in that bank. This procedure is followed during some of the quarterly periods of heavy tax payments.

Stock and Circulation of Money in the United States

TABLE 61.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds June 30, 1962*

[In thousands of dollars, except per capita figures. On basis of reports received from various Treasury offices and Federal Reserve Banks which take into account those transactions in transit to the Treasurer's Office as of June 30, supplemented by information taken from the Treasurer's accounts. Therefore, the figures shown in this table may differ from similar figures in other tables prepared on basis of daily Treasury statements. See *Circulation Statement of United States Money* published monthly]

Kind of money	Stock of money [1]	Money held in the Treasury					Money outside of the Treasury			
		Total	Amount held as security against gold and silver certificates	Reserve against United States notes	Held for Federal Reserve Banks and agents	All other money	Total	Held by Federal Reserve Banks and agents	In circulation	
									Amount	Per capita [2]
Gold	[3] 16,435,234	16,435,234	16,158,041	156,039		121,154				
Gold certificates—Series of 1934	[4](16,158,041)	[4](13,341,985)			[4 5](13,341,985)		2,816,056	2,816,056		
Standard silver dollars	487,355	115,487	93,746			21,741	371,868	12,278	359,590	1.93
Silver bullion	2,183,104	2,183,104	2,183,104							
Silver certificates—issued after 6/30/29	[4](2,276,850)						2,276,850	297,726	1,979,124	10.61
Subsidiary silver	1,710,760	4,475				4,475	1,706,285	42,800	1,663,485	8.91
Minor coin	636,034	963				963	635,071	5,648	629,423	3.37
U.S. notes	346,681	3,010				3,010	343,671	25,251	318,420	1.71
Federal Reserve notes—1928 and subsequent series	30,161,614	70,906				70,906	30,090,708	1,504,625	28,586,083	153.20
Subtotal	51,960,783	18,813,180	18,434,891	156,039	[4](13,341,985)	[6] 222,250	[7] 38,240,509	4,704,384	33,536,125	179.73
In process of retirement (redeemable from general fund of the Treasury):										
Federal Reserve Bank notes	85,386	100				100	85,286	451	84,835	.46
National bank notes	53,155	20				20	53,135	69	53,066	.28
Gold certificates—prior to Series of 1934	29,424	155				155	29,270		29,270	.16
Federal Reserve notes—prior to Series of 1928	36,140						36,140		36,140	.19
Silver certificates—issued before July 1, 1929	29,949						29,949		29,949	.16
Treasury notes of 1890 [8]	142						142		142	(*)
Total	52,194,980	18,813,454	18,434,891	156,039	[4](13,341,985)	[6] 222,524	[7] 38,474,431	4,704,904	33,769,527	180.98

661496—63——49

Paper currency of each denomination in circulation—June 30, 1962

Denomination	Gold certificates	Silver certificates	United States notes	Federal Reserve notes	Federal Reserve Bank notes	National bank notes	Treasury notes of 1890	Total
$1		1,509,289	5,084		1,497	340	23	1,516,233
$2		2,819	89,545		340	162	22	92,888
$5		446,058	213,635	1,559,177	1,583	10,958	24	2,231,436
$10	8,129	50,004	6,527	6,747,821	6,380	17,687	21	6,836,570
$20	11,513	646	2,425	10,889,821	16,517	16,106	20	10,937,049
$50	3,068	149	200	2,823,307	19,621	3,284	1	2,849,631
$100	4,176	91	327	6,063,082	38,896	4,360	15	6,110,947
$500	890	7	352	238,067		87		239,403
$1,000	1,304	9	325	293,328		21	15	295,002
$5,000	70			2,900				2,970
$10,000	120			4,720				4,840
Fractional parts						63		63
Total	29,270	2,009,073	318,420	28,622,224	84,835	53,066	142	31,117,029

Comparative totals of money in circulation

Date	Amount	Per capita [2]
June 30, 1962	33,769,527	180.98
May 31, 1962	33,517,741	179.85
Jan. 31, 1962	[9] 32,774,002	176.79
Dec. 31, 1961	[10] 33,918,339	183.17
June 30, 1961	32,404,694	r 176.36
June 30, 1960	32,064,619	r 177.47
June 30, 1955	30,229,323	r 182.90
June 30, 1950	27,156,290	179.03
June 30, 1945	26,746,438	r 191.14
June 30, 1940	7,847,501	r 59.40
June 30, 1935	5,567,093	43.75
June 30, 1930	4,521,988	36.74
June 30, 1925	4,815,208	r 41.56
Oct. 31, 1920	5,698,215	53.18
Mar. 31, 1917	4,172,946	40.49
June 30, 1914	3,459,434	34.90
Jan. 1, 1879	816,267	16.76

*Less than one-half cent.

r Revised.

[1] For a description of security held, see footnotes to table 63. "Stock of money" as here used, involves duplication to extent that U.S. notes and Federal Reserve notes, included in full, are in part secured by gold, also included in full.

[2] Based on the Bureau of the Census estimated population for the United States. Through 1958 the estimates are for the 48 contiguous States only; beginning with 1959 they include Alaska, and with 1960, Hawaii. They do not include Puerto Rico, the Canal Zone, or other outlying areas.

[3] Excludes gold held outside the Treasury.

[4] These amounts are not included in the total, since the gold or silver held as security against gold certificates of Series of 1934 and silver certificates issued after June 30, 1929, are included under gold, standard silver dollars, and silver bullion, respectively.

[5] This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the Gold Certificate Fund—Board of Governors, Federal Reserve System, in the amount of $12,173,587,296, and (2) the redemption fund for Federal Reserve notes in the amount of $1,168,398,114.

[6] Includes $30,000,000 lawful money deposited as a reserve for postal savings deposits.

[7] The amount of gold certificates of Series 1934 and silver certificates issued after June 30, 1929, should be deducted from this amount before combining with total money held in the Treasury to arrive at total shown in first column.

[8] On Oct. 20, 1961, the Secretary of the Treasury determined that $1,000,000 of these notes had been destroyed or irretrievably lost and therefore would never be presented for redemption.

[9] Lowest amount since December 31, 1961.

[10] Highest amount to June 30, 1952.

TABLE 62.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, selected years, June 30, 1925–62*

[In thousands of dollars, except per capita figures. For basis of data see headnote to table 61]

June 30	Stock of money [1]	Money held in the Treasury					Money outside of the Treasury			
		Total	As security against gold and silver certificates, etc.[2]	As reserve against United States notes [3]	For Federal Reserve Banks and agents [4]	All other money	Total	Held by Federal Reserve Banks and agents	In circulation	
									Amount [5]	Per capita [6]
1925	8, 299, 382	4, 176, 381	2, 059, 799	153, 621	1, 752, 744	210, 217	6, 182, 799	1, 367, 591	4, 815, 208	r 41. 56
1930	8, 306, 564	4, 021, 937	1, 978, 448	156, 039	1, 796, 239	91, 211	6, 263, 075	1, 741, 087	4, 521, 988	36. 74
1935	15, 113, 035	9, 997, 362	7, 131, 431	156, 039	5, 532, 590	2, 709, 891	6, 714, 514	1, 147, 422	5, 567, 093	43. 75
1940	28, 457, 960	21, 836, 936	19, 651, 067	156, 039	14, 938, 895	2, 029, 829	11, 333, 196	3, 485, 695	7, 847, 501	r 59. 40
1945	48, 009, 400	22, 202, 115	19, 923, 738	156, 039	15, 239, 072	2, 122, 338	30, 491, 950	3, 745, 512	26, 746, 438	r 191. 14
1950	52, 440, 353	26, 646, 409	25, 348, 625	156, 039	20, 166, 524	1, 141, 744	30, 976, 045	3, 819, 755	27, 156, 290	179. 03
1955	53, 308, 618	24, 250, 685	23, 438, 908	156, 039	18, 178, 115	655, 737	34, 318, 726	4, 089, 403	30, 229, 323	r 182. 90
1960	53, 070, 922	21, 850, 109	21, 455, 014	156, 039	16, 213, 467	239, 056	36, 462, 360	4, 397, 741	32, 064, 619	r 177. 47
1961	51, 947, 136	20, 040, 716	19, 661, 558	156, 039	14, 439, 622	223, 119	37, 128, 355	4, 723, 662	32, 404, 694	r 176. 36
1962	52, 194, 980	18, 813, 454	18, 434, 891	156, 039	13, 341, 985	222, 524	38, 474, 431	4, 704, 904	33, 769, 527	180. 98

r Revised.

[1] Excludes paper currencies outside Treasury and credits to the Federal Reserve System which are fully secured by gold or silver (see footnote 2). They are excluded since gold and silver held as security against them are included. However, U. S. notes and Federal Reserve notes are included here in full, although partially secured by gold. Composition of the stock of money is shown in table 63.

[2] Through 1961 consists of gold and silver equivalent to credits payable (in gold before 1934 and in gold certificates thereafter) to Federal Reserve System, and to gold and silver certificates and Treasury notes of 1890 outside Treasury. Amount shown for 1962 equals credits payable in gold certificates and gold certificates of 1934 Series (all held by Federal Reserve System) and silver certificates issued after June 30, 1929, held outside Treasury.

[3] Until the Old Series Currency Adjustment Act (31 U.S.C. 911–916) was approved June 30, 1961, this gold reserve was also security for the Treasury notes of 1890.

[4] Represents gold earmarked for account of Federal Reserve System. Beginning with 1934 these amounts have been construed as gold certificates issued to the System but they are held in the Treasury and excluded from total stock of money.

[5] Composition of money in circulation is shown in table 64.

[6] Based on Bureau of Census estimated population, see table 61, footnote 2.

NOTE.—The monthly *Circulation Statement of United States Money*, on which this table is based, was revised beginning Dec. 31, 1927, to exclude earmarked gold coin from stock of money, and hence from money in circulation; to include in holdings of Federal Reserve Banks and agents, and hence in stock of money, gold held abroad for account of Federal Reserve Banks; and to include in all categories, minor coin (1-cent piece and 5-cent piece).

Figures for earlier years appeared in the following annual reports: 1860–1947 in the 1947 report, page 480; 1948 and 1949 in the 1956 report, page 540; and 1951–59 in the 1961 report, page 634.

TABLE 63.—*Stock of money by kinds, selected years, June 30, 1925–62*

[In thousands of dollars, except percentage of gold to total stock of money. For basis of data see headnote to table 61]

Kind of money	1925	1930	1935	1940	1945	1950	1955	1960	1961	1962
Bullion and coin:										
Gold	4, 360, 382	4, 534, 866	9, 115, 643	19, 963, 091	20, 212, 973	24, 230, 720	21, 677, 575	19, 322, 238	17, 550, 236	16, 435, 234
Silver bullion (at monetary value)			313, 309	1, 353, 162	1, 520, 295	2, 022, 835	2, 187, 429	2, 252, 075	2, 252, 334	[1] 2, 183, 104
Standard silver dollars	522, 061	539, 960	545, 642	547, 078	493, 943	492, 583	490, 347	487, 773	487, 589	487, 355
Subsidiary silver coin	283, 472	310, 978	312, 416	402, 261	825, 798	1, 001, 574	1, 296, 140	1, 552, 106	1, 608, 670	1, 710, 760
Minor coin	104, 004	126, 001	133, 040	173, 909	303, 539	378, 463	449, 625	559, 148	594, 060	636, 034
Subtotal	5, 269, 919	5, 511, 805	10, 420, 050	22, 439, 501	23, 356, 548	28, 126, 175	26, 101, 115	24, 173, 340	22, 492, 889	21, 452, 487
Less: Gold, silver bullion, and standard silver dollars held as security for, or redemption of outstanding paper currencies [2]	4, 127, 759	3, 967, 402	7, 287, 471	19, 807, 106	20, 079, 777	25, 504, 665	23, 594, 948	21, 611, 053	19, 817, 597	18, 590, 930
Total bullion and coin (net)	1, 142, 160	1, 544, 403	3, 132, 579	2, 632, 395	3, 276, 771	2, 621, 510	2, 506, 168	2, 562, 287	2, 675, 292	2, 861, 558
Paper currency:										
Gold certificates, and credits payable therein [3]	3, 524, 027	3, 322, 904	6, 320, 236	17, 821, 133	18, 106, 600	23, 022, 852	21, 028, 137	19, 059, 416	17, 285, 481	16, 158, 041
Less: Amount held as collateral by Federal Reserve agents for Federal Reserve notes [4]	1, 473, 117	1, 596, 214	3, 294, 639	5, 557, 500	10, 968, 000	14, 349, 000	11, 108, 000	10, 565, 000	8, 975, 000	7, 745, 000
Subtotal	2, 050, 910	1, 726, 690	3, 025, 597	12, 263, 633	7, 138, 600	8, 673, 851	9, 920, 137	8, 494, 416	8, 310, 481	8, 413, 041
Gold certificates—prior to Series of 1934 [5]										29, 424
Silver certificates [6]	448, 724	487, 198	810, 014	1, 828, 771	1, 815, 988	2, 324, 628	2, 409, 630	2, 394, 456	2, 374, 935	2, 306, 799
Treasury notes of 1890 [7]	1, 387	1, 260	1, 182	1, 163	1, 150	1, 145	1, 142	1, 142	1, 142	142
United States notes [8]	346, 681	346, 681	346, 681	346, 681	346, 681	346, 681	346, 681	346, 681	346, 681	346, 681
Federal Reserve notes [9]	1, 942, 240	1, 746, 501	3, 492, 854	5, 481, 778	23, 650, 975	23, 602, 680	26, 629, 030	28, 394, 186	28, 960, 307	30, 197, 755
Federal Reserve Bank notes [10]	7, 176	3, 260	84, 354	22, 809	533, 979	277, 202	164, 412	100, 736	92, 784	85, 386
National bank notes [11]	733, 366	698, 317	769, 096	167, 190	121, 215	87, 615	67, 379	55, 979	54, 475	53, 155
Total paper currency (net)	5, 530, 484	5, 009, 907	8, 529, 778	20, 112, 025	33, 608, 588	35, 313, 803	39, 538, 411	39, 787, 595	40, 140, 804	41, 432, 382
Total stock of money	6, 672, 644	6, 554, 310	11, 662, 357	22, 744, 420	36, 885, 360	37, 935, 313	42, 044, 579	42, 349, 882	42, 816, 096	44, 293, 940
Percentage of gold to total stock of money	65. 34	69. 19	78. 16	87. 77	54. 80	63. 87	51. 56	45. 63	40. 99	37. 10

Footnotes for Table 63.

[1] Excludes bullion carried at monetary value but released for coinage use (see page 151, and table 59 footnote 3).

[2] Held in the Treasury as security against paper currencies except Federal Reserve notes, Federal Reserve Bank notes, and national bank notes. See footnotes keyed to each kind of paper currency. See also table 61 and corresponding tables in previous editions of the annual report.

[3] Consists of: Gold certificates outside of the Treasury (issues prior to Series of 1934 are included through 1961); credits with Treasurer of the United States payable to Board of Governors, Federal Reserve System, in gold certificates (gold or gold certificates prior to Gold Reserve Act of 1934); and 5 percent redemption fund with the Treasurer of the United States for Federal Reserve notes. These obligations are fully secured by gold in the Treasury. Gold certificates, gold coin, and gold bullion were withdrawn from circulation in 1933.

[4] Consists of: Deposits by Federal Reserve Banks with Federal Reserve agents of like amounts of gold certificates and credits (gold before gold conservation actions of 1933 and 1934). Requirements for the several kinds of security against Federal Reserve notes are given in footnote 9.

[5] Pursuant to the Old Series Currency Adjustment Act approved June 30, 1961 (31 U.S.C. 912–916) are redeemable from the general fund of the Treasury and upon redemption will be retired. See also footnote 3.

[6] Silver certificates are secured by silver bullion at monetary value ($1.29 per fine ounce) and standard silver dollars held in the Treasury. Those certificates issued before July 1, 1929 (of which $29,948,905 remained outstanding on June 30, 1962) are redeemable from the general fund and upon redemption will be retired (31 U.S.C. 912–916).

[7] Treasury notes of 1890 have been in process of retirement since March 1900 (31 U.S.C. 411) upon receipt by the Treasury. Until June 30, 1961, secured by silver and by gold reserve; thereafter redeemable from general fund. The gold reserve (31 U.S.C. 408), also applicable to U.S. notes, amounted to $153,620,986 in 1925, $156,039,088 in 1930, and $156,039,431 for subsequent dates in this table. On October 27, 1961, $1,000,000 of the notes of 1890 were written off following a determination by the Secretary of the Treasury (as authorized by the Old Series Currency Adjustment Act of 1961 (31 U.S.C. 912–916)) that this amount had been destroyed or irretrievably lost and would never be presented for redemption.

[8] U.S. notes are secured by gold reserve, which, through June 30, 1961, was also the gold reserve for the Treasury notes of 1890 (31 U.S.C. 408). This reserve amounted to $153,620,986 in 1925, $156,039,088 in 1930, and $156,039,431 for subsequent dates in this table. The amount of U.S. notes outstanding has been maintained at $346,681,016. Unfit notes destroyed and retired are replaced by like issues as required by the act of May 31, 1878 (31 U.S.C. 404).

[9] Federal Reserve notes are secured by deposits by Federal Reserve Banks with Federal Reserve agents of like amounts of gold certificates (gold before the gold conservation actions of 1933 and 1934) or of gold certificates and such discounted or purchased paper as is eligible under terms of the Federal Reserve Act, as amended, or (from February 27, 1932) of direct obligations of the United States. Federal Reserve Banks must maintain reserves in gold certificates or gold certificate credits (gold for 1933 and preceding years) of at least 25 percent of their notes in actual circulation (40 percent before act of June 12, 1945 (12 U.S.C. 413)) including the 5 percent redemption fund deposited with the Treasurer of the United States. Federal Reserve notes are obligations of the United States and are a first lien on all assets of the issuing Federal Reserve Bank.

Pursuant to the Old Series Currency Adjustment Act of 1961 (31 U.S.C. 912–916), funds were deposited by the Federal Reserve Banks on July 28, 1961, with the Treasurer of the United States for the redemption of all series of Federal Reserve notes issued before the Series of 1928. The amount shown for 1962 includes $36,140,470 for such series. See also footnote 4.

[10] Federal Reserve Bank notes at issuance were secured by direct obligations of the United States or commercial paper. Since termination of their issuance on June 12, 1945 (12 U.S.C. 455 note), the notes have been in process of retirement, and lawful money has been deposited with the Treasurer of the United States for their redemption.

[11] National bank notes at issuance were secured by direct obligations of the United States. From December 23, 1915 (12 U.S.C. 441) these notes have been in process of retirement, and lawful money has been deposited with the Treasurer of the United States for their redemption.

NOTE.—The Old Series Currency Adjustment Act of 1961, approved June 30, 1961 (31 U.S.C. 912–916) authorized the Secretary of the Treasury to determine from time to time the amounts of currency of the following types which have been destroyed or lost and to reduce the amounts thereof on the books of the Treasury: Gold certificates issued before January 30, 1934; silver certificates, United States notes, Federal Reserve Bank notes, and national bank notes all issued before July 1, 1929; Federal Reserve notes issued prior to the Series of 1928; and Treasury notes of 1890.

Figures for earlier years appeared in the following annual reports: 1860–1947 in the 1947 report, page 482; 1948 and 1949 in the 1956 report, page 542; and 1951–59 in the 1961 report, page 635.

TABLE 64.—*Money in circulation by kinds, selected years, June 30, 1925–62*

[In thousands of dollars. On basis of reports received from various Treasury offices, from the Federal Reserve Banks, and from the accounts of the Treasurer of the United States]

June 30	Gold coin	Gold certificates [1]	Standard silver dollars	Silver certificates [1]	Treasury notes of 1890 [1]	Subsidiary silver	Minor coin	United States notes [1]	Federal Reserve notes [1]	Federal Reserve Bank notes [1]	National bank notes [1]	Total
1925	402, 297	1, 004, 823	54, 289	382, 780	1, 387	262, 009	100, 307	282, 578	1, 636, 108	6, 921	681, 709	4, 815, 208
1930	357, 236	994, 841	38, 629	386, 915	1, 260	281, 231	117, 436	288, 389	1, 402, 066	3, 206	650, 779	4, 521, 988
1935	(2)	117, 167	32, 308	701, 474	1, 182	295, 773	125, 125	285, 417	3, 222, 913	81, 470	704, 263	5, 567, 093
1940	(2)	66, 793	46, 020	1, 581, 662	1, 163	384, 187	168, 977	247, 887	5, 163, 284	22, 373	165, 155	7, 847, 501
1945	(2)	52, 084	125, 178	1, 650, 689	1, 150	788, 283	291, 996	322, 587	22, 867, 459	527, 001	120, 012	26, 746, 438
1950	(2)	40, 772	170, 185	2, 177, 251	1, 145	964, 709	360, 886	320, 781	22, 760, 285	273, 788	86, 488	27, 156, 290
1955	(2)	34, 466	223, 047	2, 169, 726	1, 142	1, 202, 209	432, 512	319, 064	25, 617, 775	162, 573	66, 810	30, 229, 323
1960	(2)	30, 394	305, 083	2, 126, 833	1, 142	1, 484, 033	549, 367	318, 436	27, 093, 693	99, 987	55, 652	32, 064, 619
1961	(2)	29, 803	328, 680	2, 094, 379	1, 142	1, 548, 135	585, 234	318, 338	27, 352, 908	91, 811	54, 262	32, 404, 694
1962	(2)	29, 270	359, 590	2, 009, 073	142	1, 663, 485	629, 423	318, 420	28, 622, 224	84, 835	53, 066	33, 769, 527

[1] For description of security required to be held against the various kinds of paper currency, and for retirement provisions, see footnotes to table 63.

[2] Gold Reserve Act of 1934, which was the culmination of gold actions of 1933, vested in the United States title to all gold coin and gold bullion. Gold coin was withdrawn from circulation and formed into bars. Gold coin ($287,000,000) shown on Treasury records as being then outstanding was dropped from monthly circulation statement as of Jan. 31, 1934.

NOTE.—See table 62, note. Figures for earlier years appeared in the following annual reports: 1860–1947 in the 1947 report, page 485; 1948–1949 in the 1956 report, page 543; and 1951–59 in the 1961 report, page 636.

TABLE 65.—*Location of gold, silver buillon at monetary value, and coin held by the Treasury on June 30, 1962*

[In thousands of dollars. On basis of reports received from various Treasury offices and Federal Reserve Banks which take into account those transactions in transit to the Treasurer's office as of June 30, supplemented by information taken from the Treasurer's accounts. Therefore, the figures shown in this table may differ from similar figures in other tables prepared on basis of daily Treasury statements]

Location	Gold	Silver bullion at monetary value [1]	Standard silver dollars	Subsidiary silver coin	Minor coin
U.S. mints:					
Denver	2,488,531	5,949	8,863	5	[2] 254
Philadelphia	2,065	228,219	32,269	7	[2] 338
U.S. assay offices:					
New York [3]	916,561	1,250,551	22,035		
San Francisco [4]	298,633	614,666	1,950	1,673	152
Bullion depository, Fort Knox	12,483,415				
Treasurer of United States, Washington	9		50,332	1,179	123
Custody accounts:					
Federal Reserve Bank of New York	[5] 246,006				
Other banks, etc., various locations	15	83,719	38	1,611	96
Total	16,435,234	2,183,104	115,487	4,475	963

[1] Held to secure silver certificates. Excludes certain silver at monetary value held for coinage.
[2] Includes metals and alloys in process of manufacture into minor coins.
[3] Includes bullion depository at West Point, N.Y.
[4] Name changed from San Francisco Mint to U.S. assay office at San Francisco pursuant to Public Law 87-534, approved July 11, 1962.
[5] Physically located as follows: At Bank of Canada, Ottawa, $190,041,851, at New York Assay Office, $34,877,386, and in Federal Reserve Bank's own vaults, $21,087,259.

TABLE 66.—*Paper currency issued and redeemed during the fiscal year 1962 and outstanding June 30, 1962, by classes and denominations*

[For basis of data, see headnote to table 65]

	Issued during 1962	Redeemed during 1962	Outstanding June 30, 1962		
			In Treasury	In Federal Reserve Banks	In circulation
CLASS					
Gold certificates—Series of 1934				$2, 816, 055, 600	
Silver certificates—Issued after June 30, 1929	$1, 182, 304, 000	$1, 250, 044, 968	$12, 876, 910	297, 725, 639	$1, 979, 123, 966
U.S. notes	130, 867, 203	130, 867, 203	3, 010, 049	25, 251, 170	318, 419, 797
Federal Reserve notes—1928 and subsequent series	7, 521, 110, 000	6, 283, 383, 790	70, 906, 470	1, 504, 624, 735	28, 586, 083, 155
In process of retirement:					
Federal Reserve Bank notes		7, 397, 843	100, 230	451, 000	84, 834, 853
National bank notes		1, 319, 558	19, 770	68, 980	53, 066, 337
Gold certificates—Prior to 1934 Series		535, 520	154, 700		29, 269, 589
Federal Reserve notes—Prior 1928 Series		278, 580			36, 140, 470
Silver certificates—Issued before July 2, 1929		9, 538			29, 948, 905
Treasury notes of 1890		[1] 1, 000, 133			141, 534
Total	8, 834, 281, 203	7, 674, 837, 133	87, 068, 129	4, 644, 177, 124	31, 117, 028, 606
DENOMINATION					
$1	1, 027, 424, 000	944, 853, 067	12, 080, 950	272, 153, 459	1, 516, 232, 773
$2	16, 351, 108	9, 645, 406	506, 394	15, 402, 750	92, 887, 768
$5	1, 382, 176, 095	1, 295, 765, 090	12, 676, 625	228, 536, 415	2, 231, 435, 585
$10	2, 554, 520, 000	2, 370, 456, 590	20, 042, 130	520, 413, 120	6, 836, 569, 612
$20	2, 768, 600, 000	2, 262, 258, 330	25, 567, 980	520, 882, 080	10, 937, 048, 606
$50	380, 650, 000	288, 529, 300	7, 046, 350	104, 160, 500	2, 849, 631, 115
$100	678, 140, 000	441, 877, 600	7, 464, 700	124, 942, 300	6, 110, 946, 520
$500	10, 450, 000	17, 619, 750	388, 000	13, 708, 500	239, 402, 500
$1,000	11, 300, 000	38, 522, 000	1, 280, 000	19, 353, 000	295, 001, 500
$5,000	130, 000	360, 000	5, 000	2, 415, 000	2, 970, 000
$10,000	4, 540, 000	4, 950, 000	10, 000	11, 610, 000	4, 840, 000
$100,000				2, 810, 600, 000	
Fractional Parts					62, 627
Total	8, 834, 281, 203	7, 674, 837, 133	87, 068, 129	4, 644, 177, 124	31, 117, 028, 606

[1] Includes $1,000,000 determined by the Secretary of the Treasury on Oct. 20, 1961, to have been destroyed or irretrievably lost and therefore will never be presented for redemption. See table 28, footnote 4.

Trust Funds and Certain Other Accounts of the Federal Government

TABLE 67.—*Holdings of Federal securities by Government agencies and accounts, June 30, 1952–62*

[Par value. In thousands of dollars]

Investments of agencies	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
HANDLED BY THE TREASURY [1]											
Major trust funds and accounts:											
Civil Service Commission:											
Employees health benefits fund										12,324	23,499
Employees' life insurance fund					[2] 3,137	[2] 8,310	[2] 43,910	[2] 101,888	[2] 149,604	[2] 196,625	[2] 247,570
Retired employees health benefits fund											1,631
Federal Deposit Insurance Corporation	1,422,300	1,510,700	1,612,750	1,711,200	1,815,200	1,919,000	2,034,400	2,158,000	2,291,996	2,439,517	2,593,817
Federal disability insurance trust fund						325,363	1,054,544	1,607,200	2,101,160	2,386,452	2,406,992
Federal employees' retirement funds:											
Civil service retirement and disability	4,998,402	5,586,418	5,839,646	6,152,373	6,697,179	7,497,551	8,166,751	9,122,980	9,991,227	11,051,014	12,080,760
Foreign service retirement and disability	16,592	16,130	15,229	16,558	19,451	22,387	24,252	26,416	29,178	32,180	36,710
Judicial survivors annuity						760	1,000	1,104	1,346	1,556	1,772
Federal Housing Administration funds:											
Apartment unit											850
Armed services housing mortgage insurance	9,450	12,750	10,550	12,950	12,250	15,500	11,974	11,749	13,454	36,285	20,285
Experimental housing											850
Housing insurance	4,450	5,950	3,300	3,300	4,400	7,000	4,648	7,068	7,268	7,318	8,068
Housing investment insurance	800	950	800	800	800	850	870	897	907	910	915
Mutual mortgage insurance	194,167	235,067	212,667	268,267	305,688	363,088	411,326	458,851	501,078	556,223	532,766
National defense housing insurance		11,500	8,100	5,100	5,720	5,270	5,200	2,370	1,495	530	490
Section 203 home improvement											850
Section 220 home improvement											850
Section 220 housing insurance				750	750	650	1,100	1,770	2,820	4,300	2,940
Section 221 housing insurance				750	750	750	900	1,030	920	100	
Servicemen's mortgage insurance				750	1,250	2,650	4,100	5,160	8,163	10,413	8,132
Title I housing insurance			1,400	1,700	2,400	2,450	2,180	2,070	2,015	2,200	2,045
Title I insurance				38,000	44,400	56,350	69,529	77,189	87,308	103,523	103,678
War housing insurance	75,900	77,300	20,600	23,200	28,750	30,820	27,222	29,222	34,118	35,232	42,118
Federal old-age and survivors insurance trust fund	16,268,037	17,814,387	19,337,092	20,579,051	22,041,438	22,262,664	21,764,964	20,478,466	19,756,158	19,552,914	18,455,510

Federal Savings and Loan Insurance Corporation	209,540	218,240	228,940	241,690	256,690	275,190	294,350	311,000	329,500	363,500	592,500
Highway trust fund	-----	-----	-----	-----	-----	404,444	822,226	429,214	1,335	234,034	435,935
Postal Savings System	2,558,209	2,481,042	2,246,642	1,997,038	1,741,053	1,459,053	1,206,253	1,052,703	845,703	720,703	599,017
Railroad retirement account	2,863,144	3,142,803	3,345,255	3,485,903	3,606,505	3,642,058	3,608,953	3,573,604	3,837,767	3,759,509	3,696,960
Unemployment trust fund	8,644,000	9,236,000	8,988,000	8,442,915	8,700,668	8,974,894	7,719,944	6,710,565	6,669,557	5,719,956	5,791,982
Veterans' life insurance funds:											
Government life insurance	1,300,500	1,299,000	1,234,000	1,232,685	1,216,833	1,200,427	1,144,116	1,127,235	1,106,540	1,071,433	1,027,809
National service life insurance	5,190,644	5,249,479	5,272,479	5,345,628	5,481,068	5,570,310	5,665,319	5,741,548	5,803,089	5,759,371	5,803,529
Special term insurance	-----	425	3,025	9,589	20,234	34,082	48,267	66,164	84,613	106,280	87,956
Other trust funds and accounts:											
Adjusted service certificate fund	5,115	5,113	4,643	4,589	4,580	-----	-----	-----	-----	-----	-----
Agricultural credit insurance fund [3]	1,250	1,250	1,250	1,250	-----	-----	-----	-----	-----	-----	-----
Ainsworth Library fund, Walter Reed General Hospital	10	10	10	10	10	10	10	10	10	10	11
Alien property trust fund	4,958	7,200	6,650	4,442	4,567	1,732	984	615	570	570	569
Canal Zone Postal Savings System	7,100	7,100	7,100	6,850	6,750	6,752	6,250	6,050	5,350	5,050	4,750
Central hospital fund, U.S. Army, Office of the Surgeon General	1,570	1,845	1,845	2,045	2,275	2,275	2,075	2,075	1,945	1,945	1,945
Comptroller of the Currency	-----	-----	-----	4,140	5,140	5,950	5,950	5,335	5,085	4,749	4,548
District of Columbia:											
Department of Occupations and Professions	-----	-----	-----	-----	266	-----	-----	-----	-----	-----	-----
Fees and other collections, Recreation Board	-----	-----	-----	-----	-----	-----	-----	-----	-----	10	20
General funds	13,974	25,029	21,994	28,190	31,200	39,996	49,679	32,862	27,862	9,213	9,213
Highway fund	-----	5,779	6,757	10,769	11,985	11,760	11,234	5,288	-----	-----	-----
Miscellaneous trust funds	-----	-----	-----	-----	219	2	-----	19	34	34	96
Motor vehicle parking, highway fund [4]	-----	527	870	1,194	1,391	1,686	2,077	2,576	2,882	3,378	4,122
Redevelopment program, Redevelopment Land Agency	-----	-----	-----	-----	-----	15,324	4,017	5,165	1,361	409	725
Sanitary sewage works fund	-----	-----	-----	851	1,951	2,134	2,534	729	-----	2,429	-----
Stadium fund, Armory Board	-----	-----	-----	-----	-----	-----	-----	-----	12	10,140	590
Teachers' retirement and annuity fund	20,310	21,810	23,510	25,434	27,237	28,890	30,626	32,792	34,793	37,088	39,970
Water funds	1,773	1,773	1,773	1,673	-----	-----	-----	-----	-----	-----	-----
Welfare funds	-----	-----	-----	-----	-----	-----	15	15	15	10	10
Exchange Stabilization Fund	20,000	20,000	25,000	25,000	95,000	95,000	35,000	87,120	60,000	46,000	72,250
Federal ship mortgage insurance escrow fund, maritime activities	-----	-----	-----	-----	-----	-----	-----	-----	45,916	35,232	8,822
General post fund, Veterans' Administration	2,666	2,666	2,866	2,866	2,868	2,660	1,734	1,064	1,086	1,288	1,597
Individual Indian money deposit fund and trust funds	35,425	34,076	31,831	32,982	33,669	36,081	37,572	42,497	40,541	38,359	36,549
Library of Congress trust funds	-----	-----	-----	-----	46	136	16	16	-----	-----	-----
Longshoremen's and Harbor Workers' Compensation Act, relief and rehabilitation	632	657	727	759	769	772	772	730	690	588	588
Merchant marine memorial chapel fund	-----	-----	-----	424	424	424	554	509	-----	-----	-----
National Archives trust fund	-----	-----	-----	-----	-----	-----	-----	102	102	102	102

Footnotes at end of table.

TABLE 67.—*Holdings of Federal securities by Government agencies and accounts, June 30, 1952–62*—Continued

[Par value. In thousands of dollars]

Investments of agencies	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
HANDLED BY THE TREASURY—Con.											
Other trust funds and accounts—Continued											
National Capital Housing Authority	---	---	---	---	---	49	50	4,027	1,452	1,031	1,761
National park trust fund	18	18	18	18	18	20	21	21	21	21	69
Office of Naval Records and History fund	---	44	44	44	44	44	44	100	100	153	153
Pershing Hall Memorial fund	199	199	199	199	199	199	199	211	211	211	211
Philippine Government pre-1934 bond account	15,138	7,471	6,467	6,351	6,251	5,481	5,166	5,068	1,844	1,571	916
Preservation of Birthplace of Abraham Lincoln, National Park Service	63	63	63	63	63	63	63	63	64	64	64
Public Health Service:											
Gift funds	86	86	86	81	81	76	71	71	141	166	176
Patients' benefit fund, Public Health Service hospitals	7	7	7	7	7	7	7	7	7	7	6
Saint Elizabeths Hospital unconditional gift fund	---	---	---	---	---	---	---	---	---	1	1
Tennessee Valley Authority	---	---	---	---	---	---	---	---	51,289	28,500	10,000
U.S. Army and Air Force Motion Picture Service	1,000	500	500	---	---	---	---	---	---	---	---
U.S. Department of the Air Force:											
Cadet fund	---	---	---	---	---	---	---	---	1	1	---
General gift fund	---	---	---	---	---	---	---	---	5	5	6
U.S. Department of the Army—general gift fund	---	---	---	---	---	22	22	22	22	31	31
U.S. Naval Academy-general gift fund	85	85	85	102	102	102	102	109	109	109	109
U.S. Naval Academy-museum fund	1	1	1	1	1	1	1	1	1	1	1
Workmen's Compensation Act within the District of Columbia, relief and rehabilitation	97	101	101	101	110	110	110	110	110	126	126
Total handled by the Treasury	43,887,613	47,041,552	48,524,873	49,730,633	52,243,838	54,339,629	54,335,252	53,340,841	53,941,949	54,393,000	54,808,890

HANDLED BY THE AGENCIES [5]											
Banks for cooperatives	43,038	43,038	52,078	42,463	42,463	44,263	42,963	42,963	42,963	45,990	43,000
District of Columbia: Miscellaneous trust funds	-----	-----	-----	-----	139	138	149	133	118	116	117
Farmers Home Administration, State rural rehabilitation funds	-----	-----	-----	-----	-----	217	222	2,816	2,173	856	1,083
Federal home loan banks	310,398	378,198	670,254	660,567	1,085,141	1,018,325	1,364,258	1,065,040	1,167,070	1,454,060	1,332,065
Federal Housing Administration, mutual mortgage insurance fund	-----	-----	-----	1,228	14,165	14,165	11,737	6,493	6,493	6,493	6,493
Federal intermediate credit banks	48,329	51,252	49,933	59,524	59,524	99,331	99,520	104,535	106,313	107,800	110,603
Federal National Mortgage Association	198	154	12	1,479	11,060	36,253	42,333	56,593	72,423	80,203	160,222
General Services Administration, Public Works Administration (in liquidation)	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	497
Housing and Home Finance Administrator liquidating programs	-----	-----	-----	-----	-----	17	-----	-----	-----	-----	4
Merchant marine memorial chapel fund	-----	-----	-----	-----	-----	33	33	33	33	-----	-----
Panama Canal Company	10	15	15	15	15	25	25	25	25	25	-----
Production credit corporations	42,488	44,593	41,761	41,924	39,762	(6)	-----	-----	-----	-----	-----
Reconstruction Finance Corp	1,158	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Workmen's Compensation Act within the District of Columbia, relief and rehabilitation	-----	-----	-----	-----	-----	-----	-----	-----	15	-----	-----
Total handled by agencies	445,618	517,250	814,053	807,200	1,252,269	1,212,766	1,561,241	1,278,632	1,397,626	1,695,543	1,654,085
Total holdings of securities by Government agencies and accounts	44,333,231	47,558,802	49,338,926	50,537,833	53,496,107	55,552,395	55,896,493	54,619,473	[7] 55,339,576	[7] 56,088,544	[7] 56,462,975

[1] For further details of certain of these accounts, see tables 68 through 92.

[2] Includes Series F and J savings bonds at current redemption value.

[3] The farm tenant mortgage insurance fund was designated as the agricultural credit insurance fund in accordance with the act approved Aug. 8, 1961 (7 U.S.C. 1929 (a)).

[4] The motor vehicle parking fund is now known as the motor vehicle parking, highway fund as provided by the act approved Mar. 2, 1962 (76 Stat. 18).

[5] Some of the investment transactions clear through the accounts of the Treasurer of the United States.

[6] Production credit corporations were merged in the Federal intermediate credit banks as of Jan. 1, 1957, pursuant to the act approved July 26, 1956 (12 U.S.C. 1027 (a)). Certain assets, including the Federal securities, and the liabilities of the corporations were transferred to the banks.

[7] Excludes securities in the amounts of $19,222,000, $19,247,000, and $19,239,000 held by the Atomic Energy Commission as of June 30, 1960, 1961, and 1962, respectively, which in turn are held by trustees for the protection of certain contractors against financial loss in event of a catastrophe.

NOTE: Federal securities are public debt, and guaranteed obligations held outside Treasury.

I.—Trust funds

TABLE 68.—*Ainsworth Library fund, Walter Reed General Hospital, June 30, 1962*

[This trust fund was established in accordance with the provisions of the joint resolution of Congress approved May 23, 1935 (49 Stat. 287). For further details, see annual report of the Secretary for 1941, p. 154]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Bequest of Maj. Gen. Fred C. Ainsworth	$10,700.00		$10,700.00
Interest on investments	6,827.23	$293.00	7,120.23
Total receipts	17,527.23	293.00	17,820.23
Expenditures	6,640.05	19.69	6,659.74
Balance	10,887.18	273.31	11,160.49

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June, 30 1962
Investments in public debt securities:			
Public issues:			
Treasury bonds, 3% of 1995	$9,500.00		$9,500.00
U.S. savings bonds, Series H (3.750%)		$1,000.00	1,000.00
U.S. savings bonds, Series J (2.76%)	300.00		300.00
Total investments	9,800.00	1,000.00	10,800.00
Undisbursed balance	1,087.18	−726.69	360.49
Total assets	10,887.18	273.31	11,160.49

TABLE 69.—*Civil service retirement and disability fund, June 30, 1962*

[On basis of daily Treasury statements prior to June 30, 1953, thereafter on basis of the "Monthly Statement of Receipts and Expenditures of the United States Government." This trust fund was established in accordance with the provisions of the act of May 22, 1920, as amended (5 U.S.C. 2267). For further details see annual report of the Secretary for 1941, p. 136]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Deductions from salaries, service credit payments, and voluntary contributions of employees subject to retirement act [1]	$9,315,692,024.67	$863,520,717.46	$10,179,212,742.13
Federal contributions [2]	4,187,715,923.21	44,637,000.00	4,232,352,923.21
Payments by employing agencies [2]	2,926,166,693.83	851,250,975.04	3,777,417,668.87
Interest and profits on investments	3,328,648,606.48	315,847,525.27	3,644,496,131.75
Transfer from the Comptroller of the Currency retirement fund [3]	5,050,000.00		5,050,000.00
Total receipts	19,763,273,248.19	2,075,256,217.77	21,838,529,465.96
Expenditures:			
Annuity payments, refunds, etc	8,604,101,959.13	1,057,622,989.53	9,661,724,948.66
Transfers to policemen's and firemen's relief fund, D.C., deductions and accrued interest thereon	192,904.95	20,771.89	213,676.84
Total expenditures	8,604,294,864.08	1,057,643,761.42	9,661,938,625.50
Balance	11,158,978,384.11	1,017,612,456.35	12,176,590,840.46

Footnotes at end of table.

TABLE 69.—*Civil service retirement and disability fund, June 30, 1962*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, civil service retirement fund series maturing June 30:			
Treasury certificates of indebtedness:			
2⅞% of 1962	$169,697,000.00	−$169,697,000.00	
3¾% of 1963		210,441,000.00	$210,441,000.00
Treasury notes:			
2½% of 1962	385,000,000.00	−385,000,000.00	
2⅝% of 1962	230,527,000.00	−230,527,000.00	
2½% of 1963	200,000,000.00		200,000,000.00
2⅝% of 1963	230,527,000.00		230,527,000.00
2⅞% of 1963	69,913,000.00		69,913,000.00
2⅝% of 1964	230,527,000.00		230,527,000.00
2⅞% of 1964	69,913,000.00		69,913,000.00
3¾% of 1964		60,976,000.00	60,976,000.00
2⅝% of 1965	51,316,000.00		51,316,000.00
2⅞% of 1965	69,913,000.00		69,913,000.00
3¾% of 1965		60,976,000.00	60,976,000.00
2⅞% of 1966	69,913,000.00		69,913,000.00
3¾% of 1966		60,976,000.00	60,976,000.00
3¾% of 1967		60,976,000.00	60,976,000.00
Treasury bonds:			
2½% of 1963	185,000,000.00		185,000,000.00
2½% of 1964	385,000,000.00		385,000,000.00
2½% of 1965	385,000,000.00		385,000,000.00
2⅝% of 1965	179,211,000.00		179,211,000.00
2½% of 1966	385,000,000.00		385,000,000.00
2⅝% of 1966	230,527,000.00		230,527,000.00
2½% of 1967	385,000,000.00		385,000,000.00
2⅝% of 1967	230,527,000.00		230,527,000.00
2⅞% of 1967	69,913,000.00		69,913,000.00
2½% of 1968	200,000,000.00		200,000,000.00
2⅝% of 1968	415,527,000.00		415,527,000.00
2⅞% of 1968	69,913,000.00		69,913,000.00
3¾% of 1968		60,976,000.00	60,976,000.00
2⅝% of 1969	615,527,000.00		615,527,000.00
2⅞% of 1969	69,913,000.00		69,913,000.00
3¾% of 1969		60,976,000.00	60,976,000.00
2⅝% of 1970	615,527,000.00		615,527,000.00
2⅞% of 1970	69,913,000.00		69,913,000.00
3¾% of 1970		60,976,000.00	60,976,000.00
2⅝% of 1971	615,527,000.00		615,527,000.00
2⅞% of 1971	69,913,000.00		69,913,000.00
3¾% of 1971		60,976,000.00	60,976,000.00
2⅝% of 1972	615,527,000.00		615,527,000.00
2⅞% of 1972	69,913,000.00		69,913,000.00
3¾% of 1972		60,976,000.00	60,976,000.00
2⅝% of 1973	615,527,000.00		615,527,000.00
2⅞% of 1973	69,913,000.00		69,913,000.00
3¾% of 1973		60,976,000.00	60,976,000.00
2⅝% of 1974	615,527,000.00		615,527,000.00
2⅞% of 1974	69,913,000.00		69,913,000.00
3¾% of 1974		60,976,000.00	60,976,000.00
2⅝% of 1975	615,527,000.00		615,527,000.00
2⅞% of 1975	69,913,000.00		69,913,000.00
3¾% of 1975		60,976,000.00	60,976,000.00
2⅞% of 1976	685,440,000.00		685,440,000.00
3¾% of 1976		60,976,000.00	60,976,000.00
3¾% of 1977		746,416,000.00	746,416,000.00
Total special issues	10,381,384,000.00	964,321,000.00	11,345,705,000.00

Footnotes at end of table.

TABLE 69.—*Civil service retirement and disability fund, June 30, 1962*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities—Con.			
Public issues:			
Treasury notes:			
4⅞%, Series C-1963	$23,500,000.00		$23,500,000.00
3¼%, Series D-1963		$25,000,000.00	25,000,000.00
4¾%, Series A-1964	12,550,000.00	−2,000,000.00	10,550,000.00
5%, Series B-1964	19,937,000.00		19,937,000.00
4⅞%, Series C-1964	23,550,000.00	−8,500,000.00	15,050,000.00
4⅝%, Series A-1965	3,700,000.00		3,700,000.00
Treasury bonds:			
2½% of 1964-69 (April 15, 1943)	8,500,000.00	1,500,000.00	10,000,000.00
2½% of 1964-69 (Sept. 15, 1943)	13,400,000.00	3,000,000.00	16,400,000.00
2⅝% of 1965	21,500,000.00	−21,500,000.00	
2½% of 1965-70	3,000,000.00	−3,000,000.00	
3% of 1966	25,000,000.00		25,000,000.00
2½% of 1966-71	4,000,000.00	−4,000,000.00	
3⅝% of 1967	48,400,000.00		48,400,000.00
2½% of 1967-72 (June 1, 1945)	4,600,000.00	−4,600,000.00	
2½% of 1967-72 (Oct. 20, 1941)	22,800,000.00	−22,800,000.00	
2½% of 1967-72 (Nov. 15, 1945)	9,500,000.00	−9,500,000.00	
3⅞% of 1968	11,400,000.00		11,400,000.00
3¾% of 1968		2,800,000.00	2,800,000.00
4% of 1969	40,800,000.00	18,600,000.00	59,400,000.00
3⅞% of 1974	45,150,000.00	1,500,000.00	46,650,000.00
4¼% of 1975-85	32,500,000.00		32,500,000.00
3¼% of 1978-83	5,100,000.00	500,000.00	5,600,000.00
3½% of 1980	9,000,000.00		9,000,000.00
4% of 1980	46,744,000.00	23,650,000.00	70,394,000.00
3¼% of 1985	76,400,000.00	1,500,000.00	77,900,000.00
3½% of 1990	74,100,000.00	9,300,000.00	83,400,000.00
3% of 1995	55,205,000.00		55,205,000.00
3½% of 1998	29,294,000.00	53,975,000.00	83,269,000.00
Total public issues	669,630,000.00	65,425,000.00	735,055,000.00
Total investments	11,051,014,000.00	1,029,746,000.00	12,080,760,000.00
Undisbursed balance	107,964,384.11	−12,133,543.65	95,830,840.46
Total assets	11,158,978,384.11	1,017,612,456.35	12,176,590,840.46

[1] Basic compensation deductions were at the rate of 2½ percent from Aug. 1, 1920, to June 30, 1926; 3½ percent from July 1, 1926, to June 30, 1942; 5 percent from July 1, 1942, to the day before the first pay period which began after June 30, 1948; 6 percent thereafter to the day before the first pay period which began after Sept. 30, 1956; and 6½ percent thereafter. Also includes District of Columbia and Government corporations' contributions through 1957. Beginning with 1958 they are included with contributions from agency salary funds.

[2] Beginning July 1, 1957, appropriations are not made directly to the fund. Instead, in accordance with the act approved July 31, 1956 (5 U.S.C. 2254(a)), the employing agency contributes (from appropriations or funds from which the salaries are paid) amounts equal to the deductions from employees' salaries.

[3] The act of June 30, 1948, as amended (5 U.S.C. 739 (a) (b)), abolished the separate retirement fund for employees of the Office of the Comptroller of the Currency and directed transfer of its assets to the civil service retirement and disability fund. Amount comprises cash derived from sale of securities.

TABLE 70.—*District of Columbia teachers' retirement and annuity fund, June 30, 1962*

[This fund was established in accordance with the provisions of the act of Aug. 7, 1946 (31 D.C.C. 702, 707, 772), as successor to the District of Columbia teachers' retirement fund established under the act of Jan. 15, 1920, as amended, effecting the consolidation of the deductions fund and the Government reserve fund as of July 1, 1945]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Deductions from salaries	$23, 435, 349. 45	$1, 714, 035. 31	$25, 149, 384. 76
Voluntary contributions	183, 140. 55	2, 125. 00	185, 265. 55
Interest and profits on investments	14, 797, 101. 59	1, 269, 961. 49	16, 067, 063. 08
Appropriations from District of Columbia revenues	44, 966, 972. 84	4, 744, 500. 00	49, 711, 472. 84
Total receipts	83, 382, 564. 43	7, 730, 621. 80	91, 113, 186. 23
Expenditures:			
Annuities, refunds, etc	45, 886, 188. 91	4, 899, 053. 49	50, 785, 242. 40
Balance	37, 496, 375. 52	2, 831, 568. 31	40, 327, 943. 83

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investment in public debt securities:			
Public issues:			
Treasury notes:			
4%, Series D-1962	$475, 000. 00	−$475, 000. 00	
4¾%, Series A-1964	2, 617, 000. 00		$2, 617, 000. 00
4⅝%, Series A-1965	200, 000. 00		200, 000. 00
4%, Series A-1966		475, 000. 00	475, 000. 00
Treasury bonds:			
2½% of 1965-70	257, 000. 00	743, 000. 00	1, 000, 000. 00
2½% of 1966-71	1, 517, 000. 00	−517, 000. 00	1, 000, 000. 00
3⅜% of 1966	856, 500. 00		856, 500. 00
2½% of 1967-72 (dated June 1, 1945)	1, 919, 000. 00	−671, 500. 00	1, 247, 500. 00
3⅞% of 1968	1, 056, 500. 00		1, 056, 500. 00
3⅞% of 1974	2, 388, 500. 00		2, 388, 500. 00
4¼% of 1975-85	1, 000, 000. 00		1, 000, 000. 00
3¼% of 1978-83	1, 777, 500. 00		1, 777, 500. 00
4% of 1980	100, 000. 00		100, 000. 00
3¼% of 1985	194, 500. 00	883, 000. 00	1, 077, 500. 00
3½% of 1990	2, 386, 000. 00	614, 000. 00	3, 000, 000. 00
3% of 1995	3, 599, 500. 00		3, 599, 500. 00
3½% of 1998	2, 168, 500. 00	1, 831, 500. 00	4, 000, 000. 00
2½% Investment Series A-1965	250, 000. 00		250, 000. 00
2¾% Investment Series B-1975-80	14, 325, 000. 00		14, 325, 000. 00
Total investments	37, 087, 500. 00	2, 883, 000. 00	39, 970, 500. 00
Undisbursed balance	408, 875. 52	−51, 431. 69	357, 443. 83
Total assets	37, 496, 375. 52	2, 831, 568. 31	40, 327, 943. 83

TABLE 71.—*District of Columbia other funds—Investments as of June 30, 1961 and 1962*

[These investments were made in accordance with provisions contained in appropriation acts for the District of Columbia]

I. GENERAL FUNDS

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bonds, 2½% of 1965–70	$9,213,000.00		$9,213,000.00

II. MOTOR VEHICLE PARKING, HIGHWAY FUND

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bills	$691,000.00	$744,000.00	$1,435,000.00
Treasury certificates of indebtedness:			
3⅛%, Series C–1961	593,000.00	−593,000.00	
3¼%, Series B–1963		348,000.00	348,000.00
Treasury notes:			
4%, Series E–1962	348,000.00	−348,000.00	
3¼%, Series G–1962	900,000.00		900,000.00
3¼%, Series H–1962		593,000.00	593,000.00
4⅝%, Series A–1965	743,000.00		743,000.00
Treasury bonds, 3⅝% of 1967	103,500.00		103,500.00
Total	3,378,500.00	744,000.00	4,122,500.00

III. RECREATION DEPARTMENT TRUST FUND

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bills		$20,000.00	$20,000.00
Treasury notes, 4%, Series D–1962	$10,000.00	−10,000.00	
Total	10,000.00	10,000.00	20,000.00

IV. REDEVELOPMENT PROGRAM—REDEVELOPMENT LAND AGENCY

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bills	$409,000.00	$316,000.00	$725,000.00

V. METROPOLITAN AREA SANITARY SEWAGE WORKS FUND

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bills	$2,429,000.00	−$2,429,000.00	

VI. STADIUM FUND, ARMORY BOARD

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bills	$5,158,000.00	−$4,568,000.00	$590,000.00
Treasury notes:			
4%, Series A–1961	1,974,000.00	−1,974,000.00	
3⅝%, Series A–1962	7,000.00	−7,000.00	
Treasury bonds, 2½% of 1961	3,000,500.00	−3,000,500.00	
Total	10,139,500.00	−9,549,500.00	590,000.00

TABLE 71.—*District of Columbia other funds—Investments as of June 30, 1961 and 1962*—Continued

VII. WELFARE FUNDS—DEPARTMENT OF CORRECTIONS

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury notes, 4%, Series B-1963	$10,000.00		$10,000.00

VIII. MISCELLANEOUS TRUST FUNDS[1]

Investments in public debt securities	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Public issues:			
Treasury bills		$61,000.00	$61,000.00
Treasury bonds:			
2⅝% of 1965	$19,000.00	−19,000.00	
4% of 1980	15,500.00	19,000.00	34,500.00
3% of 1995	40,500.00		40,500.00
U.S. savings bonds:			
Series E (3.75%)		1,000.00	1,000.00
Series G (2.50%)	16,000.00		16,000.00
Series H (3.75%)	16,000.00		16,000.00
Series J (2.76%)	10,375.00		10,375.00
Series K (2.76%)	33,500.00		33,500.00
Total	150,875.00	62,000.00	212,875.00

[1] Investment of these funds was made directly through the facilities of the District of Columbia with the exception of $61,000 of Treasury bills, $19,000 of 2⅝ percent Treasury bonds of 1965, and $34,500 of 4 percent Treasury bonds of 1980 which were handled by the Treasury Department.

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TABLE 72.—*Employees health benefits fund, Civil Service Commission, June 30, 1962*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of September 28, 1959, as amended (5 U.S.C. 3007)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Direct appropriations [1]	$2,500,000.00	$2,877,000.00	$5,377,000.00
Employees' and annuitants' withholdings [2]	183,973,428.58	215,533,553.01	399,506,981.59
Agency contributions [3]	109,635,620.71	123,344,707.89	232,980,328.60
Interest and profits on investments	40,231.58	576,672.01	616,903.59
Total receipts	296,149,280.87	342,331,932.91	638,481,213.78
Expenditures:			
Subscription charges paid to carriers	272,076,931.37	330,750,536.10	602,827,467.47
Return of contingency reserve by carrier		−253,285.51	−253,285.51
Administrative expenses	1,478,826.95	[4] 1,249,700.84	2,728,527.79
Interest on administrative expenses paid by employees' life insurance fund [5]	43,625.79		43,625.79
Other [6]	−713,336.63	−229,753.23	−943,089.86
Total expenditures	272,886,047.48	331,517,198.20	604,403,245.68
Balance	23,263,233.39	10,814,734.71	34,077,968.10

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills	$3,000,000.00		$3,000,000.00
Treasury certificates of indebtedness, 3⅛%, Series C-1961	1,000,000.00	−$1,000,000.00	
Treasury notes:			
3¾%, Series C-1962		742,000.00	742,000.00
3¾%, Series D-1964		1,000,000.00	1,000,000.00
4%, Series A-1966		599,000.00	599,000.00
Treasury bonds:			
2½% of 1961	1,239,500.00	−1,239,500.00	
2½% of 1964-69 (dated April 15, 1943)		875,000.00	875,000.00
2½% of 1965-70	2,130,500.00	−2,130,500.00	
2½% of 1966-71	3,950,000.00	−3,950,000.00	
3¾% of 1966		1,751,000.00	1,751,000.00
3⅝% of 1967	1,004,000.00		1,004,000.00
3⅞% of 1968		1,000,000.00	1,000,000.00
3¾% of 1968		700,000.00	700,000.00
4% of 1969		1,000,000.00	1,000,000.00
3⅞% of 1971		474,500.00	474,500.00
4% of 1971		1,301,500.00	1,301,500.00
3⅞% of 1974		3,043,500.00	3,043,500.00
3¼% of 1978-83		190,000.00	190,000.00
3½% of 1980		738,000.00	738,000.00
3½% of 1990		2,130,500.00	2,130,500.00
3½% of 1998		3,950,000.00	3,950,000.00
Total investments	12,324,000.00	11,175,000.00	23,499,000.00
Undisbursed balance	10,939,233.39	−360,265.29	10,578,968.10
Total assets	23,263,233.39	10,814,734.71	34,077,968.10

[1] Government payments from annual appropriation for annuitants authorized by section 7(c) of the act (5 U.S.C. 3006(c)).

[2] As provided in the act (5 U.S.C. 3006(a), (4)) "There shall be withheld from * * * each enrolled employee * * * or annuitant so much as is necessary after deducting the contribution of the Government, to pay the total charge for his enrollment."

[3] As provided in the act (5 U.S.C. 3006(a) 1-3), "* * * the Government contribution for health benefits * * * shall be 50 per centum of the lowest rates charged by a carrier * * * but (A) not less than $1.25 or more than $1.75 biweekly * * * for self alone, (B) not less than $3 or more than $4.25 biweekly * * * for self and family * * *, and (C) not less than $1.75 or more than $2.50 biweekly for a female employee * * * for self and family including a nondependent husband." Or if "the biweekly subscription charge is less than $2.50 * * * for self alone or $6 * * * for self and family, the contribution of the Government shall be 50 per centum of such subscription charge, except that if a nondependent husband is a member of the family of a female employee * * * enrolled for herself and family the contribution * * * shall be 30 per centum of such subscription charge." Also "There shall be contributed * * * amounts (in the same ratio * * *) which are necessary for the administrative costs and the reserves provided for * * *."

[4] Includes $416,520.36 for repayment of loans to employees' life insurance fund.

[5] As provided in the act (5 U.S.C. 3008(a)).

[6] Difference between cost and face value of investments.

TABLE 73.—*Retired employees health benefits fund, Civil Service Commission, June 30, 1962*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of September 8, 1960 (5 U.S.C. 3057)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Direct appropriations	$1,625,000.00	$13,800,000.00	$15,425,000.00
Transfers from direct appropriations		−13,477,818.42	−13,477,818.42
Annuitants withholdings [1]		12,697,971.84	12,697,971.84
Government contributions [2]		13,477,818.42	13,477,818.42
Interest and profits on investments		736.26	736.26
Total receipts	1,625,000.00	26,498,708.10	28,123,708.10
Expenditures:			
Subscription charges paid to carrier		19,663,273.00	19,663,273.00
Government contributions paid to annuitants [3]	2,089.52	6,021,246.29	6,023,335.81
Administrative expenses		847,012.36	847,012.36
Interest on loans		6,409.00	6,409.00
Other [4]		−129,846.56	−129,846.56
Total expenditures	2,089.52	26,408,094.09	26,410,183.61
Balance	1,622,910.48	90,614.01	1,713,524.49

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills		$1,531,000.00	$1,531,000.00
Treasury bonds, 4% of 1969		100,000.00	100,000.00
Total investments		1,631,000.00	1,631,000.00
Undisbursed balance	$1,622,910.48	−1,540,385.99	82,524.49
Total assets	1,622,910.48	90,614.01	1,713,524.49

[1] As provided in the act (5 U.S.C. 3054) "There shall be withheld from the annuity or compensation * * * so much as is necessary, after deducting the contribution of the Government, to pay the total charge for his enrollment."

[2] As provided in the act (5 U.S.C. 3053) "the Government shall contribute * * * such amounts as the Commission by regulation may * * * prescribe. The amount so prescribed, if the employee is enrolled for self only, shall not be less than $3.00 monthly or more than $4.00 monthly. The amount to be prescribed * * * for self and family shall be twice the contribution for one enrolled for self only. * * * In addition, the Government shall contribute * * * up to 2 per centum of each contribution authorized * * * for payment of expenses * * * in administering this chapter."

[3] In accordance with 5 U.S.C. 3055(a), subject to specified restrictions, a retired employee who elects to obtain or retain a health benefits plan other than the uniform Government-wide health benefits plan directly with a carrier, shall be paid a Government contribution toward the cost of his plan which shall be equal in amount to the appropriate Government contribution (see footnote 2).

[4] Difference between cost and face value of investments.

TABLE 74.—*Employees' life insurance fund, Civil Service Commission, June 30, 1962*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of August 17, 1954, as amended (5 U.S.C. 2091(c))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Employees' withholdings [1]	$502, 791, 091. 94	$91, 686, 457. 99	$594, 477, 549. 93
Government contributions [1]	251, 395, 545. 97	45, 848, 294. 42	297, 243, 840. 39
Premiums collected from beneficial association members	13, 313, 799. 90	3, 446, 626. 81	16, 760, 426. 71
Interest and profits on investments	10, 825, 822. 56	7, 287, 033. 45	18, 112, 856. 01
Other	----------	3, 666. 09	3, 666. 09
Assets acquired from beneficial associations:			
United States securities [2]	13, 834, 373. 00	19, 504. 40	13, 853, 877. 40
Other	7, 488, 634. 96	142, 836. 79	7, 631, 471. 75
Total receipts	799, 649, 268. 33	148, 434, 419. 95	948, 083, 688. 28
Expenditures:			
Premiums paid to insurance companies:			
For Federal employees generally	735, 543, 819. 04	136, 439, 175. 19	871, 982, 994. 23
Less return of premiums paid	150, 887, 892. 33	[3] 58, 554, 589. 25	209, 442, 481. 58
For beneficial association members	20, 612, 002. 04	5, 680, 907. 37	26, 292, 909. 41
Less return of premiums paid	5, 581, 312. 13	[4] 14, 831. 85	5, 596, 143. 98
Administrative expenses	1, 180, 842. 16	255, 791. 09	1, 436, 633. 25
Net payments for employees health benefits (reimbursable) [5]	340, 606. 77	−340, 606. 77	----------
Other	−5, 688, 483. 42	[6] −5, 334, 016. 78	−11, 022, 500. 20
Total expenditures	595, 519, 582. 13	78, 131, 829. 00	673, 651, 411. 13
Balance	204, 129, 686. 20	70, 302, 590. 95	274, 432, 277. 15

Footnotes at end of table.

TABLE 74.—*Employees' life insurance fund, Civil Service Commission, June 30, 1962*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills	$20,000,000.00	−$12,500,000.00	$7,500,000.00
Treasury notes:			
3⅝%, Series A-1962	5,000,000.00	−5,000,000.00	
3¾%, Series C-1962	5,783,000.00		5,783,000.00
4%, Series D-1962	10,000,000.00	−10,000,000.00	
3¼%, Series F-1962	1,666,000.00	−1,666,000.00	
4⅞%, Series C-1963	10,000,000.00		10,000,000.00
3¼%, Series D-1963	10,000,000.00		10,000,000.00
4¾%, Series A-1964	15,000,000.00		15,000,000.00
4⅝%, Series A-1965	5,086,000.00		5,086,000.00
4%, Series A-1966		17,165,000.00	17,165,000.00
Treasury bonds:			
2¾% of 1961	10,000,000.00	−10,000,000.00	
2½% of 1962-67	15,015,000.00		15,015,000.00
2½% of 1963-68	3,000,000.00		3,000,000.00
3% of 1964	5,000,000.00	−5,000,000.00	
2½% of 1964-69 (dated April 15, 1943)		5,500,000.00	5,500,000.00
2½% of 1964-69 (dated Sept. 15, 1943)		5,000,000.00	5,000,000.00
2⅝% of 1965	15,000,000.00	−15,000,000.00	
2½% of 1965-70	413,000.00	−413,000.00	
3¾% of 1966	5,000,000.00		5,000,000.00
3% of 1966	15,227,500.00		15,227,500.00
3⅜% of 1966	6,783,000.00		6,783,000.00
2½% of 1966-71	231,000.00	3,633,500.00	3,864,500.00
2½% of 1967-72 (dated June 1, 1945)	367,500.00	−367,500.00	
2½% of 1967-72 (dated Nov. 15, 1945)	341,500.00	−341,500.00	
3⅝% of 1967	5,000,000.00		5,000,000.00
3⅞% of 1968	12,000,000.00	10,105,000.00	22,105,000.00
3¾% of 1968		1,500,000.00	1,500,000.00
4% of 1969	15,030,000.00	300,000.00	15,330,000.00
3⅞% of 1971		2,806,500.00	2,806,500.00
4% of 1971		15,000,000.00	15,000,000.00
3⅞% of 1974		10,300,000.00	10,300,000.00
3¼% of 1978-83	235,000.00	1,105,000.00	1,340,000.00
3½% of 1980		1,069,500.00	1,069,500.00
4% of 1980	1,200,000.00	7,563,000.00	8,763,000.00
3¼% of 1985		436,500.00	436,500.00
3½% of 1990	2,029,500.00	14,731,000.00	16,760,500.00
3% of 1995	135,500.00		135,500.00
3½% of 1998	1,255,500.00	15,103,000.00	16,358,500.00
2¾% Investment Series B-1975-80	179,000.00		179,000.00
U.S. savings bonds:			
Series F (2.53%)	133,195.00	−89,905.00	43,290.00
Series G (2.50%)	10,000.00	−10,000.00	
Series J (2.76%)	489,069.60	14,811.40	503,881.00
Series K (2.76%)	15,000.00		15,000.00
Total investments	196,625,264.60	50,944,906.40	247,570,171.00
Undisbursed balance	7,504,421.60	19,357,684.55	26,862,106.15
Total assets	204,129,686.20	70,302,590.95	274,432,277.15

[1] As provided in the act (5 U.S.C 2094(a)), "* * * there shall be withheld from each salary payment of such employee, * * * not to exceed the rate of 25 cents biweekly for each $1,000 of his group life insurance * * *"; and in 5 U.S.C. 2094(b) "* * * there shall be contributed from the respective appropriation or fund * * * not to exceed one-half the amount withheld from the employee * * *."

[2] Includes Series F and J bonds at current redemption value. Amount for the fiscal year 1962 is accrued increment.

[3] Premium payments in excess of the $100 million contingency reserve set by the Civil Service Commission, which are required to be returned to the fund by the insuring companies (5 U.S.C. 2097(d)).

[4] Return of premium payments in excess of annual claims paid, expenses, and other costs.

[5] To pay administrative expenses incurred by the Commission in carrying out the Federal Employees' Health Benefits Act of 1959 and the Retired Federal Employees' Health Benefits Act of 1960; reimbursement with interest is to be made from the employees health benefits fund (5 U.S.C. 3008(a)) and the retired employees health benefits fund (5 U.S.C. 3058(e)).

[6] Includes the difference between cost and face value of investments amounting to −$5,333,916.78.

TABLE 75.—*Federal disability insurance trust fund, June 30, 1962*

[This trust fund was established in accordance with the provisions of the Social Security Act amendments approved August 1, 1956 (42 U.S.C. 401(b))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Appropriations [1]	$3,944,313,410.10	$955,449,632.27	$4,899,763,042.37
Less refund of internal revenue collections (42 U.S.C. 401(g)(2))	−29,000,000.00	−11,907,500.00	−40,907,500.00
Deposits by States	252,365,118.52	77,323,679.77	329,688,798.29
Interest and profits on investments	160,349,940.19	69,956,452.98	230,306,393.17
Payments from railroad retirement account (45 U.S.C. 228e(k))	26,831,000.00		26,831,000.00
Total receipts	r 4,354,859,468.81	1,090,822,265.02	5,445,681,733.83
Expenditures:			
Benefit payments	1,739,949,775.43	1,011,375,762.35	2,751,325,537.78
To Railroad Retirement Board	5,148,000.00	11,030,000.00	16,178,000.00
Administrative expenses (42 U.S.C. 401(g)(1)):			
To general fund	14,414,429.02	3,654,157.42	18,068,586.44
To Federal old-age and survivors insurance trust fund	90,962,803.00	[2] 62,477,257.00	153,440,060.00
Total expenditures	r 1,850,475,007.45	1,088,537,176.77	2,939,012,184.22
Balance	2,504,384,461.36	2,285,088.25	2,506,669,549.61

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, Federal disability insurance trust fund series maturing June 30:			
Treasury certificates of indebtedness:			
3¾% of 1962	$34,096,000.00	−$34,096,000.00	
3¾% of 1963		1,361,000.00	$1,361,000.00
Treasury notes:			
2½% of 1962	37,500,000.00	−37,500,000.00	
2⅝% of 1962	95,394,000.00	−95,394,000.00	
2½% of 1963	30,000,000.00		30,000,000.00
2⅝% of 1963	95,394,000.00		95,394,000.00
3¾% of 1963	19,389,000.00		19,389,000.00
2⅝% of 1964	95,394,000.00		95,394,000.00
3¾% of 1964	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1965	32,394,000.00		32,394,000.00
3¾% of 1965	19,389,000.00	1,349,000.00	20,738,000.00
3¾% of 1966	19,389,000.00	1,349,000.00	20,738,000.00
3¾% of 1967		1,349,000.00	1,349,000.00
Treasury bonds:			
2½% of 1963	7,500,000.00		7,500,000.00
2½% of 1964	37,500,000.00		37,500,000.00
2½% of 1965	37,500,000.00		37,500,000.00
2⅝% of 1965	63,000,000.00		63,000,000.00
2½% of 1966	37,500,000.00		37,500,000.00
2⅝% of 1966	95,394,000.00		95,394,000.00
2½% of 1967	37,500,000.00		37,500,000.00
2⅝% of 1967	95,394,000.00		95,394,000.00
3¾% of 1967	19,389,000.00		19,389,000.00
2½% of 1968	30,000,000.00		30,000,000.00
2⅝% of 1968	102,894,000.00		102,894,000.00
3¾% of 1968	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1969	132,894,000.00		132,894,000.00
3¾% of 1969	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1970	132,894,000.00		132,894,000.00
3¾% of 1970	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1971	132,894,000.00		132,894,000.00
3¾% of 1971	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1972	132,894,000.00		132,894,000.00

Footnotes at end of table.

TABLE 75.—*Federal disability insurance trust fund, June 30, 1962*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities—Con.			
Special issues, Federal disability insurance trust fund series maturing June 30—Continued			
Treasury bonds—Continued			
3¾% of 1972	$19,389,000.00	$1,349,000.00	$20,738,000.00
2⅝% of 1973	132,894,000.00		132,894,000.00
3¾% of 1973	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1974	132,894,000.00		132,894,000.00
3¾% of 1974	19,389,000.00	1,349,000.00	20,738,000.00
2⅝% of 1975	132,894,000.00		132,894,000.00
3¾% of 1975	19,389,000.00	1,349,000.00	20,738,000.00
3¾% of 1976	152,283,000.00	1,349,000.00	153,632,000.00
3¾% of 1977		153,632,000.00	153,632,000.00
Total special issues	2,298,952,000.00	5,540,000.00	2,304,492,000.00
Public issues:			
Treasury notes:			
4⅞%, Series C-1963	5,000,000.00		5,000,000.00
5%, Series B-1964	5,000,000.00		5,000,000.00
Treasury bonds:			
2⅝% of 1965	18,250,000.00	−18,250,000.00	
3% of 1966	10,000,000.00		10,000,000.00
2½% of 1967-72 (dated Oct. 20, 1941)	1,500,000.00	−1,500,000.00	
3⅝% of 1967	10,000,000.00		10,000,000.00
3⅞% of 1968	3,750,000.00		3,750,000.00
3¾% of 1968		5,000,000.00	5,000,000.00
4% of 1969	11,000,000.00	10,000,000.00	21,000,000.00
3⅞% of 1974	5,000,000.00		5,000,000.00
4¼% of 1975-85	5,000,000.00		5,000,000.00
4% of 1980	2,000,000.00	18,250,000.00	20,250,000.00
3½% of 1990	7,500,000.00		7,500,000.00
3½% of 1998	3,500,000.00	1,500,000.00	5,000,000.00
Total public issues	87,500,000.00	15,000,000.00	102,500,000.00
Total investments—par value	2,386,452,000.00	20,540,000.00	2,406,992,000.00
Unamortized discount and premium on investments (net)	−967,221.90	84,229.67	−882,992.23
Accrued interest purchased	90,422.15	−62,190.13	28,232.02
Total investments—book value	2,385,575,200.25	20,562,039.54	2,406,137,239.79
Undisbursed balance	118,809,261.11	−18,276,951.29	100,532,309.82
Total assets	2,504,384,461.36	2,285,088.25	2,506,669,549.61

[r] Revised for reclassification.
[1] Appropriations are equal to the amount of employment taxes collected as estimated by the Secretary of the Treasury and adjusted in accordance with wage reports certified by the Secretary of Health, Education, and Welfare for distribution to this fund and the Federal old-age and survivors insurance trust fund.
[2] Reimbursement covering fiscal year 1961 and including $2,204,658.00 interest.

TABLE 76.—*Federal old-age and survivors insurance trust fund, June 30, 1962*

[On basis of daily Treasury statements through 1952, thereafter on basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables." This trust fund, the successor to the old-age reserve account, was established in accordance with the provisions of the Social Security Act Amendments (42 U.S.C. 401). For further details see annual reports of the Secretary for 1940, p. 212, and 1950, p. 42]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Appropriations [1]	$82,044,450,722.38	$10,714,781,548.49	$92,759,232,270.87
Less refund of internal revenue collections (42 U.S.C. 401(g)(2)) [2]	−563,515,000.00	−129,760,000.00	−693,275,000.00
Deposits by States (42 U.S.C. 418) [3]	3,088,923,703.88	869,621,102.40	3,958,544,806.28
Interest and profits on investments	6,589,560,723.04	[4] 539,048,987.03	7,128,609,710.07
Transfers from general fund (42 U.S.C. 417) [5]	15,386,400.00		15,386,400.00
Payments from railroad retirement account (45 U.S.C. 228e (k))	35,393,000.00		35,393,000.00
Other [6]	3,458,167.32	2,275,195.22	5,733,362.54
Total receipts	r 91,213,657,716.62	11,995,966,833.14	103,209,624,549.76
Expenditures:			
Benefit payments	67,345,710,138.55	12,657,835,048.49	80,003,545,187.04
Construction of building	28,053,140.64	3,081,941.44	31,135,082.08
Railroad Retirement Board (45 U.S.C. 228e(k))	1,056,612,000.00	360,788,000.00	1,417,400,000.00
Administrative expenses (42 U.S.C. 401(g)(1)):			
Salaries and expenses [7]	1,384,840,089.65	263,499,374.35	1,648,339,464.00
To general fund	569,752,551.53	42,483,593.21	612,236,144.74
To Department of Health, Education, and Welfare	16,973,325.00	2,768,000.00	19,741,325.00
From Federal disability insurance trust fund	−88,633,383.00	−60,272,599.00	−148,905,982.00
Total expenditures	r 70,313,307,862.37	13,270,183,358.49	83,583,491,220.86
Balance	20,900,349,854.25	−1,274,216,525.35	19,626,133,328.90

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962; increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, Federal old-age and survivors insurance trust fund series maturing June 30:			
Treasury certificates of indebtedness:			
3¾% of 1962	$440,698,000.00	−$440,698,000.00	
3¾% of 1963		1,080,011,000.00	$1,080,011,000.00
Treasury notes:			
2½% of 1962	471,319,000.00	−471,319,000.00	
2⅝% of 1962	168,000,000.00	−168,000,000.00	
2½% of 1963	412,011,000.00	−412,011,000.00	
2⅝% of 1963	168,000,000.00	−168,000,000.00	
2⅝% of 1964	168,000,000.00		168,000,000.00
3¾% of 1964		88,696,000 00.	88,796,000.00
Treasury bonds:			
2½% of 1963	500,000,000.00	−500,000,000.00	
2½% of 1964	912,011,000.00	−135,313,000.00	776,698 000.00
2½% of 1965	912,011,000.00		912,011,000.00
2⅝% of 1965	168,000,000.00		168,000,000.00
2½% of 1966	912,011,000.00		912,011,000.00
2⅝% of 1966	168,000,000.00		168,000,000.00
2½% of 1967	912,011,000.00		912,011,000.00
2⅝% of 1967	168,000,000.00		168,000,000.00
2½% of 1968	412,011,000.00		412,011,000.00
2⅝% of 1968	668,000,000.00		668,000,000.00
2⅝% of 1969	1,080,011.000,00		1,080,011,000.00
2⅝% of 1970	1,080,011,000.00		1,080,011,000.00
2⅝% of 1971	1,080,011.000,00		1,080,000,000.00
2⅝% of 1972	1,080,011,000.00		1,080,011,000.00
2⅝% of 1973	1,080,001,000.00		1,080,011,000.00
2⅝% of 1974	1,080,011,000.00		1,080,011,000.00

Footnotes at end of table.

TABLE 76.—*Federal old-age and survivors insurance trust fund, June 30, 1962*—Con.

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities—Con.			
Special issues, Federal old-age and survivors insurance trust fund series maturing June 30—Continued			
Treasury bonds—Continued			
2⅝% of 1975	$919,934,000.00		$919,934,000.00
3¾% of 1975	160,077,000.00		160,077,000.00
3¾% of 1976	1,080,011,000.00		1,080,011,000.00
Total special issues	16,200,171,000.00	−$1,126,534,000.00	15,073,637,000.00
Public issues:[8]			
Treasury notes:			
4⅞%, Series C-1963	15,000,000.00		15,000,000.00
5%, Series B-1964	25,000,000.00		25,000,000.00
4⅝%, Series A-1965	47,500,000.00	−9,000,000.00	38,500,000.00
Treasury bonds:			
2¾% of 1961	2,000,000.00	−2,000,000.00	
2½% of 1964–69 (dated April 15, 1943)	15,500,000.00	6,680,000.00	22,180,000.00
2½% of 1964–69 (dated September 15, 1943)	31,000,000.00	2,000,000.00	33,000,000.00
2⅝% of 1965	225,400,000.00	−225,400,000.00	
2½% of 1965–70	463,297,500.00	−463,297,500.00	
3¾% of 1966	27,729,000.00		27,729,000.00
3% of 1966	25,000,000.00		25,000,000.00
3⅜% of 1966	4,500,000.00		4,500,000.00
3½% of 1966–71	315,077,500.00	−315,077,500.00	
2½% of 1967–72 (dated June 1, 1945)	15,650,000.00	−15,650,000.00	
2½% of 1967–72 (dated October 20, 1941)	199,643,250.00	−199,643,000.00	250.00
3⅝% of 1967	34,205,000.00		34,205,000.00
2½% of 1967–72 (dated November 15, 1945)	24,285,000.00	−24,285,000.00	
3¾% of 1968		7,000,000.00	7,000,000.00
3⅞% of 1968	15,450,000.00	2,000,000.00	17,450,000.00
4% of 1969	37,500,000.00	20,000,000.00	57,500,000.00
4% of 1971		100,000,000.00	100,000,000.00
3⅞% of 1974	25,000,000.00	7,500,000.00	32,500,000.00
4¼% of 1975–85	25,000,000.00		25,000,000.00
3¼% of 1978–83	60,200,000.00		60,200,000.00
4% of 1980	18,000,000.00	105,600,000.00	123,600,000.00
3½% of 1980	67,450,000.00	382,000,000.00	449,450,000.00
3¼% of 1985	25,700,000.00		25,700,000.00
3½% of 1990	283,130,000.00	273,120,000.00	556,250,000.00
3% of 1995	85,170,000.00		85,170,000.00
3½% of 1998	174,454,000.00	377,583,000.00	552,037,000.00
2¾% Investment Series B-1975-80	1,064,902,000.00		1,064,902,000.00
Total public issues	3,352,743,250.00	29,130,000.00	3,381,873,250.00
Total investments—par value	19,552,914,250.00	−1,097,404,000.00	18,455,510,250.00
Unamortized premium and discount (net)	−30,329,924.33	9,154,999.96	−21,174,924.37
Accrued interest purchased	932,355.11	−602,504.58	329,850.53
Total investments-book value	19,523,516,680.78	−1,088,851,504.62	18,434,665,176.16
Unexpended balance	1,376,833,173.47	−185,365,020.73	[9] 1,191,468,152.74
Total assets	20,900,349,854.25	−1,274,216,525.35	19,626,133,328.90

[r] Revised for reclassification.

[1] Appropriations are equal to the amount of employment taxes collected as estimated by the Secretary of the Treasury and adjusted in accordance with wage reports certified by the Secretary of Health, Education, and Welfare for distribution to this fund and the Federal disability insurance trust fund.

[2] Beginning in 1953.

[3] To cover employees of States and their political subdivisions, Social Security Amendments of 1950, approved Aug. 28, 1950.

[4] Excludes repayment of amortized premium and discount (net) amounting to $9,154,999.96.

[5] In connection with payments of benefits to survivors of certain World War II veterans who died within three years after separation from active service.

[6] Incidental recoveries, etc., and, beginning with the fiscal year 1958, includes reimbursement of interest in the amount of $4,246,196 transferred from the Federal disability insurance trust fund pursuant to section 201 (g) (1) of the Social Security Act, as amended.

[7] Paid directly from the trust fund beginning with the fiscal year 1947 under annual appropriation acts.

[8] Public issues held by the fund are shown at face value, unamortized premium and discount (net) are shown separately below.

[9] Includes the following balances in accounts as of June 30:

	1961	*1962*
Benefit payments	$1,360,716,164.82	$1,174,566,198.75
Salaries and expenses	15,824,537.53	16,416,694.89
Construction of building	292,471.12	485,259.10

TABLE 77.—*Foreign service retirement and disability fund, June 30, 1962*

[This trust fund was established in accordance with the provisions of the act of May 24, 1924, and the act of Aug. 13, 1946 (22 U.S.C. 1062). For further details, see annual report of the Secretary for 1941, p. 138]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Deductions from salaries, service credit payments, and voluntary contributions of employees subject to retirement act	$29,808,811.67	$3,212,793.27	$33,021,604.94
Appropriations [1]	25,815,900.00		25,815,900.00
Payments by employing agency [1]		2,852,868.68	2,852,868.68
Receipts from civil service retirement and disability fund		2,835,738.82	2,835,738.82
Interest and profits on investments	13,858,355.95	1,368,766.84	15,227,122.79
Total receipts	69,483,067.62	10,270,167.61	79,753,235.23
Expenditures:			
Annuity payments and refunds	37,028,007.70	5,524,901.41	42,552,909.11
Balance	32,455,059.92	4,745,266.20	37,200,326.12

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, foreign service retirement fund series maturing June 30:			
3% of 1962	$1,423,000.00	−$1,423,000.00	
4% of 1962	30,757,000.00	−30,757,000.00	
3% of 1963		1,544,000.00	$1,544,000.00
4% of 1963		35,166,000.00	35,166,000.00
Total investments	32,180,000.00	4,530,000.00	36,710,000.00
Undisbursed balance	275,059.92	215,266.20	490,326.12
Total assets	32,455,059.92	4,745,266.20	37,200,326.12

[1] Beginning July 1, 1961, appropriations are not made directly to the fund. Instead, in accordance with the act approved Sept. 8, 1960 (22 U.S.C. 1071(a)), the employing agency contributes (from appropriations or funds from which the salaries are paid) amounts equal to the deductions from employees' salaries.

TABLE 78.—*Highway trust fund, June 30, 1962*

[This trust fund was established in accordance with the provisions of section 209 (a) of the Highway Revenue Act of 1956 (23 U.S.C. 120 note)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Excise taxes: [1]			
Gasoline [2]	$9,112,639,559.34	$2,398,945,348.88	$11,511,584,908.22
Diesel fuel	297,746,282.78	105,776,246.66	403,522,529.44
Tires [2]	840,983,385.26	314,228,193.31	1,155,211,578.57
Tread rubber [2]	67,678,687.13	22,900,805.78	90,579,492.91
Trucks, buses, etc	509,869,803.32	127,973,553.26	637,843,356.58
Truck use	177,057,856.56	79,844,386.66	256,902,243.22
Inner tubes [2]	65,793,145.34	17,546,761.71	83,339,907.05
Other tires	259,940,445.20	12,777,734.13	272,718,179.33
Total taxes	11,331,709,164.93	3,079,993,030.39	14,411,702,195.32
Deduct: Reimbursement to general fund-refund of tax receipts:			
Gasoline used on farms	332,324,629.16	107,190,501.76	439,515,130.92
Gasoline for nonhighway purposes or local transit systems	83,508,275.39	24,101,848.97	107,610,124.36
Gasoline, other	48,283.22	10,551.44	58,834.66
Tires and tread rubber	97,416.90		97,416.90
Trucks, buses, etc	26,660.21		26,660.21
Total refunds of taxes	416,005,264.88	131,302,902.17	547,308,167.05
Total taxes (net)	10,915,703,900.05	2,948,690,128.22	13,864,394,028.27
Interest on investments	38,236,283.82	6,772,167.11	45,008,450.93
Advances from general fund	419,000,000.00		419,000,000.00
Less: Return of advances to general fund	−419,000,000.00		−419,000,000.00
Total receipts (net)	10,953,940,183.87	2,955,462,295.33	13,909,402,479.20
Expenditures:			
Highway program:			
Reimbursement to general fund	501,018,553.13		501,018,553.13
From trust fund	10,147,880,568.59	2,783,864,409.00	12,931,744,977.59
Total highway program	10,648,899,121.72	2,783,864,409.00	13,432,763,530.72
Services of Department of Labor (administration and enforcement of labor standards)	368,225.00		368,225.00
Interest on advances from general fund	5,610,162.02		5,610,162.02
Total expenditures	10,654,877,508.74	2,783,864,409.00	13,438,741,917.74
Balance	299,062,675.13	171,597,886.33	470,660,561.46

II. ASSETS HELD BY TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, highway trust fund series, maturing June 30:			
3% of 1962	$234,034,000.00	−$234,034,000.00	
3¼% of 1963		435,935,000.00	$435,935,000.00
Total investments	234,034,000.00	201,901,000.00	435,935,000.00
Undisbursed balances	65,028,675.13	−30,303,113.67	34,725,561.46
Total assets	299,062,675.13	171,597,886.33	470,660,561.46

[1] Amounts equivalent to specified percentages of receipts from certain taxes on motor fuels, vehicles, tires and tubes, and use of certain vehicles are appropriated and transferred monthly from general fund receipts to the trust fund on the basis of estimates by the Secretary of the Treasury, with proper adjustments to be made in subsequent transfers as required by section 209(c) of the Highway Revenue Act of 1956, as amended (23 U.S.C. 120 note). See also the annual report to Congress on the financial condition and fiscal operations of the highway trust fund.

[2] Includes floor stocks taxes.

TABLE 79.—*Judicial survivors annuity fund, June 30, 1962*

[This fund was established in accordance with the provisions of the act of Aug. 3, 1956 (28 U.S.C. 376(b))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Deductions from salaries and contributions	$2,954,477.16	$553,569.29	$3,508,046.45
Interest and profits on investments	145,153.64	59,870.85	205,024.49
Total receipts	3,099,630.80	613,440.14	3,713,070.94
Expenditures:			
Annuity payments, refunds, etc	1,515,061.54	392,107.82	1,907,169.36
Balance	1,584,569.26	221,332.32	1,805,901.58

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (—)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills	$48,000.00		$48,000.00
Treasury notes:			
4%, Series A-1961	100,000.00	—$100,000.00	
3⅝%, Series A-1962	60,000.00	—60,000.00	
3¼%, Series D-1963	150,000.00		150,000.00
5%, Series B-1964	63,000.00		63,000.00
4⅝%, Series A-1965	100,000.00		100,000.00
4%, Series A-1966		60,000.00	60,000.00
Treasury bonds:			
3% of 1964	100,000.00	—100,000.00	
2⅝% of 1965	77,000.00	—77,000.00	
3⅜% of 1966	250,000.00		250,000.00
3⅞% of 1968	95,000.00	100,000.00	195,000.00
4% of 1969	40,500.00		40,500.00
4% of 1971		240,000.00	240,000.00
3⅞% of 1974	67,000.00	102,000.00	169,000.00
3¼% of 1978-83	93,500.00		93,500.00
4% of 1980	50,500.00	50,500.00	101,000.00
3½% of 1990	97,000.00		97,000.00
3% of 1995	51,000.00		51,000.00
3½% of 1998	113,500.00		113,500.00
Total investments	1,556,000.00	215,500.00	1,771,500.00
Undisbursed balance	28,569.26	5,832.32	34,401.58
Total assets	1,584,569.26	221,332.32	1,805,901.58

TABLE 80.—*Library of Congress trust funds, June 30, 1962*

[Established in accordance with provisions of the act of Mar. 3, 1925, as amended (2 U.S.C. 154–161). For further details see 1941 annual report, p. 149]

	Permanent loan account						Income from donated securities, etc.		
	Funds on deposit with Treasurer of the United States			Interest at 4 percent paid by U.S. Treasury					
	June 30, 1961	Fiscal year 1962	June 30, 1962	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Name of donor:									
Babine, Alexis V	$6,684.74		$6,684.74	$6,411.96	$267.40	$6,679.36	$1,785.58		$1,785.58
Benjamin, William E	83,083.31		83,083.31	46,311.89	3,323.34	49,635.23	49,744.50		49,744.50
Bowker, Richard R	14,843.15		14,843.15	4,670.30	593.72	5,264.02	8,024.80		8,024.80
Carnegie Corporation of New York	93,307.98		93,307.98	86,971.86	3,732.32	90,704.18	37,838.36		37,838.36
Coolidge, Elizabeth S	804,444.26		804,444.26	268,795.79	32,177.78	300,973.57	131,904.76		131,904.76
Elson, Louis C., memorial fund	12,585.03		12,585.03	8,126.71	503.40	8,630.11			
Friends of Music in the Library of Congress	5,509.09	$250.00	5,759.09	3,907.41	222.32	4,129.73	318.22		318.22
Guggenheim, Daniel	90,654.22		90,654.22	83,043.62	3,626.16	86,669.78	32,759.36		32,759.36
Hanks, Nymphus Corridon	5,227.31		5,227.31	1,138.56	209.10	1,347.66			
Huntington, Archer M	260,577.66		260,577.66	152,393.39	10,423.10	162,816.49	[1] 340,676.54	[1] $17,505.59	[1] 358,182.13
Koussevitzky Music Foundation, Inc	176,103.58		176,103.58	67,418.26	7,044.14	74,462.40			
Longworth, Nicholas, Foundation	9,691.59		9,691.59	8,276.32	387.66	8,663.98	757.02		757.02
Miller, Dayton C	20,548.18		20,548.18	13,543.45	821.92	14,365.37	412.50		412.50
National Library for the Blind, Inc	36,015.00		36,015.00	12,499.47	1,440.60	13,940.07			
Pennell, Joseph	303,250.46		303,250.46	243,749.36	12,130.02	255,879.38	85,487.80		85,487.80
Porter, Henry K., memorial fund	290,500.00		290,500.00	173,188.04	11,620.00	184,808.04	25,369.03		25,369.03
Roberts fund	62,703.75		62,703.75	25,523.97	2,508.16	28,032.13			
Sonneck memorial fund	12,088.13		12,088.13	11,070.62	483.52	11,554.14	4,429.73		4,429.73
Whittall, Gertrude C.:									
Collection of Stradivari instruments and Tourte bows	1,225,060.97		1,225,060.97	554,977.69	49,002.44	603,980.13	3,382.00		3,382.00
Poetry fund	101,149.73		101,149.73	42,515.77	4,045.98	46,561.75			
General literature	393,279.59		393,279.59	48,700.60	15,731.18	64,431.78	2,168.26		2,168.26
Appreciation and understanding of good literature	150,000.00		150,000.00	43,898.31	6,000.00	49,898.31			
Wilbur, James B	305,813.57		305,813.57	288,830.08	12,232.56	301,062.64	107,345.09		107,345.09
Donations and investment income	4,463,121.30	250.00	4,463,371.30	2,195,963.43	178,526.82	2,374,490.25	832,403.55	17,505.59	849,909.14
Expenditures from investment income				1,935,714.85	169,805.98	2,105,520.83	821,637.17	24,183.85	845,821.02
Balances in the accounts	4,463,121.30	250.00	4,463,371.30	260,248.58	8,720.84	268,969.42	10,766.38	−6,678.26	4,088.12

[1] Includes income from securities held as investment under deed of trust dated Nov. 17, 1936, administered by designated trustees including the Bank of New York.

TABLE 81.—*Longshoremen's and Harbor Workers' Compensation Act, relief and rehabilitation, June 30, 1962*

[This trust fund was established in accordance with the provisions of the act of Mar. 4, 1927, as amended (33 U.S.C. 944). For further details, see annual report of the Secretary for 1941, p. 141]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Deposits	$867, 258. 79	$7, 406. 25	$874, 665. 04
Interest and profits on investments	335, 729. 81	18, 436. 58	354, 166. 39
Total receipts	1, 202, 988. 60	25, 842. 83	1, 228, 831. 43
Expenditures	611, 808. 07	26, 840. 87	638, 648. 94
Balance	591, 180. 53	−998. 04	590, 182. 49

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury notes:			
4¾%, Series A–1964	$10, 000. 00		$10, 000. 00
5%, Series B–1964	20, 000. 00		20, 000. 00
3¾%, Series D–1964	20, 000. 00		20, 000. 00
Treasury bonds:			
2⅝% of 1965	50, 000. 00		50, 000. 00
2½% of 1966–71	82, 000. 00	−$82, 000. 00	
3⅞% of 1968	22, 500. 00		22, 500. 00
4% of 1969	100, 000. 00		100, 000. 00
3¼% of 1978–83	25, 000. 00		25, 000. 00
3½% of 1980	23, 000. 00		23, 000. 00
3½% of 1990		82, 000. 00	82, 000. 00
3% of 1995	101, 000. 00		101, 000. 00
3½% of 1998	11, 500. 00		11, 500. 00
2¾% Investment Series B–1975–80	108, 000. 00		108, 000. 00
U.S. savings bonds, Series K (2.76%)	14, 500. 00		14, 500. 00
Total investments	587, 500. 00		587, 500. 00
Undisbursed balance	3, 680. 53	−998. 04	2, 682. 49
Total assets	591, 180. 53	−998. 04	590, 182. 49

TABLE 82.—*National Archives gift fund, June 30, 1962*

[This trust fund was established in accordance with the provisions of the act of July 9, 1941, as amended (44 U.S.C. 300aa–300ee)]

I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts—donations	$469, 036. 21	$914. 64	$469, 950. 85
Expenditures	408, 701. 74	13, 199. 75	421, 901. 49
Balance	60, 334. 47	−12, 285. 11	48, 049. 36

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, decrease	June 30, 1962
Undisbursed balance	$60, 334. 47	−$12, 285. 11	$48, 049. 36

TABLE 83.—*National park trust fund, June 30, 1962*

[This trust fund was established in accordance with the provisions of the act of July 10, 1935, as amended (16 U.S.C. 19-19a). For further details, see annual report of the Secretary for 1941, p. 153]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Donations	$100,887.56	$4,432.00	$105,319.56
Interest on investments	11,841.84	1,351.33	13,193.17
Total receipts	112,729.40	5,783.33	118,512.73
Expenditures	39,234.65	811.13	40,045.78
Balance	73,494.75	4,972.20	78,466.95

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills		$48,000.00	$48,000.00
Treasury bonds:			
2¾% of 1961	$1,500.00	−1,500.00	
2½% of 1963–68	1,000.00		1,000.00
2½% of 1966–71	15,000.00	−15,000.00	
2½% of 1967–72 (dated Oct. 20, 1941)	1,000.00	−1,000.00	
3⅞% of 1968		1,500.00	1,500.00
4% of 1969	1,000.00		1,000.00
3¼% of 1978–83	1,000.00		1,000.00
3½% of 1990		1,000.00	1,000.00
3½% of 1998		15,000.00	15,000.00
U.S. savings bonds, Series J (2.76%)	25.00		25.00
Total investments	20,525.00	48,000.00	68,525.00
Undisbursed balance	52,969.75	−43,027.80	9,941.95
Total assets	73,494.75	4,972.20	78,466.95

TABLE 84.—*National service life insurance fund, June 30, 1962*

[This trust fund was established in accordance with the provisions of the act of Oct. 8, 1940 (38 U.S.C. 720). For further details, see annual report of the Secretary for 1941, p. 143]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Premiums and other receipts	$9,396,162,567.06	$482,780,902.75	$9,878,943,469.81
Interest on investments	2,786,362,073.20	174,202,471.23	2,960,564,544.43
Payments from general fund	4,733,971,393.90	6,885,153.31	4,740,856,547.21
Total receipts	16,916,496,034.16	663,868,527.29	17,580,364,561.45
Expenditures:			
Benefit payments, dividends, and refunds	11,143,362,060.48	626,351,067.83	11,769,713,128.31
Balance	5,773,133,973.68	37,517,459.46	5,810,651,433.14

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, national service life insurance fund series maturing June 30:			
Treasury certificates of indebtedness, 3¼% of 1963		$1,000,000.00	$1,000,000.00
Treasury notes:			
3% of 1962	$379,000,000.00	−379,000,000.00	
3¾% of 1962	7,873,000.00	−7,873,000.00	
3% of 1963	379,000,000.00		379,000,000.00
3¾% of 1963	7,873,000.00		7,873,000.00
3% of 1964	379,000,000.00		379,000,000.00
3¾% of 1964	7,873,000.00		7,873,000.00
3¾% of 1965	7,873,000.00		7,873,000.00
Treasury bonds:			
3% of 1965	379,000,000.00		379,000,000.00
3% of 1966	379,000,000.00		379,000,000.00
3¾% of 1966	7,873,000.00		7,873,000.00
3% of 1967	379,000,000.00		379,000,000.00
3¾% of 1967	7,873,000.00		7,873,000.00
3% of 1968	379,000,000.00		379,000,000.00
3¾% of 1968	7,873,000.00		7,873,000.00
3% of 1969	379,000,000.00		379,000,000.00
3¾% of 1969	7,873,000.00		7,873,000.00
3% of 1970	379,000,000.00		379,000,000.00
3¾% of 1970	7,873,000.00		7,873,000.00
3% of 1971	379,000,000.00		379,000,000.00
3¾% of 1971	7,873,000.00		7,873,000.00
3% of 1972	379,000,000.00		379,000,000.00
3¾% of 1972	7,873,000.00		7,873,000.00
3% of 1973	379,000,000.00		379,000,000.00
3¾% of 1973	7,873,000.00		7,873,000.00
3% of 1974	379,000,000.00		379,000,000.00
3¾% of 1974	7,873,000.00		7,873,000.00
3¾% of 1975	386,873,000.00		386,873,000.00
3⅛% of 1976	343,149,000.00		343,149,000.00
3¼% of 1976		43,724,000.00	43,724,000.00
3¼% of 1977		386,307,000.00	386,307,000.00
Total investments	5,759,371,000.00	44,158,000.00	5,803,529,000.00
Undisbursed balance	13,762,973.68	−6,640,540.54	7,122,433.14
Total assets	5,773,133,973.68	37,517,459.46	5,810,651,433.14

NOTE.—Policy loans outstanding, on basis of information furnished by the Veterans' Administration, amounted to $418,162,683.44 as of June 30, 1962.

TABLE 85.—*Pershing Hall Memorial fund, June 30, 1962*

[This special fund was established in accordance with the provisions of the act of June 28, 1935, as amended (36 U.S.C. 491). For further details, see annual report of the Secretary for 1941, p. 155]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Appropriations	$482,032.92		$482,032.92
Profits on investments	5,783.21		5,783.21
Net increase in book value of bonds	12,000.35		12,000.35
Interest earned	130,073.88	$7,385.00	137,458.88
Total receipts	629,890.36	7,385.00	637,275.36
Expenditures:			
Claims and expenses	288,629.70		288,629.70
National Treasurer, American Legion	130,073.88	7,385.00	137,458.88
Total expenditures	418,703.58	7,385.00	426,088.58
Balance	211,186.78		211,186.78

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bonds, 3½% of 1990	$211,000.00		$211,000.00
Undisbursed balance	186.78		186.78
Total assets	211,186.78		211,186.78

TABLE 86.—*Philippine Government pre-1934 bond account, June 30, 1962*

[This special trust account was established in accordance with the provisions of the act of August 7, 1939 (22 U.S.C. 1393), for the payment of bonds issued prior to May 1, 1934, by provinces, cities, and municipalities of the Philippines]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Taxes on exports	$1,586,135.92		$1,586,135.92
Interest and profits on investments [1]	3,644,303.28	$30,024.36	3,674,327.64
Sale of stock of Bank of Philippine Islands	43,100.00		43,100.00
Deposit of the Philippine Government	13,141.85		13,141.85
U.S. Treasury bonds from the Philippine Government	6,269,750.00		6,269,750.00
Annual payments by the Philippine Government	15,646,589.37		15,646,589.37
Total receipts	27,203,020.42	30,024.36	27,233,044.78
Expenditures:			
Interest on outstanding Philippine bonds	2,355,493.80	34,101.88	2,389,595.68
Return of excess cash to the Philippine Government	1,000,000.00	600,000.00	1,600,000.00
Payment of matured bonds of the Philippine Government	18,528,500.00	12,000.00	18,540,500.00
Cancellation of Philippine bonds at cost [2]	3,533,585.13		3,533,585.13
Losses on securities sold	79,964.34	73,787.69	153,752.03
Unamortized discount on investments		−5,765.04	−5,765.04
Total expenditures	25,497,543.27	714,124.53	26,211,667.80
Balance	1,705,477.15	−684,100.17	1,021,376.98

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills		$216,000.00	$216,000.00
Treasury notes, 4¾%, Series A-1964	$100,000.00		100,000.00
Treasury bonds:			
2¼% of 1959–62 (dated Nov. 15, 1945)	600,000.00		600,000.00
2½% of 1962–67	148,300.00	−148,300.00	
2½% of 1963–68	648,000.00	−648,000.00	
U.S. savings bonds, Series G (2.50%)	75,000.00	−75,000.00	
Total investments	1,571,300.00	−655,300.00	916,000.00
Undisbursed balance	134,177.15	−28,800.17	105,376.98
Total assets	1,705,477.15	−684,100.17	1,021,376.98

[1] Losses are netted against profits through fiscal 1957.
[2] The face value of the bonds canceled was $3,436,000.

NOTE.—As of June 30, 1962, the total principal of pre-1934 bonds outstanding was $638,850 unmatured and $50,000 matured. The amount of matured interest unpaid was $45,610 and the unmatured interest projected through July 1, 1963, the date of final maturity, amounted to $47,913.75.

TABLE 87.—*Public Health Service gift funds, June 30, 1962*

[This trust fund was established in accordance with the provisions of the act of May 26, 1930, which was repealed by the act of July 1, 1944 (42 U.S.C. 219, 283(b), 287b, 288b), under which it now operates]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Contributions	$942, 226. 58	$41, 970. 21	$984, 196. 79
Interest on investments	106, 877. 89	4, 259. 71	111, 137. 60
Total receipts	1, 049, 104. 47	46, 229. 92	1, 095, 334. 39
Expenditures	836, 524. 96	28, 263. 82	864, 788. 78
Balance	212, 579. 51	17, 966. 10	230, 545. 61

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease(−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bills	$105, 000. 00	$20, 000. 00	$125, 000. 00
Treasury bonds, 2½% of 1967–72 (dated June 1, 1945)	61, 000. 00	−10, 000. 00	51, 000. 00
Total investments	166, 000. 00	10, 000. 00	176, 000. 00
Undisbursed balance	46, 579. 51	7, 966. 10	54, 545. 61
Total assets	212, 579. 51	17, 966. 10	230, 545. 61

TABLE 88.—*Railroad retirement account, June 30, 1962*

[On basis of daily Treasury statements through 1952, thereafter on basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables." This trust account was established in accordance with the provisions of the act of June 24, 1937 (45 U.S.C. 228o). For further details, see annual report of the Secretary for 1941, p. 148]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Appropriations [1]	r $10,731,782,802.44	$559,708,577.42	$11,291,491,379.86
Fines and penalties	350.00		350.00
Interest and profits on investments	1,337,983,936.02	107,412,925.35	1,445,396,861.37
Payments from Federal old-age and survivors and Federal disability insurance trust funds [2]	1,061,760,000.00	371,818,000.00	1,433,578,000.00
Railroad unemployment insurance account:			
Interest on advances	1,920,373.00	12,389,796.80	14,310,169.80
Repayment of advances	116,436,000.00	24,825,000.00	141,261,000.00
Total receipts	r 13,249,883,461.46	1,076,154,299.57	14,326,037,761.03
Expenditures:			
Benefit payments, etc	8,943,760,289.72	1,023,947,718.70	9,967,708,008.42
Administrative expenses [3]	84,552,305.47	9,222,055.79	93,774,361.26
Federal old-age and survivors and Federal disability insurance trust funds:			
Payments	26,831,000.00		26,831,000.00
Interest payments	35,393,000.00		35,393,000.00
Advances to railroad unemployment insurance account	316,075,000.00	101,470,000.00	417,545,000.00
Interest on refunds of taxes	66.61	4,609.74	4,676.35
Total expenditures	r 9,406,611,661.80	1,134,644,384.23	10,541,256,046.03
Balance	3,843,271,799.66	−58,490,084.66	3,784,781,715.00

Footnotes at end of table.

TABLE 88.—*Railroad retirement account, June 30, 1962*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, Treasury notes, railroad retirement series, maturing June 30:			
3% of 1962	$189,335,000.00	−$189,335,000.00	
3% of 1963	751,106,000.00	−751,106,000.00	
3% of 1964	1,411,532,000.00	−321,928,000.00	$1,089,604,000.00
3% of 1965	1,066,645,000.00		1,066,645,000.00
3% of 1966	84,916,000.00	613,702,000.00	698,618,000.00
3% of 1967		460,918,000.00	460,918,000.00
Total special issues	3,503,534,000.00	−187,749,000.00	3,315,785,000.00
Public issues:			
Treasury notes:			
4%, Series B-1963	20,000,000.00	−20,000,000.00	
4⅞%, Series C-1963	13,500,000.00		13,500,000.00
3¼%, Series D-1963		25,000,000.00	25,000,000.00
5%, Series B-1964	20,000,000.00		20,000,000.00
4⅞%, Series C-1964	7,450,000.00		7,450,000.00
Treasury bonds:			
2⅝% of 1965	11,500,000.00	−11,500,000.00	
3% of 1966	8,500,000.00		8,500,000.00
3¾% of 1966		4,500,000.00	4,500,000.00
2½% of 1967–72 (dated June 1, 1945)	10,100,000.00	−10,100,000.00	
2½% of 1967–72 (dated Oct. 20, 1941)	2,265,000.00	−2,265,000.00	
2½% of 1967–72 (dated Nov. 15, 1945)	13,085,000.00	−13,085,000.00	
3¾% of 1968		3,000,000.00	3,000,000.00
3⅞% of 1968	5,000,000.00		5,000,000.00
4% of 1969	35,000,000.00	20,000,000.00	55,000,000.00
3⅞% of 1971		20,000,000.00	20,000,000.00
4% of 1971		5,000,000.00	5,000,000.00
3⅞% of 1974	25,000,000.00	52,700,000.00	77,700,000.00
4¼% of 1975–85	20,000,000.00		20,000,000.00
3½% of 1980	6,000,000.00		6,000,000.00
4% of 1980	11,450,000.00	26,500,000.00	37,950,000.00
3¼% of 1985	6,900,000.00		6,900,000.00
3½% of 1990	30,925,000.00		30,925,000.00
3% of 1995	3,200,000.00		3,200,000.00
3½% of 1998	6,100,000.00	25,450,000.00	31,550,000.00
Total public issues	255,975,000.00	125,200,000.00	381,175,000.00
Total investments	3,759,509,000.00	−62,549,000.00	3,696,960,000.00
Undisbursed balance	83,762,799.66	4,058,915.34	87,821,715.00
Total assets	3,843,271,799.66	−58,490,084.66	3,784,781,715.00

r Revised.

1 Includes the Government's contribution for creditable military service under the act of April 8, 1942, as amended by the act of August 1, 1956 (45 U.S.C. 228c-1(n)(p)). Effective July 1, 1951, appropriations of receipts are equal to the amount of taxes deposited in the Treasury (less refunds) under the Railroad Retirement Tax Act (26 U.S.C. 3201–3233). Amounts shown are exclusive of unappropriated receipts.

2 Pursuant to act of June 24, 1937 (45 U.S.C. 228e(k)).

3 Beginning Aug. 1, 1949, paid from the trust fund under Title IV, act of June 29, 1949 (63 Stat. 297), and subsequent annual appropriation acts.

TABLE 89.—*Unemployment trust fund, June 30, 1962*

[On basis of daily Treasury statements through 1952; thereafter on basis of "Monthly Statement of Receipts and Expenditures of the United States Government," adjusted for interest accruals. (See "Bases of Tables.") This trust fund was established in accordance with the provisions of Sec. 904(a) of the Social Security Act of August 14, 1935 (42 U.S.C. 1104). For further details see annual report of the Secretary for 1941, p. 145]

I.—RECEIPTS AND EXPENDITURES (EXCLUSIVE OF INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
STATE UNEMPLOYMENT ACCOUNTS			
Receipts:			
Deposits by States	$30,849,859,741.43	$2,728,617,229.72	$33,578,476,971.15
Interest earned:			
Collected	3,257,675,084.43	164,779,924.03	3,422,455,008.46
Accrued	7,051,105.02	401,593.76	7,452,698.78
Total receipts	34,114,585,930.88	2,893,798,747.51	37,008,384,678.39
Expenditures:			
Withdrawals by States	28,649,711,171.07	2,857,092,767.43	31,506,803,938.50
Advances to States [1]	5,783,506.04	−509,743.81	5,273,762.23
Transfers to railroad unemployment insurance account	107,226,931.89		107,226,931.89
Total expenditures	28,762,721,609.00	2,856,583,023.62	31,619,304,632.62
Transfers:			
From undistributed appropriations	138,024,733.38		138,024,733.38
From Federal unemployment account [2]	235,965,000.00	800,000.00	236,765,000.00
From Federal extended compensation account (reimbursement)	6,104,161.00	37,786,101.04	43,890,262.04
To Federal unemployment account [3]	−3,000,000.00		−3,000,000.00
Net transfers	377,093,894.38	38,586,101.04	415,679,995.42
Balance	5,728,958,216.26	75,801,824.93	5,804,760,041.19
RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT [4]			
BENEFIT PAYMENTS ACCOUNT			
Receipts:			
Deposits by Railroad Retirement Board [5]	1,557,673,675.60	147,111,229.55	1,704,784,905.15
Advances from the railroad retirement account	316,075,000.00	101,470,000.00	417,545,000.00
From the railroad unemployment insurance administration fund	106,187,199.00		106,187,199.00
From State unemployment funds [6]	107,226,931.89		107,226,931.89
Advance by Secretary of Treasury	15,000,000.00		15,000,000.00
Interest earned:			
Collected	220,910,514.70	211,125.88	221,121,640.58
Accrued	7,427.16	5,169.39	12,596.55
Total receipts	2,323,080,748.35	248,797,524.82	2,571,878,273.17
Expenditures:			
Benefit payments	2,173,435,212.14	201,622,168.64	2,375,057,380.78
Transfers to railroad unemployment insurance administration fund	12,338,198.54		12,338,198.54
Repayment of advances to railroad retirement account	118,356,373.00	37,214,796.80	155,571,169.80
Repayment of advance to Secretary of the Treasury	15,000,000.00		15,000,000.00
Repayment of advances from general fund for temporary unemployment compensation benefits		2,454,882.81	2,454,882.81
Total expenditures	2,319,129,783.68	241,291,848.25	2,560,421,631.93
Balance	3,950,964.67	7,505,676.57	11,456,641.24

Footnotes at end of Section I.

TABLE 89.—*Unemployment trust fund, June 30, 1962*—Continued

I.—RECEIPTS AND EXPENDITURES (EXCLUSIVE OF INVESTMENT TRANSACTIONS)—Continued

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
ADMINISTRATIVE EXPENSE FUND [7]			
Receipts:			
Deposits by Railroad Retirement Board	$25,387,160.53	$8,148,065.03	$33,535,225.56
Adjusted for prior year (unexpended balance)	7,237,031.36		7,237,031.36
Interest earned:			
Collected	407,354.60	113,773.89	521,128.49
Accrued	5,847.04	−213.80	5,633.24
Total receipts	33,037,393.53	8,261,625.12	41,299,018.65
Expenditures:			
Administrative expenses	28,108,566.54	9,078,341.19	37,186,907.73
Total expenditures	28,108,566.54	9,078,341.19	37,186,907.73
Balance	4,928,826.99	−816,716.07	4,112,110.92
TEMPORARY EXTENDED RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT			
BENEFIT PAYMENT ACCOUNT			
Receipts:			
Transfer from temporary extended railroad unemployment insurance account (general fund advances)	13,000,000.00	7,000,000.00	20,000,000.00
Expenditures:			
Temporary extended railroad unemployment benefits	10,017,469.29	9,287,528.52	19,304,997.81
Balance	2,982,530.71	−2,287,528.52	695,002.19
FEDERAL EXTENDED COMPENSATION ACCOUNT [8]			
Receipts:			
Advances from general fund	498,138,622.00	332,921,543.74	831,060,165.74
Expenditures:			
Temporary extended unemployment compensation payments	481,151,560.00	303,932,269.15	785,083,829.15
Reimbursement to State accounts	6,104,161.00	37,786,101.04	43,890,262.04
Repayment of advances from general fund			
Total expenditures	487,255,721.00	341,718,370.19	828,974,091.19
Balance	10,882,901.00	−8,796,826.45	2,086,074.55
EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT [9]			
Receipts:			
Transfers (Federal unemployment taxes):			
Appropriated	345,979,586.45	457,257,583.60	803,237,170.05
Less refund of taxes	−2,195,526.13	−4,991,080.56	−7,186,606.69
Advance from general (revolving fund)	301,500,000.00	320,311,596.38	621,811,596.38
Less return of advances to general fund	−250,000,000.00	−285,400,000.00	−535,400,000.00
Interest earned:			
Collected	1,433,635.03	940,857.59	2,374,492.62
Accrued	29,363.65	33,384.39	62,748.04
Total receipts	r 396,747,059.00	488,152,341.40	884,899,400.40

Footnotes at end of Section I.

TABLE 89.—*Unemployment trust fund, June 30, 1962*—Continued

I.—RECEIPTS AND EXPENDITURES (EXCLUSIVE OF INVESTMENT TRANSACTIONS)—Continued

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT [9]—Continued			
Expenditures:			
Transfers to Federal unemployment account—reduced tax credits (Alaska)	------------------	$157,404.42	$157,404.42
Salaries and expenses, Bureau of Employment Security	$7,738,718.31	10,028,947.84	17,767,666.15
Grants to States for unemployment compensation and employment service administration	374,975,294.37	467,592,405.86	842,567,700.23
Payments to general fund:			
Reimbursement for administrative expenses	5,100,863.15	5,067,327.60	10,168,190.75
Interest on advances from general (revolving) fund	2,910,388.25	3,471,482.61	6,381,870.86
Interest on refund of taxes	49,563.48	57,482.99	107,046.47
Total expenditures	r 390,774,827.56	486,375,051.32	877,149,878.88
Balance	5,972,231.44	1,777,290.08	7,749,521.52
FEDERAL UNEMPLOYMENT ACCOUNT			
Receipts:			
Interest earned:			
Collected	33,081,408.76	6,508,933.08	39,590,341.84
Accrued	260,998.28	29,270.08	290,268.36
Total receipts	33,342,407.04	6,538,203.16	39,880,610.20
Transfers:			
To State unemployment agencies	−235,965,000.00	−800,000.00	−236,765,000.00
From State unemployment agencies	3,000,000.00	------------------	3,000,000.00
From employment security administration account—reduced tax credits	------------------	157,404.42	157,404.42
From undistributed appropriations	207,350,872.17	------------------	207,350,872.17
To Bureau of Employment Security, Department of Labor	−6,070,914.73	------------------	−6,070,914.73
Net transfers	−31,685,042.56	−642,595.58	−32,327,638.14
Balance	1,657,364.48	5,895,607.58	7,552,972.06
UNDISTRIBUTED APPROPRIATIONS [10]			
Receipts:			
Appropriations from general fund	345,375,605.55	------------------	345,375,605.55
Transfers:			
To Federal unemployment account	−207,350,872.17	------------------	−207,350,872.17
To State unemployment agencies	−138,024,733.38	------------------	−138,024,733.38
Total transfers	−345,375,605.55	------------------	−345,375,605.55
Balance	------------------	------------------	------------------
SUMMARY OF BALANCES			
State unemployment agencies	5,728,958,216.26	75,801,824.93	5,804,760,041.19
Railroad unemployment insurance accounts:			
Benefit payments account	3,950,964.67	7,505,676.57	11,456,641.24
Administrative expenses	4,928,826.99	−816,716.07	4,112,110.92
Temporary extended railroad unemployment insurance account (benefit payment account)	2,982,530.71	−2,287,528.52	695,002.19
Federal extended compensation account	10,882,901.00	−8,796,826.45	2,086,074.55
Employment security administration account	5,972,231.44	1,777,290.08	7,749,521.52
Federal unemployment account	1,657,364.48	5,895,607.58	7,552,972.06
Undistributed appropriations	------------------	------------------	------------------
Total balances	5,759,333,035.55	79,079,328.12	5,838,412,363.67
Cash advance repayable to the trust fund	20,103,315.63	−14,829,553.40	5,273,762.23
Total assets of the fund	5,779,436,351.18	64,249,774.72	5,843,686,125.90

Footnotes on following page.

r Revised for reclassification.
[1] Amount actually withdrawn against advances (see footnote 2).
[2] Includes advances to Alaska as authorized by law (42 U.S.C. 1321).
[3] Represents repayments made by Alaska pursuant to law (42 U.S.C. 1322).
[4] Established by the Railroad Unemployment Insurance Act of 1938 (45 U.S.C. 360, 361).
[5] Contributions under the Railroad Unemployment Insurance Act of 1938, as amended (45 U.S.C. 360(a)), in excess of the amount specified for administrative expenses.
[6] Amounts equivalent to taxes collected from employers covered by section 13(d) and section 13(f) of the Railroad Unemployment Insurance Act during the period January 1936 to June 1939, inclusive.
[7] Maintained in the trust fund pursuant to an act approved September 6, 1958 (45 U.S.C. 361(a)), previously maintained as a separate account in the Treasury.
[8] Established by the Temporary Extended Unemployment Compensation Act of 1961 (42 U.S.C. 1105).
[9] Established by the Employment Security Act of 1960 (42 U.S.C. 1101(a)).
[10] This account reflects amounts appropriated to the unemployment trust fund representing the excess of collections, if any, from Federal unemployment tax over employment security expenses as provided by law (42 U.S.C. 1101(b)).

TABLE 89.—*Unemployment trust fund, June 30, 1962*—Continued

II.—ASSETS HELD BY THE TREASURY DEPARTMENT (ACCRUAL BASIS)

	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, unemployment trust fund series maturing June 30:			
3% of 1962	$4,624,985,000.00	−$4,624,985,000.00	
3⅛% of 1963		4,656,911,000.00	$4,656,911,000.00
Total special issues	4,624,985,000.00	31,926,000.00	4,656,911,000.00
Public issues:			
Treasury notes:			
3¼% Series D-1963		25,000,000.00	25,000,000.00
5% Series B-1964	10,000,000.00		10,000,000.00
4⅝% Series A-1965	10,000,000.00		10,000,000.00
Treasury bonds:			
2⅝% of 1965	10,000,000.00	−10,000,000.00	
3% of 1966	10,000,000.00		10,000,000.00
2½% of 1967-72 (dated Oct. 20, 1941)	7,000,000.00	−7,000,000.00	
3⅝% of 1967	14,000,000.00		14,000,000.00
3⅞% of 1968	2,500,000.00		2,500,000.00
3¾% of 1968		5,000,000.00	5,000,000.00
4% of 1969	15,000,000.00	10,100,000.00	25,100,000.00
4% of 1971		10,000,000.00	10,000,000.00
3⅞% of 1974	5,000,000.00		5,000,000.00
4¼% of 1975-85	5,000,000.00		5,000,000.00
3¼% of 1978-83	53,050,000.00		53,050,000.00
3½% of 1980	53,000,000.00		53,000,000.00
3¼% of 1985	12,000,000.00		12,000,000.00
3½% of 1990	89,221,000.00		89,221,000.00
3½% of 1998	54,200,000.00	7,000,000.00	61,200,000.00
2¾% Investment Series B-1975-80	745,000,000.00		745,000,000.00
Total public issues	1,094,971,000.00	40,100,000.00	1,135,071,000.00
Total investments, par value	5,719,956,000.00	72,026,000.00	5,791,982,000.00
Unamortized discount	−4,134,522.70	478,660.99	−3,655,861.71
Unamortized premium	401,287.02	−72,339.66	328,947.36
Accrued interest purchased	300,454.04	−300,454.04	
Total investments	5,716,523,218.36	72,131,867.29	5,788,655,085.65
Unexpended balances:			
Trust account	15,176,320.79	16,874,577.77	32,050,898.56
Deposit accounts, railroad unemployment insurance:			
Benefits and refunds	977,287.86	−347,168.64	630,119.22
Administrative expenses	314,131.64	−88,341.19	225,790.45
Temporary extended railroad unemployment benefits	2,982,530.71	−2,287,528.52	695,002.19
Federal extended compensation account	10,882,901.00	−8,796,826.45	2,086,074.55
Employment security administration account	5,121,904.04	1,123,544.04	6,245,448.08
Subtotal	5,751,978,294.40	78,610,124.30	5,830,588,418.70
Accrued interest on investments	7,354,741.15	469,203.82	7,823,944.97
Cash advances repayable to the trust fund	20,103,315.63	−14,829,553.40	5,273,762.23
Total assets	5,779,436,351.18	64,249,774.72	5,843,686,125.90

TABLE 89.—*Unemployment trust fund, June 30, 1962*—Continued

III.—BALANCE OF UNEMPLOYMENT TRUST FUND BY STATES AND OTHER ACCOUNTS AS OF JUNE 30, 1961, OPERATIONS IN 1962, AND BALANCE JUNE 30, 1962

States and other accounts	Balance June 30, 1961	Operations in fiscal 1962				Balance June 30, 1962
		Deposits	Earnings	Transfers	Withdrawals	
Alabama	$44,437,797.07	$27,455,000.00	$1,400,699.98		$25,553,000.00	$47,740,497.05
Alaska	2,981,493.96	7,567,339.39			7,215,000.00	3,333,833.35
Arizona	60,756,765.75	10,943,728.40	1,829,231.86		11,747,937.74	61,781,788.27
Arkansas	30,851,682.43	10,502,098.38	901,902.37		13,675,000.00	28,580,683.18
California	644,736,130.82	360,275,950.08	17,299,870.77	$1,825,863.00	469,428,055.52	554,709,759.15
Colorado	55,581,779.79	13,926,000.00	1,658,357.39	550,276.36	16,875,000.00	54,841,413.54
Connecticut	143,283,950.13	48,466,000.00	4,438,958.69	1,373,039.18	45,500,000.00	152,061,948.00
Delaware	9,704,770.64	8,327,000.00	283,034.06		8,825,000.00	9,489,804.70
District of Columbia	62,176,804.46	6,241,300.00	1,895,056.88		7,339,189.00	62,973,972.34
Florida	99,693,847.19	44,732,000.00	3,026,049.54		36,198,994.47	111,252,902.26
Georgia	134,681,976.79	27,685,316.48	4,025,123.68		29,663,000.00	136,729,416.95
Hawaii	24,504,725.57	5,115,260.43	651,940.19		11,395,111.14	18,876,815.05
Idaho	23,245,287.12	8,598,655.03	731,138.60	106,445.00	8,822,800.00	23,858,725.75
Illinois	320,610,248.41	171,848,793.79	9,935,109.28	34,334.50	158,350,000.00	344,078,485.98
Indiana	131,599,865.93	55,968,183.88	3,928,899.90		59,465,000.00	132,031,949.71
Iowa	108,729,535.85	9,069,333.67	3,159,111.56		18,048,004.68	102,909,976.40
Kansas	64,304,416.36	11,847,000.00	1,881,806.47		16,379,386.36	61,653,836.47
Kentucky	92,509,530.23	26,900,000.00	2,794,629.85		28,035,000.00	94,169,160.08
Louisiana	105,084,361.30	25,216,938.80	2,989,171.62	704,798.00	37,815,895.24	96,179,374.48
Maine	23,426,966.18	10,178,538.54	687,227.99		12,195,769.92	22,096,962.79
Maryland	59,410,039.93	63,905,000.00	2,068,373.97		45,300,000.00	80,083,413.90
Massachusetts	181,067,066.63	105,517,916.83	5,287,353.17	3,957,852.00	120,750,000.00	175,080,188.63
Michigan	149,207,828.89	159,180,200.84	1,458,066.56	1,154.00	135,460,000.00	174,387,250.29
Minnesota	45,100,419.15	27,565,000.00	1,213,854.98		39,000,000.00	34,879,274.13
Mississippi	28,257,041.67	14,120,000.00	865,037.64		13,905,000.00	29,337,079.31
Missouri	190,109,823.48	41,419,688.12	5,732,503.95		47,374,780.43	189,887,235.12
Montana	21,639,435.11	6,439,900.00	660,579.83		8,065,000.00	20,674,914.94
Nebraska	37,984,608.37	8,110,000.00	1,151,816.16		9,200,000.00	38,046,424.53
Nevada	15,943,699.85	8,318,000.00	511,006.00		6,705,000.00	18,067,705.85
New Hampshire	21,786,554.40	6,853,000.00	673,860.71		6,374,000.00	22,939,415.11
New Jersey	308,947,097.29	132,980,500.00	9,279,635.17		141,408,715.24	309,798,517.22
New Mexico	38,892,587.20	5,996,189.00	1,126,762.76	491,486.00	9,852,577.00	36,654,447.96
New York	921,356,017.21	477,148,300.40	28,674,858.57		422,171,335.53	1,005,007,840.65
North Carolina	176,341,525.28	37,235,000.00	5,364,701.58		38,450,000.00	180,491,226.86
North Dakota	5,180,037.19	4,235,696.43	165,743.35		5,000,000.00	4,581,476.97
Ohio	175,877,844.83	125,088,842.59	4,406,707.64		174,999,765.00	130,373,630.06
Oklahoma	30,724,492.98	16,784,000.00	912,868.38	1,092,568.00	17,750,000.00	31,763,929.36
Oregon	34,710,204.87	36,845,388.28	1,254,956.43		29,762,000.00	43,048,549.58
Pennsylvania	96,880,190.41	273,145,000.00	187,285.47	21,479,023.00	267,800,000.00	123,891,498.88
Puerto Rico	31,152,616.30	12,562,500.34	1,034,978.81		5,460,000.00	39,290,095.45

Rhode Island	28,638,114.47	19,503,100.00	952,101.16		15,350,000.00	33,743,315.63
South Carolina	73,465,099.25	13,115,000.00	2,211,332.84		14,445,000.00	74,346,432.09
South Dakota	14,159,761.39	2,864,000.00	440,886.00		2,675,000.00	14,789,647.39
Tennessee	62,970,284.56	31,793,000.00	1,862,775.02		34,997,000.00	61,629,059.58
Texas	239,239,166.55	49,597,275.00	7,207,997.32		54,572,500.00	241,471,938.87
Utah	35,997,804.41	8,056,553.10	1,102,751.16	369,297.00	8,560,500.00	36,965,905.67
Vermont	10,683,081.30	3,257,059.81	308,959.27	190,308.00	4,995,000.00	9,444,408.38
Virginia	86,152,761.73	23,655,000.00	2,710,853.09		16,849,200.00	95,669,414.82
Washington	190,176,371.70	56,075,000.00	5,767,868.35	1,576,793.00	61,573,213.61	192,022,819.44
West Virginia	30,360,221.64	25,438,000.00	1,021,717.91		18,900,000.00	37,919,939.55
Wisconsin	194,377,311.94	37,869,093.55	5,798,953.77	4,832,864.00	49,875,292.74	193,002,930.52
Wyoming	9,267,170.30	3,079,588.56	247,050.09		6,475,000.00	6,118,808.95
Subtotal	5,728,958,216.26	2,728,617,229.72	165,181,517.79	[1] 38,586,101.04	2,856,583,023.62	5,804,760,041.19
Railroad unemployment insurance account:						
Benefits and refunds	2,973,676.81	144,556,346.74	216,295.27	[2] 101,470,000.00	[3] 238,489,796.80	10,826,522.02
Administrative expenses	4,614,695.35	8,148,065.03	113,560.09		8,990,000.00	3,886,320.47
Federal unemployment account	1,657,364.48		6,538,203.16	[4] −642,595.58		7,552,972.06
Employment security administration account	850,327.40		974,241.98	492,335,878.62	492,656,374.56	1,504,073.44
Federal extended compensation account				(5)		
Temporary extended railroad unemployment insurance account				(6)		
Subtotal all accounts	5,739,054,280.30	2,881,421,641.49	173,023,818.29	631,749,384.08	3,596,719,194.98	5,828,529,929.18
Railroad unemployment insurance checking accounts:						
Benefits and refunds	977,287.86				347,168.64	630,119.22
Administrative expenses	314,131.64				88,341.19	225,790.45
Federal extended compensation account	10,882,901.00				8,796,826.45	2,086,074.55
Employment security administration account	5,121,904.04				−1,123,544.04	6,245,448.08
Temporary extended railroad unemployment benefits	2,982,530.71				2,287,528.52	695,002.19
Total	5,759,333,035.55	2,881,421,641.49	173,023,818.29	631,749,384.08	3,607,115,515.74	5,838,412,363.67
Cash advance repayable to trust fund	20,103,315.63				14,829,553.40	5,273,762.23
Total as shown in parts I and II	5,779,436,351.18	2,881,421,641.49	173,023,818.29	631,749,384.08	3,621,945,069.14	5,843,686,125.90

[1] Includes advances of $800,000.00 to Pennsylvania State unemployment agencies and $37,786,101.04 representing reimbursement to certain States pursuant to the provisions of the Temporary Extended Unemployment Compensation Act of 1961.

[2] Advances from railroad retirement account.

[3] Includes $37,214,796.80 repayment of advances to railroad retirement account.

[4] Consists of transfer of $157,404.42 from employment security administrative account (representing reduced tax credit to Alaska) and a transfer to Pennsylvania State unemployment agencies of $800,000.00.

[5] Transfers of $332,921,543.74 from the general fund, which in turn were transferred to the Department of Labor in the amount of $295,135,442.70 and to State unemployment accounts (reimbursable) of $37,786,101.04.

[6] Transfer of $7,000,000.00 from the general fund which was subsequently transferred to the temporary extended railroad unemployment insurance account.

TABLE 90.—*U.S. Government life insurance fund, June 30, 1962*

[This trust fund operates in accordance with the provisions of the act of June 7, 1924, as amended (38 U.S.C. 755). This act repealed the act of Sept. 2, 1914 (38 Stat. 712), which established a Bureau of War Risk Insurance in the Treasury Department and repealed the amending act of Oct. 6, 1917 (40 Stat. 398). For further details, see annual report of the Secretary for 1941, p. 142]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Premiums and other receipts	$2,024,731,697.65	$18,097,443.80	$2,042,829,141.45
Interest and profits on investments	1,093,039,850.10	36,044,092.34	1,129,083,942.44
Payments from general fund [1]		166,114.10	166,114.10
Total receipts	3,117,771,547.75	54,307,650.24	3,172,079,197.99
Expenditures:			
Benefit payments, dividends, and refunds	2,043,713,018.36	96,243,320.28	2,139,956,338.64
Balance	1,074,058,529.39	−41,935,670.04	1,032,122,859.35

II. ASSETS HELD BY THE TREASURY

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Special issues, U.S. Government life insurance fund series maturing June 30:			
Treasury certificates:			
3½% of 1963		$6,774,000.00	$6,774,000.00
Treasury notes:			
3½% of 1962	$73,100,000.00	−73,100,000.00	
3¾% of 1962	670,000.00	−670,000.00	
3½% of 1963	73,100,000.00	−5,774,000.00	67,326,000.00
3¾% of 1963	670,000.00		670,000.00
3½% of 1964	73,100,000.00		73,100,000.00
3¾% of 1964	670,000.00		670,000.00
3¾% of 1965	670,000.00		670,000.00
Treasury bonds:			
3½% of 1965	73,100,000.00		73,100,000.00
3½% of 1966	73,100,000.00		73,100,000.00
3¾% of 1966	670,000.00		670,000.00
3½% of 1967	73,100,000.00		73,100,000.00
3¾% of 1967	670,000.00		670,000.00
3½% of 1968	73,100,000.00		73,100,000.00
3¾% of 1968	670,000.00		670,000.00
3½% of 1969	73,100,000.00		73,100,000.00
3¾% of 1969	670,000.00		670,000.00
3½% of 1970	73,100,000.00		73,100,000.00
3¾% of 1970	670,000.00		670,000.00
3½% of 1971	73,100,000.00		73,100,000.00
3¾% of 1971	670,000.00		670,000.00
3½% of 1972	73,100,000.00		73,100,000.00
3¾% of 1972	670,000.00		670,000.00
3½% of 1973	73,100,000.00		73,100,000.00
3¾% of 1973	670,000.00		670,000.00
3½% of 1974	73,100,000.00		73,100,000.00
3¾% of 1974	670,000.00		670,000.00
3¾% of 1975	73,770,000.00		73,770,000.00
3½% of 1976	38,653,000.00	29,146,000.00	67,799,000.00
Total investments	1,071,433,000.00	−43,624,000.00	1,027,809,000.00
Undisbursed balance	2,625,529.39	1,688,329.96	4,313,859.35
Total	1,074,058,529.39	−41,935,670.04	1,032,122,859.35

[1] Included under premiums and other receipts prior to fiscal 1962.

NOTE.—Policy loans outstanding, on basis of information furnished by the Veterans' Administration, amounted to $102,294,525.11 as of June 30, 1962.

TABLE 91.—*U.S. Naval Academy general gift fund, June 30, 1962*

[This trust fund was established in accordance with the act of Mar. 31, 1944 (10 U.S.C. 6973)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Donations	$175,395.63	$10,490.00	$185,885.63
Interest on investments	36,625.73	2,818.64	39,444.37
Total receipts	212,021.36	13,308.64	225,330.00
Expenditures	90,125.37	8,872.37	98,997.74
Balance	121,895.99	4,436.27	126,332.26

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (—)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury bonds:			
2½% of 1965-70	$85,000.00	—$85,000.00	
3½% of 1990	7,000.00	38,000.00	$45,000.00
3% of 1995	11,500.00		11,500.00
3½% of 1998		47,000.00	47,000.00
U.S. savings bonds:			
Series J (2.76%)	500.00		500.00
Series K (2.76%)	5,000.00		5,000.00
Total investments	109,000.00		109,000.00
Undisbursed balance	12,895.99	4,436.27	17,332.26
Total assets	121,895.99	4,436.27	126,332.26

TABLE 92.—*Workmen's Compensation Act within the District of Columbia, relief and rehabilitation, June 30, 1962*

[This trust fund was established pursuant to the provisions of the act of May 17, 1928 (45 Stat. 600). For further details, see annual report of the Secretary for 1941, p. 141]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Deposits	$161, 300. 00	$5, 000. 00	$166, 300. 00
Interest and profits on investments	51, 382. 87	4, 691. 84	56, 074. 71
Total receipts	212, 682. 87	9, 691. 84	222, 374. 71
Expenditures	79, 383. 89	3, 989. 73	83, 373. 62
Balance	133, 298. 98	5, 702. 11	139, 001. 09

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1961	Fiscal year 1962, increase, or decrease (−)	June 30, 1962
Investments in public debt securities:			
Public issues:			
Treasury notes:			
4¾%, Series A-1964	$12, 000. 00		$12, 000. 00
5%, Series B-1964	25, 000. 00		25, 000. 00
Treasury bonds:			
2⅝% of 1965	4, 000. 00	−$4, 000. 00	
2½% of 1966-71	10, 000. 00	−10, 000. 00	
3⅞% of 1968		5, 000. 00	5, 000. 00
4% of 1969	23, 000. 00		23, 000. 00
3¼% of 1978-83	4, 000. 00		4, 000. 00
3½% of 1980	5, 000. 00		5, 000. 00
4% of 1980		4, 000. 00	4, 000. 00
3½% of 1990		10, 000. 00	10, 000. 00
3% of 1995	20, 000. 00		20, 000. 00
2¾% Investment Series B-1975-80	6, 000. 00		6, 000. 00
U.S. savings bonds:			
Series G (2.50%)	5, 000. 00	−5, 000. 00	
Series K (2.76%)	11, 500. 00		11, 500. 00
Total investments	125, 500. 00		125, 500. 00
Undisbursed balance	7, 798. 98	5, 702. 11	13, 501. 09
Total assets	133, 298. 98	5, 702. 11	139, 001. 09

II—Certain Other Accounts

TABLE 93.—*Colorado River Dam fund, Boulder Canyon project, status by operating years ending May 31, 1933–62*

[On basis of reports from the agency. This fund was established under the act of December 21, 1928 (43 U.S.C. 617a)]

Operating year ended May 31	Charges				Credits			Balance due at end of operating year
	Advances [1]	Interest on advances	Interest on amount outstanding	Total	Repayment of advances [2]	Payment of interest [2]	Credit on interest charges on amounts outstanding	
1933–53	$133,549,940.62	$2,037,903.96	$56,266,965.32	$191,854,809.90	$19,570,132.98	$57,486,169.43	$818,699.85	$113,979,807.64
1954	223,000.00	4,148.63	3,419,394.23	3,646,542.86	514,421.52	3,385,578.48	37,964.38	113,688,386.12
1955	200,000.00	4,128.08	2,900,306.41	3,104,434.49	1,549,565.51	2,850,434.49	54,000.00	112,338,820.61
1956	−3,062,545.64	204.92	3,228,932.05	166,591.33	318,485.99	3,181,514.01	47,622.96	108,957,788.98
1957	1,374,046.30	2,884.93	3,267,417.08	4,644,348.31	1,552,451.95	3,225,836.26	44,465.75	108,779,383.33
1958	−56,384.72	601.67	3,256,571.26	3,200,788.21	2,802,966.78	3,197,033.22	60,139.71	105,920,031.83
1959	77,369.09	1,875.41	3,174,513.03	3,253,757.53	2,284,836.21	3,115,163.79	61,224.65	103,712,564.71
1960	1,744,127.23	18,655.73	3,109,700.76	4,872,483.72	1,628,127.10	3,071,872.90	56,483.59	103,828,564.84
1961	3,900,481.42	53,589.03	3,125,554.04	7,079,624.49	2,086,133.65	3,113,866.35	65,276.72	105,642,912.61
1962	16,277.14	12,512.19	3,128,822.98	3,157,612.31	2,189,676.18	3,081,323.82	60,011.35	103,469,513.57
Total	137,966,311.44	2,136,504.55	84,878,177.16	224,980,993.15	34,496,797.87	85,708,792.75	1,305,888.96	

[1] Excludes $25,000,000 of advances allocated to flood control, repayment of which is deferred to June 1, 1987.

[2] Repayments deposited are applied first to net interest charge, second to advances. Adjustments of payments between principal and interest are made on Treasury books after the close of the operating year of the project.

TABLE 94.—*Refugee Relief Act of 1953, loan program through June 30, 1962*

Agency	Loans made	Repayments	Balances due	Estimated number of persons receiving transportation through loans
Tolstoy Foundation, Inc	$85,000.00	$65,000.00	$20,000.00	r 2,069
United Lithuanian Relief Fund of America, Inc	25,000.00	15,000.00	10,000.00	540
United Ukrainian American Relief Committee	204,000.00	204,000.00		4,025
American Fund for Czechoslovak Refugees, Inc	70,000.00		70,000.00	r 1,091
Total	384,000.00	284,000.00	100,000.00	r 7,725

r Revised.

NOTE.—Under section 16 of the Refugee Relief Act of 1953, approved Aug. 7, 1953 (50 App. U.S.C. 1971n), the Secretary of the Treasury was authorized to make loans not to exceed $5,000,000 in the aggregate to public or private agencies for the purpose of financing inland transportation of immigrants from ports of entry to places of resettlement in the United States. Although no immigrant visas were authorized to be issued under this act after Dec. 31, 1956 (50 App. U.S.C. 1971q), those issued through that date were covered, and the loan program continued until June 30, 1957, at which time funds available for making loans expired.

Federal Aid to States

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*

[On basis of checks issued except where it is not practicable to report certain detail for all payments. The differing basis of such detail is footnoted and a checks-issued figure is used for the total. The differences in amounts between the two bases are included in "Undistributed to States, etc."]

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS

States, Territories, etc.	Department of Agriculture						
	Agricultural experiment stations[1] (1)	Cooperative agricultural extension work[2] (2)	School lunch program[3] (3)	National forests fund[4]—shared revenues (4)	National grasslands[5]—shared revenues (5)	Cooperative projects in marketing[6] (6)	State and private forestry coopertion, etc.[7] (7)
Alabama	$959,572	$2,085,648	$4,611,981	$181,610		$54,800	$324,719
Alaska	237,670	135,440	131,241	212,432		20,150	51,666
Arizona	425,774	392,191	1,358,848	501,106		13,000	
Arkansas	773,668	1,682,683	2,632,698	870,485	$5,161	36,943	402,012
California	1,011,200	1,500,586	9,554,034	2,693,001	519	155,500	1,233,585
Colorado	518,144	604,086	1,584,822	277,913	24,863	48,055	61,330
Connecticut	389,361	305,299	1,552,262			10,960	26,359
Delaware	295,435	148,717	249,734			28,000	20,431
District of Columbia			272,191				
Florida	510,493	705,341	5,135,061	215,016	7,927	84,097	790,939
Georgia	1,002,775	2,166,353	5,657,779	197,619	236	98,435	698,813
Hawaii	329,674	267,659	913,323			26,958	35,937
Idaho	414,573	436,017	800,514	1,121,453	1,686	11,859	300,729
Illinois	916,201	1,787,074	6,497,063	5,077		55,672	19,542
Indiana	855,608	1,493,102	4,318,387	10,633		123,067	53,284
Iowa	921,117	1,595,270	2,894,618	166	125	95,511	50,768
Kansas	650,690	1,143,643	2,071,371		83,770	119,386	11,221
Kentucky	955,293	2,076,781	4,356,975	68,770	268	112,500	280,829
Louisana	675,242	1,351,042	5,546,539	370,834	1,458	100,183	503,275
Maine	411,777	393,549	952,699	3,116		98,698	398,128
Maryland	493,741	556,232	2,219,007		2,007	77,309	212,155
Massachusetts	479,971	436,660	3,605,786			63,344	141,194
Michigan	901,522	1,641,807	5,699,567	188,865	3,423	246,419	613,610
Minnesota	811,741	1,528,710	3,496,132	260,563		73,998	494,371
Mississippi	945,013	2,174,382	3,804,195	684,316	−10,063	89,016	508,316
Missouri	861,139	1,850,597	3,927,619	46,079	798	158,392	307,375
Montana	432,622	520,116	650,797	511,427		27,949	171,910
Nebraska	592,488	930,860	1,214,652	15,854	7,545	30,250	14,500
Nevada	277,446	184,569	159,829	41,071			62,105
New Hampshire	315,900	216,409	510,512	43,120		9,467	146,981
New Jersey	481,121	428,357	3,068,597			71,249	181,331
New Mexico	379,226	452,953	1,130,457	146,540	11,556	50,760	62,916
New York	1,051,444	1,569,390	10,781,791		604	131,399	289,297
North Carolina	1,304,986	2,824,482	6,696,570	132,651	165	159,457	549,162
North Dakota	434,106	675,907	727,510	51	180,896	63,479	18,593
Ohio	1,033,771	2,043,549	7,411,430	8,189	605	60,626	142,803
Oklahoma	699,498	1,407,429	2,545,727	118,473	11,008	88,614	157,883
Oregon	578,132	630,754	1,760,765	10,224,467	2,292	87,907	745,372
Pennsylvania	1,145,203	2,057,719	8,451,363	128,250		31,604	373,627
Rhode Island	307,873	107,381	552,073			4,060	54,010
South Carolina	753,463	1,509,489	3,789,109	494,076	791	27,250	533,214
South Dakota	451,301	653,251	667,259	63,527	37,250	12,723	59,874
Tennessee	971,494	2,084,488	4,681,968	83,009		46,800	517,088
Texas	1,317,817	3,404,839	9,122,282	471,827	14,435	48,820	407,345
Utah	393,502	374,044	1,147,286	141,458		18,221	45,999
Vermont	313,177	262,840	374,605	45,714		22,386	94,931
Virginia	852,864	1,702,067	4,293,071	57,388	1	83,774	387,269
Washington	660,136	790,610	2,428,121	4,309,990		71,263	577,500
West Virginia	647,645	1,057,519	2,274,541	97,609		46,200	259,653
Wisconsin	850,399	1,528,923	3,322,256	78,201	7	68,404	615,844
Wyoming	346,649	305,491	336,865	155,072	19,648	10,230	16,618
Puerto Rico	877,423	1,431,962	4,669,992	2,091	241		
Virgin Islands			75,185				
Other Territories, etc.[8]			74,024				
Undistributed to States, etc	[9] 243,202	[10] 8,682,982	738,000		7,323	112,866	
Total	34,460,282	66,297,249	167,501,083	25,279,109	416,545	3,388,010	14,026,413

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Agriculture—Continued					Department of Commerce	
	Watershed protection and flood prevention [11]	Removal of surplus agricultural commodities		Commodity Credit Corporation		Bureau of Public Roads—construction	
		Food Stamp Program [12]	Value of commodities distributed	Value of commodities donated [13]	Special milk program [14]	Federal-aid highways (trust fund)	Other [15]
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Alabama	$495,764		$3,900,205	$7,459,263	$1,195,153	$64,585,102	$172,610
Alaska			25,241	127,140	28,310	13,865,441	2,308,660
Arizona	872,479		1,439,960	1,741,054	562,639	36,792,217	2,232,662
Arkansas	833,002		4,155,975	6,914,414	672,264	33,320,767	507,309
California	2,099,798		2,856,500	7,607,126	8,135,614	270,510,263	4,723,311
Colorado	548,411		1,009,751	2,111,465	841,031	31,486,723	1,370,275
Connecticut	378,657		324,159	1,257,844	1,390,092	34,161,298	
Delaware	110,555		465,337	618,446	311,232	4,701,439	
District of Columbia			935,041	1,149,391	489,776	19,168,701	
Florida	162,032		1,965,264	5,034,298	1,257,934	42,612,953	110,612
Georgia	1,360,365		2,786,278	4,827,381	1,145,938	61,120,974	20,774
Hawaii	67,675		195,860	659,339	185,397	3,902,319	
Idaho	19,569		197,743	510,377	227,735	23,328,437	3,649,731
Illinois	181,965	$440,408	2,564,782	6,660,942	6,110,240	141,824,624	8,659
Indiana	674,629		2,705,919	4,278,841	2,157,077	67,467,015	61,721
Iowa	947,007		2,074,167	3,668,576	1,844,685	38,463,749	
Kansas	666,471		848,631	1,931,243	1,010,421	36,828,187	
Kentucky	560,020	796,856	5,855,881	9,498,870	1,576,965	58,792,968	658
Louisiana	441,256		3,483,736	8,521,912	559,698	63,268,471	15,470
Maine			782,122	1,633,150	425,794	13,420,463	185,000
Maryland	188,045		1,259,587	2,103,348	1,900,384	44,354,374	
Massachusetts	197,623		1,097,625	2,722,845	3,241,168	61,348,995	
Michigan	152,584	7,695,837	6,602,273	10,117,220	5,575,481	98,593,316	320,592
Minnesota	250,908	486,138	1,657,712	3,238,540	2,523,828	58,326,986	362,469
Mississippi	1,899,813		4,671,923	9,228,092	1,331,117	35,408,672	203,700
Missouri	316,172		3,339,126	6,230,154	2,509,798	79,292,098	74,509
Montana	190,818	140,066	433,620	784,780	177,853	31,844,776	2,057,186
Nebraska	431,466		228,133	826,383	550,314	29,237,594	
Nevada	163,411		55,870	120,925	82,522	15,538,813	738,567
New Hampshire	241,905		268,172	577,433	328,596	17,268,451	174,371
New Jersey	140,739		833,370	2,260,506	2,512,188	69,906,897	
New Mexico	508,291	369,869	1,753,288	2,602,832	771,886	20,532,307	1,509,556
New York	1,031,253		9,433,735	17,712,632	9,097,073	141,663,543	
North Carolina	473,770		3,505,639	6,074,491	1,878,309	42,797,798	132,635
North Dakota	643,387		339,806	858,158	330,017	16,479,476	1,268
Ohio	155,847		6,691,413	8,778,404	5,592,986	175,400,555	31,272
Oklahoma	6,870,490		5,135,445	8,537,228	920,508	35,257,070	10,656
Oregon	939,350		1,441,246	2,430,609	570,033	46,896,069	3,267,257
Pennsylvania	546,977	2,007,980	11,401,484	20,413,590	4,225,875	98,783,365	18,100
Rhode Island			239,986	452,526	400,234	8,491,934	
South Carolina	191,088		820,150	2,379,014	658,813	33,985,333	85,800
South Dakota	183,937		625,087	1,058,412	413,449	36,229,835	344,659
Tennessee	1,303,216		4,136,667	8,603,016	1,956,155	67,740,318	140,605
Texas	8,642,407		4,729,791	9,770,085	3,212,620	128,659,500	75,100
Utah	290,270		506,819	1,320,988	269,260	25,968,946	1,434,276
Vermont			347,419	522,422	176,351	29,282,722	452,194
Virginia	394,092		1,654,015	4,249,021	1,666,371	75,948,642	132,870
Washington	533,990		2,772,087	4,494,127	1,495,805	54,505,137	1,941,671
West Virginia	792,229	1,215,541	5,406,168	8,232,391	497,149	21,913,985	133,690
Wisconsin	496,438		1,708,189	3,241,041	3,310,233	54,730,459	429,927
Wyoming	193,650		229,052	437,432	162,897	26,558,508	1,192,729
Puerto Rico			6,835,662	10,029,135		3,699,129	8,652
Virgin Islands			38,460	88,152			
Other Territories, etc.[8]			61,304	271,482			
Undistributed to States, etc.			53,000,000	-37,073,963	2,159,627	5,682,627	247,703
Total	38,783,821	13,152,695	181,832,875	199,904,523	90,626,895	2,751,950,343	30,889,467

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Commerce—Continued	Department of Defense		Funds appropriated to the President	Department of Health, Education, and Welfare	
		Army				
	State marine schools [16]	Lease of flood control lands—shared revenues	Civil Defense [17]	Disaster relief [17]	American Printing House for the Blind	White House Conference on Aging [17]
	(15)	(16)	(17)	(18)	(19)	(20)
Alabama	----	$4,718	$438,475	$351,098	$12,602	----
Alaska	----	----	38,479	----	----	−$564
Arizona	----	469	163,880	----	5,961	----
Arkansas	----	74,874	171,777	707,835	6,641	----
California	$146,010	174,299	1,975,572	−2,310	61,728	----
Colorado	----	11,939	246,333	----	6,281	----
Connecticut	----	182	46,842	300,198	15,002	−394
Delaware	----	3,306	60,555	----	1,920	−6,173
District of Columbia	----	----	80,372	----	1,640	----
Florida	----	9,336	414,309	1,132,673	18,522	----
Georgia	----	44,535	329,088	211,820	16,682	----
Hawaii	----	----	215,721	159,174	2,720	----
Idaho	----	78	81,057	655,643	1,120	−3,576
Illinois	----	72,927	240,322	619,562	29,684	----
Indiana	----	737	107,206	572,762	13,042	----
Iowa	----	40,199	136,254	----	7,001	----
Kansas	----	77,538	207,309	----	8,241	----
Kentucky	----	88,068	104,897	----	7,281	−2,674
Louisiana	----	21,051	312,981	----	11,241	----
Maine	126,600	----	437,308	----	1,600	----
Maryland	----	256	500,215	----	14,122	----
Massachusetts	131,902	2,795	1,548,177	39,735	26,483	−984
Michigan	----	3,163	419,203	----	28,124	−1,114
Minnesota	----	1,229	386,544	----	11,121	----
Mississippi	----	107,659	116,897	860,165	6,721	----
Missouri	----	92,215	208,456	315,587	10,921	----
Montana	----	16,709	58,895	----	2,120	----
Nebraska	----	45,725	388,303	175,353	3,761	−1,331
Nevada	----	----	39,138	129,605	840	----
New Hampshire	----	1,971	77,269	----	1,960	−5,514
New Jersey	----	786	434,029	3,233,298	24,283	----
New Mexico	----	----	198,489	----	4,441	----
New York	136,966	2,331	1,945,952	----	61,568	----
North Carolina	----	2,876	500,951	500,837	19,682	----
North Dakota	----	159,162	251,528	----	1,280	----
Ohio	----	5,099	192,367	−54,744	31,964	----
Oklahoma	----	260,601	245,237	−418	4,081	----
Oregon	----	6,010	180,079	----	8,841	----
Pennsylvania	----	11,029	854,454	348,736	46,406	----
Rhode Island	----	----	88,232	----	3,280	----
South Carolina	----	1,126	199,540	----	7,001	----
South Dakota	----	33,873	47,473	136,540	2,000	----
Tennessee	----	41,379	113,525	----	12,202	----
Texas	----	164,602	810,353	3,011,466	23,483	----
Utah	----	----	344,472	----	2,840	−7,234
Vermont	----	672	54,872	----	840	----
Virginia	----	15,354	171,277	----	13,802	----
Washington	----	4,750	191,535	−2,526	11,962	−254
West Virginia	----	744	86,044	979,833	8,561	−398
Wisconsin	----	5,441	386,766	----	11,001	−749
Wyoming	----	----	54,185	----	1,160	----
Puerto Rico	----	----	−114,619	----	3,160	−73
Virgin Islands	----	----	−9,014	----	----	−213
Other Territories, etc.[8]	----	----	10,252	----	80	----
Undistributed to States, etc.	----	----	----	----	31,000	----
Total	541,478	1,611,813	[18] 16,789,813	14,381,924	670,000	−31,245

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Office of Education						
	Colleges of agriculture and mechanical arts [19]	Cooperative vocational education [20]	Assistance for school construction	Maintenance and operation of schools	Library services	Defense education activities [17]	Expansion of teaching in education of the mentally retarded
	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Alabama	$205,079	$990,741	$1,579,099	$5,368,962	$184,761	$909,952	$11,042
Alaska	144,506	105,085	1,694,182	6,573,061	40,000	105,268	4,900
Arizona	165,941	220,026	831,264	4,714,003	72,538	588,990	----------
Arkansas	175,585	727,818	379,047	1,250,882	140,200	2,801,142	13,000
California	453,113	2,208,211	8,855,911	34,127,084	250,030	3,335,692	22,300
Colorado	174,942	344,140	744,494	8,401,913	85,259	391,857	17,586
Connecticut	190,506	401,206	1,187,099	2,121,080	105,425	704,395	11,633
Delaware	148,891	193,501	----------	694,462	62,005	224,716	----------
District of Columbia	----------	130,480	----------	----------	----------	217,913	----------
Florida	238,643	783,377	726,135	6,199,914	165,938	1,985,848	11,643
Georgia	218,553	1,081,943	1,011,844	5,189,019	212,827	1,980,911	12,600
Hawaii	3,927,606	184,230	952,988	4,448,245	54,606	411,006	----------
Idaho	153,292	245,250	364,082	1,655,960	74,029	−23,663	12,564
Illinois	340,833	1,762,663	380,899	3,991,894	231,168	2,811,424	11,800
Indiana	232,885	1,051,590	103,617	1,115,532	405,552	1,103,597	13,000
Iowa	194,935	837,088	34,673	839,694	167,096	1,299,835	13,812
Kansas	183,402	562,000	384,602	5,850,869	75,721	785,488	20,450
Kentucky	200,525	1,043,741	----------	1,369,394	205,363	1,055,508	9,800
Louisiana	204,885	864,324	46,921	935,910	157,418	979,181	11,209
Maine	159,309	258,375	296,486	1,959,054	85,752	227,422	10,600
Maryland	201,771	487,335	1,226,706	8,442,404	173,999	1,096,241	11,000
Massachusetts	242,568	760,604	1,783,395	6,897,532	100,898	2,074,731	8,100
Michigan	295,851	1,481,963	1,480,415	1,894,389	244,534	4,261,859	12,200
Minnesota	208,010	925,875	216,902	476,446	173,045	1,181,877	13,000
Mississippi	183,392	910,428	689,394	1,472,551	173,202	440,644	11,400
Missouri	226,058	1,069,557	465,058	2,630,359	178,493	1,567,266	11,800
Montana	153,443	209,056	928,775	1,779,085	73,006	36,705	7,300
Nebraska	168,116	426,436	616,734	2,777,929	103,329	506,955	12,867
Nevada	145,683	187,272	575,445	1,454,329	51,500	175,118	10,600
New Hampshire	152,091	166,675	94,614	1,241,875	64,845	285,055	12,200
New Jersey	260,860	821,993	379,902	5,033,997	102,236	2,321,569	11,000
New Mexico	158,946	229,030	1,526,571	4,915,534	71,851	632,325	10,682
New York	474,331	2,533,312	462,970	6,047,882	280,484	5,167,210	16,700
North Carolina	230,766	1,575,466	962,365	2,643,686	310,305	3,332,827	11,400
North Dakota	152,599	300,483	535,294	824,356	66,348	573,315	10,600
Ohio	333,367	1,881,780	522,553	5,216,913	294,172	4,278,223	11,000
Oklahoma	186,383	647,009	611,861	7,289,031	134,745	1,424,342	12,200
Oregon	175,235	413,665	161,405	1,066,479	105,614	1,376,830	24,866
Pennsylvania	365,500	2,206,709	1,610	5,089,480	670,452	2,603,353	13,800
Rhode Island	157,122	168,172	205,413	1,909,874	84,548	226,087	8,900
South Carolina	187,465	758,009	734,615	3,596,961	250,039	1,056,821	----------
South Dakota	153,557	278,494	1,169,399	2,182,508	80,565	76,950	11,400
Tennessee	211,062	1,126,226	66,000	2,355,447	207,063	1,511,547	9,800
Texas	330,843	1,885,982	2,660,877	13,234,662	331,190	853,260	10,600
Utah	157,743	192,416	657,662	2,170,042	61,932	434,466	11,319
Vermont	147,767	187,793	----------	37,568	63,550	299,823	----------
Virginia	219,028	1,041,996	1,050,776	14,588,827	212,929	1,542,117	9,400
Washington	196,841	603,848	851,770	8,766,325	128,774	1,299,512	22,967
West Virginia	177,063	594,047	9,256	128,996	152,796	847,773	10,600
Wisconsin	218,726	997,420	650,705	741,405	180,303	1,756,349	13,800
Wyoming	146,575	167,872	397,144	819,863	106,364	37,082	4,942
Puerto Rico	186,807	843,307	----------	----------	162,226	537,669	----------
Virgin Islands	----------	45,016	----------	81,518	11,382	66,354	----------
Other Territories, etc.[8]	----------	57,582	815,563	820,336	14,247	54,770	----------
Undistributed to States, etc.	----------	----------	----------	10,872,405	----------	----------	----------
Total	14,519,000	40,178,617	42,084,492	226,307,926	8,196,654	65,833,507	554,382

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service						
	Control of venereal diseases (28)	Control of tuberculosis (29)	Community health practice and research (30)	Mental health activities (31)	National Cancer Institute (32)	National Heart Institute (33)	Water supply and water pollution control [21] (34)
Alabama	$40,044	$111,676	$397,652	$125,252	$76,699	$116,974	$96,864
Alaska	1,000	17,089	41,264	51,864	----------	3,930	15,610
Arizona	17,084	70,424	132,143	50,494	25,007	1,300	35,872
Arkansas	75,325	53,406	255,928	58,246	44,368	77,970	63,267
California	106,769	279,887	988,812	464,733	239,402	274,735	267,746
Colorado	2,449	46,067	163,200	66,417	33,945	69,321	44,245
Connecticut	10,854	34,443	134,410	73,284	35,865	60,735	76,158
Delaware	11,339	14,926	27,164	73,450	26,354	27,900	47,864
District of Columbia	71,278	32,948	42,495	66,597	32,439	46,951	38,383
Florida	105,494	97,402	416,975	163,582	125,347	124,734	107,200
Georgia	233,471	109,284	433,197	144,975	84,334	126,500	108,856
Hawaii	1,250	19,347	[22] 904,877	66,597	26,350	44,177	35,665
Idaho	5,650	14,077	90,531	66,597	26,354	50,853	26,257
Illinois	218,056	196,650	610,979	298,113	152,170	168,632	149,148
Indiana	----------	65,172	348,489	144,349	77,216	113,093	111,428
Iowa	8,387	31,747	250,725	80,468	29,200	50,365	62,980
Kansas	15,347	28,151	196,277	72,846	43,431	59,165	54,480
Kentucky	40,425	94,420	301,730	112,394	61,196	99,107	87,870
Louisiana	67,074	89,609	337,344	118,029	67,272	110,688	89,318
Maine	----------	20,372	100,258	65,528	8,911	16,000	36,699
Maryland	35,435	83,423	221,719	98,050	51,971	89,509	89,111
Massachusetts	----------	132,526	349,407	149,330	95,028	120,414	135,217
Michigan	59,119	152,729	517,898	245,895	127,111	161,641	171,192
Minnesota	920	40,142	297,950	104,161	64,591	78,084	82,081
Mississippi	31,095	72,387	338,497	92,884	63,317	112,745	81,048
Missouri	42,572	82,300	351,077	141,059	85,153	86,981	52,199
Montana	7,248	18,259	82,338	66,597	18,079	30,000	24,190
Nebraska	12,438	22,790	147,509	66,519	30,414	12,600	27,531
Nevada	7,488	11,612	40,403	46,993	5,073	10,975	11,321
New Hampshire	----------	12,727	56,878	65,046	24,605	18,900	33,287
New Jersey	67,081	99,245	369,809	184,421	100,260	121,747	144,857
New Mexico	35,306	29,480	117,363	66,597	26,354	57,277	30,186
New York	531,874	384,065	944,527	503,813	273,326	283,315	306,400
North Carolina	114,231	75,383	519,769	171,088	96,825	124,252	132,529
North Dakota	11,367	14,485	106,208	66,597	26,354	51,397	26,361
Ohio	9,003	152,514	661,064	303,688	161,589	197,080	207,788
Oklahoma	18,744	45,355	238,418	79,451	51,313	85,750	59,005
Oregon	6,259	30,293	148,224	66,245	24,643	35,349	46,106
Pennsylvania	116,712	271,058	822,933	370,325	205,864	225,585	239,835
Rhode Island	2,050	45,380	64,102	65,470	26,006	48,886	60,660
South Carolina	83,295	62,438	302,846	93,952	56,925	107,585	81,771
South Dakota	8,724	13,000	100,414	64,976	8,894	11,877	27,291
Tennessee	86,479	111,935	391,350	135,794	73,449	126,754	103,377
Texas	141,976	167,733	815,470	323,188	174,676	234,997	191,763
Utah	----------	13,143	106,300	39,000	5,773	9,028	17,520
Vermont	----------	17,335	60,189	75,089	31,865	13,793	25,948
Virginia	46,364	88,827	330,349	136,267	71,839	76,580	97,898
Washington	4,246	45,393	201,796	90,577	47,182	78,632	80,386
West Virginia	18,909	46,290	189,824	66,535	40,737	65,126	58,822
Wisconsin	----------	49,144	310,362	127,866	74,003	102,802	97,400
Wyoming	----------	10,334	53,534	24,000	7,179	14,200	17,988
Puerto Rico	32,538	154,350	334,622	96,177	59,532	116,932	28,220
Virgin Islands	6,065	6,474	6,441	23,287	4,748	5,976	4,363
Other Territories, etc.[8]	----------	11,357	11,317	35,409	5,604	6,559	6,400
Undistributed to States, etc	----------	----------	----------	----------	----------	----------	----------
Total	[23] 2,568,834	[24] 4,001,003	[24] 15,785,357	6,650,161	[24] 3,436,142	4,566,458	4,355,961

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service—Continued				Social Security Administration		
	Chronic diseases and health of the aged	Construction			Maternal and child welfare services—Children's Bureau		
		Hospital activities	Waste treatment works	Health research facilities	Maternal and child health services	Services for crippled children	Child welfare services
	(35)	(36)	(37)	(38)	(39)	(40)	(41)
Alabama	$114,927	$3,265,303	$1,219,765	----------	$684,400	$766,394	$472,465
Alaska	----------	3,827,827	73,560	----------	173,946	148,791	69,732
Arizona	16,704	1,540,051	426,920	----------	232,462	----------	184,834
Arkansas	61,400	4,031,209	869,717	----------	386,924	403,568	283,504
California	356,300	7,004,415	1,735,949	$165,469	1,338,044	1,080,945	1,027,620
Colorado	52,200	1,749,942	761,623	----------	423,203	304,621	208,154
Connecticut	37,640	663,761	656,000	----------	396,156	286,180	182,907
Delaware	40,000	639,148	379,301	----------	130,135	127,851	77,364
District of Columbia	40,000	605,033	117,447	----------	311,248	280,212	89,181
Florida	168,900	5,457,808	1,021,841	15,316	774,088	584,334	453,712
Georgia	47,097	5,799,705	1,264,258	----------	734,173	841,875	533,931
Hawaii	40,000	694,594	331,055	----------	180,392	181,867	115,419
Idaho	40,000	998,313	615,946	----------	190,638	162,880	95,274
Illinois	253,500	4,895,160	1,624,431	----------	673,316	748,013	700,950
Indiana	52,450	3,159,509	1,101,215	----------	373,634	572,177	444,551
Iowa	44,550	3,466,056	572,077	----------	306,992	498,743	315,928
Kansas	80,500	2,574,140	794,986	----------	260,489	287,338	251,452
Kentucky	89,177	4,117,346	1,091,278	----------	548,688	526,695	430,459
Louisiana	43,200	2,271,263	1,314,672	----------	480,514	569,690	445,975
Maine	23,000	1,103,273	167,398	----------	177,746	155,152	149,680
Maryland	72,700	2,999,243	610,915	5,750	451,250	465,672	296,645
Massachusetts	90,180	3,180,198	1,004,030	----------	416,328	452,289	404,396
Michigan	197,600	4,965,850	1,407,602	----------	920,920	954,296	733,868
Minnesota	121,200	3,329,367	975,946	----------	509,429	693,725	380,892
Mississippi	121,600	4,695,193	864,906	370,000	625,387	564,984	362,306
Missouri	152,900	4,314,863	633,551	----------	523,274	442,124	411,436
Montana	[25] 21,837	801,119	434,168	----------	141,666	193,333	119,572
Nebraska	20,100	1,277,263	341,313	----------	140,500	121,333	184,249
Nevada	25,000	680,453	483,750	----------	123,208	82,327	71,672
New Hampshire	----------	1,254,093	174,600	----------	108,940	123,953	100,096
New Jersey	143,900	2,834,165	1,007,853	----------	354,651	276,567	418,107
New Mexico	40,000	1,513,692	805,178	----------	254,940	217,683	160,473
New York	417,900	9,352,540	1,586,587	428,200	1,179,338	894,541	1,010,675
North Carolina	168,100	5,945,879	1,170,316	----------	889,007	1,011,378	631,553
North Dakota	40,000	1,472,443	846,323	----------	140,164	145,056	130,137
Ohio	262,000	5,744,950	1,286,812	----------	1,005,029	910,510	818,792
Oklahoma	92,700	2,457,998	1,109,300	----------	381,051	366,922	283,711
Oregon	21,600	1,684,791	772,941	----------	212,299	238,977	206,303
Pennsylvania	339,900	8,484,193	2,502,710	----------	1,090,985	1,130,773	939,497
Rhode Island	40,000	947,973	142,535	----------	220,072	178,007	120,879
South Carolina	73,330	4,782,605	414,568	----------	527,017	583,067	400,424
South Dakota	15,000	1,499,020	180,414	----------	63,432	140,465	130,464
Tennessee	57,693	4,881,741	1,133,925	----------	666,787	727,044	471,735
Texas	208,900	10,646,381	1,264,401	4,365	1,036,041	1,484,967	1,039,606
Utah	----------	311,707	882,104	----------	138,756	164,446	156,758
Vermont	33,338	417,021	403,242	----------	125,742	125,967	91,880
Virginia	99,800	6,737,031	642,825	1,378	752,957	695,063	472,434
Washington	61,524	1,750,845	791,609	----------	389,411	320,317	284,914
West Virginia	67,400	1,711,186	480,578	----------	431,143	404,408	278,793
Wisconsin	105,264	3,991,938	824,102	43,424	417,464	513,414	413,234
Wyoming	33,429	273,906	288,776	----------	128,574	125,825	82,717
Puerto Rico	50,000	44,684	495,996	----------	108,716	108,621	56,313
Virgin Islands	12,000	----------	----------	----------	----------	----------	----------
Other Territories, etc.[8]	----------	4,727,094	----------	----------	600,005	706,297	448,230
Undistributed to States, etc.	----------	----------	----------	----------	----------	----------	----------
Total	[24] 4,808,440	167,575,281	42,103,315	1,033,902	23,851,671	24,091,677	18,645,853

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Social Security Administration—Continued					Office of Vocational Rehabilitation
	Bureau of Family Services					
	Old-age assistance	Aid to dependent children	Aid to the permanently and totally disabled	Aid to the blind	Medical assistance for the aged	
	(42)	(43)	(44)	(45)	(46)	(47)
Alabama	$55,317,235	$9,671,142	$4,829,778	$659,787	$289,288	$2,560,487
Alaska	739,118	1,087,156	----------	54,530	----------	117,704
Arizona	7,230,896	9,859,617	----------	519,478	----------	559,730
Arkansas	27,505,483	4,253,001	3,180,860	1,015,187	438,261	1,953,272
California	146,459,357	85,809,978	10,046,803	6,923,907	13,561,630	3,333,797
Colorado	29,101,163	9,145,409	3,152,142	143,155	----------	734,068
Connecticut	8,550,846	11,224,450	1,453,576	164,330	----------	393,050
Delaware	504,811	2,047,069	261,187	149,330	----------	174,095
District of Columbia	1,956,976	6,716,427	1,494,862	102,368	----------	283,157
Florida	38,060,045	16,502,276	6,896,539	1,335,087	----------	2,401,748
Georgia	41,977,307	14,144,939	11,405,349	1,699,238	----------	3,522,857
Hawaii	718,140	3,204,916	527,781	55,252	451,174	452,465
Idaho	3,637,059	2,603,795	1,082,137	79,552	1,388,752	230,010
Illinois	42,420,597	64,019,374	12,978,282	1,669,202	646,079	2,550,552
Indiana	14,051,318	11,769,947	----------	1,086,185		610,777
Iowa	21,489,852	10,170,541	468,988	792,950	----------	1,033,524
Kansas	17,624,637	7,155,175	2,420,415	334,754	----------	817,082
Kentucky	26,849,908	19,089,639	4,825,360	1,327,765	321,456	792,231
Louisiana	83,595,177	23,069,689	9,356,389	1,654,744	1,613,702	2,075,946
Maine	6,685,760	5,592,373	1,345,698	233,579	360,183	352,045
Maryland	5,071,218	12,981,187	3,362,507	217,612	964,185	710,078
Massachusetts	35,694,891	16,532,645	5,288,657	1,112,573	20,426,004	1,382,419
Michigan	32,436,083	30,184,088	3,143,286	889,033	8,544,715	1,636,747
Minnesota	29,169,869	11,044,644	1,463,060	612,319	----------	1,263,766
Mississippi	25,272,372	7,421,700	4,196,542	1,380,850	----------	1,144,840
Missouri	57,001,936	23,151,612	7,990,717	2,201,245	----------	1,280,402
Montana	3,413,705	2,038,957	757,018	182,408	----------	329,211
Nebraska	9,381,030	3,803,059	1,399,849	448,254	----------	439,899
Nevada	1,479,918	1,275,352	----------	108,612	----------	85,818
New Hampshire	3,143,157	1,209,541	289,050	141,648	111,116	142,710
New Jersey	10,391,386	19,912,314	3,766,983	523,232	----------	1,278,607
New Mexico	6,817,136	8,342,061	1,726,115	215,683	----------	269,229
New York	33,333,441	100,203,266	18,739,008	1,876,113	57,231,883	4,888,358
North Carolina	21,873,788	24,590,237	11,303,100	2,945,061	----------	2,585,752
North Dakota	4,676,899	2,078,396	743,930	59,301	1,187,038	399,710
Ohio	50,841,613	34,349,167	8,129,582	1,972,393	----------	1,659,652
Oklahoma	60,920,140	19,741,045	6,495,219	1,050,868	476,186	1,559,545
Oregon	10,033,224	7,872,297	2,761,181	149,020	1,187,349	699,028
Pennsylvania	24,268,796	70,037,636	7,864,871	2,807,860	3,460,000	5,533,700
Rhode Island	4,358,225	5,990,820	1,759,076	71,645	----------	445,288
South Carolina	11,949,075	5,450,006	3,526,986	767,922	839,192	1,370,333
South Dakota	5,574,303	2,984,225	674,877	91,247	----------	305,945
Tennessee	22,239,795	16,352,112	4,959,275	1,119,053	300,887	1,829,469
Texas	116,734,125	15,486,357	3,856,493	3,152,425	----------	2,016,287
Utah	4,097,331	4,422,385	1,721,222	93,202	370,907	292,040
Vermont	3,226,585	1,253,526	473,018	57,920	----------	247,260
Virginia	7,463,887	10,481,801	3,808,754	671,023	16,897	1,503,138
Washington	26,160,348	14,148,058	3,694,594	340,742	526,040	879,437
West Virginia	7,313,348	29,754,177	3,088,674	404,410	4,142,479	1,585,399
Wisconsin	20,351,314	10,202,919	2,506,304	500,971	----------	1,132,416
Wyoming	1,733,194	830,507	332,929	32,060	----------	115,066
Puerto Rico	2,013,488	5,477,977	1,356,688	101,809	----------	1,022,907
Virgin Islands	142,233	132,608	25,002	3,928	----------	27,498
Other Territories, etc.[8]	25,060	80,900	16,996	1,592	----------	67,074
Undistributed to States, etc.	----------	----------	----------	----------	----------	----------
Total	1,233,078,598	836,954,495	196,947,709	46,304,414	118,855,403	65,077,625

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of the Interior					Department of Labor
	Federal aid in wildlife restoration, and fish restoration and management [26]	Migratory Bird Conservation Act and Alaska game law—shared revenues [27]	Payments from receipts under Mineral Leasing Act—shared revenues	Payments under certain special funds—shared revenues [28]	Bureau of Indian Affairs [29]	Unemployment Compensation and Employment Service Administration (trust fund)
	(48)	(49)	(50)	(51)	(52)	(53)
Alabama	$462,527	$22	$874	$166		$5,515,653
Alaska	521,615	8,070	4,524,289	18,502	$587,995	1,885,345
Arizona	543,560		196,579	351,578	2,456,848	5,535,520
Arkansas	424,315	10,411	56,738	176		4,502,365
California	830,081	3,154	2,885,796	142,333		53,054,051
Colorado	324,728	1,887	3,283,001	30,438	88,216	4,711,501
Connecticut	135,238					6,987,800
Delaware	143,000	44				1,071,465
District of Columbia						2,716,019
Florida	285,283	4,007	120	1,340	21,200	8,622,965
Georgia	407,982	12,019				5,822,935
Hawaii	129,289					1,617,431
Idaho	402,357	2,738	101,204	42,376	130,000	2,742,781
Illinois	360,397	4,964		176		20,242,255
Indiana	489,674					6,805,265
Iowa	403,406	811			29,118	3,907,794
Kansas	418,557	1,275	150,914		10,500	3,206,387
Kentucky	280,352	446				4,556,094
Louisiana	354,769	283,015	118,223	381		5,930,730
Maine	198,377	1,131				2,107,538
Maryland	169,368	319				7,172,559
Massachusetts	130,926	68				15,645,306
Michigan	832,359	5,396	5,746	135		20,844,031
Minnesota	740,869	2,534		1,012	164,171	5,937,866
Mississippi	284,588	12,417	2,818	216	200,000	4,086,591
Missouri	628,275	1,031		6		7,647,678
Montana	701,155	12,299	1,756,999	127,909	166,866	2,186,846
Nebraska	316,521	31,405	11,382	177	165,000	2,417,787
Nevada	261,750	4,177	197,508	385,384	109,690	1,886,585
New Hampshire	98,127					1,705,256
New Jersey	140,784					16,714,078
New Mexico	417,707	604	9,184,838	52,617	1,623,302	2,598,579
New York	855,552	1,859				62,481,830
North Carolina	434,314	530			18,300	8,259,486
North Dakota	249,262	8,372	99,490	1,616	257,038	1,752,590
Ohio	476,600					19,932,617
Oklahoma	433,867	12,325	79,575	8,391	543,565	6,020,990
Oregon	472,074	45,883	6,175	14,669,853	23,960	6,032,172
Pennsylvania	628,283	124				31,846,393
Rhode Island	73,145					4,073,738
South Carolina	327,228	89				3,986,065
South Dakota	187,472	4,183	51,277	11,878	630,038	1,428,713
Tennessee	421,529	185				5,189,205
Texas	1,106,154	9,063		3,422		17,851,851
Utah	398,292	215	2,918,309	35,044	100,717	4,243,197
Vermont	113,173	18				1,369,654
Virginia	364,595	737				4,568,321
Washington	391,869	3,617	2,656	21,331	96,900	8,249,497
West Virginia	171,040					3,325,890
Wisconsin	360,082	6,173		108	92,000	6,314,700
Wyoming	393,723	37	13,431,374	112,129	55,766	1,207,815
Puerto Rico	25,428					2,819,175
Virgin Islands	40,434					138,189
Other Territories, etc.[8]	30,370					28,221
Undistributed to States, etc.						[30] 7,219,361
Total	19,792,421	497,655	39,065,885	16,018,695	7,571,190	448,724,728

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Federal Aviation Agency	Federal Power Commission	Housing and Home Finance Agency			Small Business Administration
			Office of Administrator		Public Housing Administration	
	Federal airport program [31]	Payments to States under Federal Power Act—shared revenues	Urban renewal program	Urban planning assistance	Annual contributions	Grants for research and management counseling
	(54)	(55)	(56)	(57)	(58)	(59)
Alabama	$1,185,781		$2,920,483	$40,470	$6,293,084	
Alaska	2,163,929	$612	488,948	31,660	217,701	
Arizona	1,137,159	397		2,092	412,127	
Arkansas	158,964	4	241,810	78,229	813,788	
California	6,087,904	27,794	13,156,236	534,969	6,604,230	$3,960
Colorado	1,592,163	494	155,576	155,181	1,097,097	12,625
Connecticut	695,869		7,634,539	125,930	2,639,899	
Delaware	103,523		635,026		544,912	9,550
District of Columbia			5,848,814		3,164,546	
Florida	1,474,157	4		96,626	3,010,814	17,000
Georgia	471,184	36	4,838,824	83,411	7,970,221	10,742
Hawaii	1,168,784		4,943,543	83,295	503,912	15,867
Idaho	173,725	4,801			21,976	
Illinois	2,396,078		10,948,911	277,334	12,197,371	24,210
Indiana	959,898		2,006,064	33,493	1,031,938	9,800
Iowa	1,002,535		1,344,700	107,670		12,919
Kansas	76,635		3,244,382	109,100		12,000
Kentucky	1,000,413		1,111,124	102,041	2,895,839	10,000
Louisiana	733,505			67,246	4,300,363	
Maine	131,808		158,822	98,951	47,919	
Maryland	490,957		7,829,447	152,338	3,620,592	26,190
Massachusetts	1,754,359		1,542,252	417,264	5,839,123	29,849
Michigan	2,496,281	105	11,568,716	[32] 322,936	3,301,561	
Minnesota	2,026,258	11	3,060,775	427,220	1,599,171	13,650
Mississippi	502,797	24		82,287	1,639,547	2,300
Missouri	1,405,777		4,980,116	90,000	4,276,352	15,000
Montana	913,813	10,897		6,842	218,883	6,000
Nebraska	588,139			13,687	357,969	
Nevada	617,411	894	162,523	8,568	155,959	10,000
New Hampshire	241,076		548,288	27,767	406,745	4,000
New Jersey	702,813		6,596,620	319,627	10,522,595	9,000
New Mexico	139,872	3		125,003	46,431	15,000
New York	4,127,431		13,454,539	52,850	23,097,982	17,100
North Carolina	1,037,923	31	2,268,120	129,043	3,132,907	
North Dakota	4,260		248,799		17,573	
Ohio	3,359,045		9,643,849	217,160	4,180,411	16,133
Oklahoma	1,741,255		65,404	88,560		
Oregon	404,633	4,440	918,188	199,081	262,013	2,000
Pennsylvania	4,003,602	2	19,284,391	608,562	10,182,155	22,500
Rhode Island	200,760		1,089,769	57,090	1,357,851	
South Carolina	578,929	183	139,480	21,294	1,275,092	
South Dakota	135,192					897
Tennessee	1,236,981		8,351,720	151,750	4,991,474	12,000
Texas	1,947,225		3,017,314	132,630	7,952,939	9,400
Utah	525,615	1,423		33,900		16,000
Vermont	50,278			33,507		9,000
Virginia	858,528	16	4,308,381	116,500	4,261,877	17,000
Washington	740,918	1,894	703,844	273,736	929,573	17,313
West Virginia	534,481	3		75,586	506,896	1,043
Wisconsin	832,294	74	596,143	257,410	772,816	18,800
Wyoming	98,712	106		5,170		6,000
Puerto Rico	676,979	13	2,475,633	427,785	5,313,387	4,000
Virgin Islands	169,048				275,176	6,000
Other Territories, etc.[8]				259		
Undistributed to States, etc.						
Total	57,857,657	54,261	162,532,113	6,903,110	154,262,784	444,848

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Tennessee Valley Authority	Veterans' Administration		Miscellaneous grants	Total grant payments (Part A)
	Shared revenues [33]	State homes for disabled soldiers and sailors [34]	Approval and supervision of training establishments [35]		
	(60)	(61)	(62)	(63)	(64)
Alabama	$1,440,898		$51,534		$194,810,580
Alaska				[36] $6,568,801	49,288,896
Arizona					84,633,878
Arkansas			21,625	[37] 82,000	110,657,503
California		$1,651,629	135,084	[38] 9,740	730,281,936
Colorado		64,276	13,587		108,643,707
Connecticut		660,779	469		88,194,633
Delaware					15,599,317
District of Columbia				[39] 30,318,087	76,820,972
Florida			42,180		158,666,430
Georgia	63,912	108,541	44,415		194,439,110
Hawaii				[40] 6,617,211	40,071,087
Idaho		45,558			49,308,451
Illinois		542,256	86,484		359,619,064
Indiana		159,070	20,943		134,516,458
Iowa		205,419	9,476		102,824,267
Kansas		42,472			93,863,541
Kentucky	874,242		27,636		160,680,868
Louisiana			70,928		227,613,692
Maine					41,605,203
Maryland					113,860,188
Massachusetts		694,163	49,355		200,020,344
Michigan		591,491	13,973		275,905,506
Minnesota		236,349	82,490		141,630,667
Mississippi	259,409				120,796,592
Missouri		47,247	34,133		223,760,642
Montana		46,395	4,335		56,047,958
Nebraska		107,600			61,190,533
Nevada					28,545,082
New Hampshire		31,141	6,178		32,273,284
New Jersey		166,323			169,675,334
New Mexico					72,959,015
New York		3,119	1,117		548,354,416
North Carolina	111,512		52,738		166,414,428
North Dakota		71,583			38,560,368
Ohio		424,855	50,498		367,038,538
Oklahoma		412,629	32,854		177,527,237
Oregon					122,329,878
Pennsylvania		164,360	62,760	[41] 90,963	359,403,994
Rhode Island		221,935			35,123,067
South Carolina			11,268		89,832,132
South Dakota		118,448			59,435,989
Tennessee	3,964,576		28,813	[37] 35,700	178,071,662
Texas			56,073		384,260,408
Utah					57,051,061
Vermont		35,237	941		40,979,172
Virginia	25,604		14,822		159,018,444
Washington		312,074	10,279		148,307,493
West Virginia			28,539		100,361,351
Wisconsin		188,274	16,100		126,560,803
Wyoming		12,714			51,127,791
Puerto Rico			4,676	[42] 29,776,857	82,356,267
Virgin Islands				[43] 6,173,478	7,599,788
Other Territories, etc.[8]				[44] 15,576,450	24,564,834
Undistributed to States, etc.					51,923,134
Total	6,740,153	7,365,937	1,086,303	95,249,287	7,895,006,993

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES

States, Territories, etc.	Department of Agriculture					Department of Commerce	Department of Defense
	Agricultural conservation program [45]	Sugar Act program	Conservation reserve program [46]	Great Plains conservation program	Rural housing grants	State marine schools (subsistence of cadets)	Air Force — National Guard [47]
	(65)	(66)	(67)	(68)	(69)	(70)	(71)
Alabama	$6,812,459		$5,059,168		$970		$2,246,973
Alaska	67,583						1,121,625
Arizona	1,696,927		102,984				2,459,305
Arkansas	5,572,030		7,095,447		6,500		1,878,308
California	5,495,001	$9,820,317	2,607,354			$120,381	8,552,046
Colorado	3,395,500	6,074,487	9,812,592	$483,498			3,410,267
Connecticut	449,422		86,631				1,878,902
Delaware	371,855		300,863				1,231,267
District of Columbia							1,495,765
Florida	3,134,118	1,713,388	2,194,520				1,798,960
Georgia	7,601,968		12,044,342		2,000		4,061,642
Hawaii	135,971	9,965,253					3,896,047
Idaho	3,695,506	5,556,038	3,489,681				1,687,889
Illinois	9,737,370	76,392	7,458,227				2,945,241
Indiana	6,229,559		8,926,517				1,673,802
Iowa	11,577,317	49,108	11,754,864				3,984,792
Kansas	6,829,365	377,665	17,138,187	418,246	370		2,482,711
Kentucky	7,859,393		6,216,304		1,500		1,568,961
Louisiana	4,532,552	9,103,593	2,942,157		500		1,821,263
Maine	1,011,458		1,504,929		3,500	170,953	1,799,345
Maryland	1,405,237		1,391,497				1,888,070
Massachusetts	577,994		35,231			111,516	2,307,286
Michigan	5,525,975	2,630,686	9,213,193		1,850		4,134,597
Minnesota	7,979,551	2,918,419	20,865,155		500		2,513,272
Mississippi	7,205,752		4,323,623		12,640		1,781,977
Missouri	9,394,637		11,690,347		920		3,031,411
Montana	4,423,048	2,307,323	5,508,708	506,613			1,668,938
Nebraska	7,118,574	2,860,148	10,439,293	712,983			1,367,016
Nevada	412,708						1,158,083
New Hampshire	556,730		154,346				772,619
New Jersey	744,372		842,184				2,733,265
New Mexico	2,046,973	5,475	7,031,362	464,027			1,568,559
New York	5,119,805		6,395,797		500	272,811	6,061,134
North Carolina	7,779,216		4,058,609		500		1,376,418
North Dakota	8,531,139	1,410,518	25,636,845	538,259			1,596,094
Ohio	6,576,851	711,025	8,768,969		500		3,722,498
Oklahoma	8,515,978		15,949,657	447,311	1,990		2,668,566
Oregon	2,698,480	1,136,323	3,253,655				1,868,785
Pennsylvania	5,298,571		5,592,291		500		5,440,013
Rhode Island	80,114		1,233				1,222,994
South Carolina	3,729,121		8,116,518				962,581
South Dakota	5,381,833	251,687	18,351,953	382,863			1,727,523
Tennessee	5,748,339		7,386,728				4,122,360
Texas	22,254,984	79,128	38,490,970	2,086,900	500		5,528,097
Utah	2,380,376	861,206	2,017,473				1,936,117
Vermont	1,086,461		455,254				1,719,436
Virginia	5,248,751		1,799,952				593,658
Washington	2,618,315	2,936,437	4,222,016		500		2,557,780
West Virginia	1,724,380		860,208		500		2,101,051
Wisconsin	6,226,278	151,597	10,045,390		500		3,753,838
Wyoming	2,260,383	1,773,852	1,050,712	198,203	500		1,067,906
Puerto Rico	993,957	15,157,650			24,700		1,665,860
Virgin Islands					500		
Other Territories, etc.[8]							
Undistributed to States, etc.							[48] 89,111,799
Total	237,850,237	77,927,715	332,683,936	6,238,903	62,940	675,662	217,724,712

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Defense—Continued	Department of Health, Education, and Welfare					
	Army	Public Health Service					
	National Guard [47]	Arthritis and metabolic disease activities	Neurology and blindness activities	National Cancer Institute [17]	National Institute of Dental Research	Allergy and infectious disease activities	National Heart Institute
	(72)	(73)	(74)	(75)	(76)	(77)	(78)
Alabama	$6,417,363	$346,406	$90,208	$283,338	$225,731	$134,476	$645,331
Alaska	2,252,127	----------	----------	----------	----------	----------	----------
Arizona	1,526,578	129,101	111,267	82,949	19,658	143,063	31,492
Arkansas	4,049,648	325,134	37,623	87,644	----------	178,757	153,222
California	12,240,941	4,601,118	4,115,148	5,485,429	505,272	3,796,288	6,127,021
Colorado	1,255,795	344,921	159,360	548,610	----------	848,736	704,104
Connecticut	4,507,852	801,438	700,269	909,856	21,666	509,914	628,361
Delaware	1,775,454	6,796	----------	27,363	----------	23,882	21,690
District of Columbia	890,063	895,543	369,609	785,468	181,878	702,941	1,168,067
Florida	3,306,236	592,110	562,133	1,032,455	89,084	793,353	1,147,495
Georgia	6,183,256	547,622	261,669	369,619	91,167	374,161	1,274,151
Hawaii	4,416,629	12,650	3,511	18,100	----------	127,054	27,785
Idaho	1,816,742	----------	----------	----------	----------	16,512	1,464
Illinois	7,382,732	2,910,554	1,875,302	2,324,779	762,759	2,124,831	3,430,204
Indiana	4,656,353	569,976	401,643	364,668	250,178	444,980	831,507
Iowa	3,402,267	584,686	836,728	265,730	166,079	215,694	286,966
Kansas	3,181,857	305,208	320,809	356,078	44,541	248,976	206,749
Kentucky	2,235,283	385,713	143,692	255,663	18,051	212,817	534,185
Louisiana	3,560,148	388,224	844,873	1,314,276	30,151	920,006	1,424,558
Maine	1,937,484	12,699	----------	606,045	----------	15,579	117,733
Maryland	5,165,153	1,834,591	2,197,829	1,772,750	147,045	1,505,444	2,210,889
Massachusetts	7,658,887	7,163,843	4,842,336	4,772,882	881,227	1,736,813	6,026,965
Michigan	7,713,419	1,626,565	1,486,293	1,193,708	421,553	632,303	1,353,493
Minnesota	6,168,589	1,598,396	1,603,207	1,029,894	85,019	652,809	2,413,417
Mississippi	5,741,444	206,345	79,961	54,380	----------	153,968	398,287
Missouri	3,877,260	1,378,658	1,290,012	826,946	267,351	537,111	1,259,772
Montana	1,994,724	10,204	26,101	30,039	----------	96,106	20,342
Nebraska	2,082,189	116,912	72,275	184,136	71,168	130,910	229,046
Nevada	871,940	----------	----------	----------	----------	----------	----------
New Hampshire	1,740,982	152,304	38,628	122,143	----------	88,373	287,244
New Jersey	7,526,732	401,976	392,300	535,848	104,129	569,346	712,143
New Mexico	2,351,323	49,079	11,618	55,475	6,125	10,796	54,185
New York	14,167,436	8,345,283	8,090,513	9,829,086	1,053,308	5,124,347	8,646,753
North Carolina	3,979,535	1,263,413	678,003	897,836	213,216	535,804	2,275,944
North Dakota	1,627,160	69,578	----------	5,000	2,400	40,044	16,314
Ohio	6,803,351	2,113,552	837,768	922,289	208,372	1,097,513	2,701,070
Oklahoma	3,533,709	529,299	175,543	359,027	29,501	211,769	1,001,639
Oregon	3,056,811	667,829	950,769	539,608	253,674	265,939	3,772,406
Pennsylvania	9,893,312	3,240,476	2,199,196	4,226,730	531,910	2,198,578	5,143,982
Rhode Island	2,405,370	159,875	378,090	320,888	9,145	65,211	21,064
South Carolina	4,450,160	76,770	132,490	84,172	15,541	14,450	354,421
South Dakota	2,068,948	60,630	----------	8,594	10,679	16,242	39,358
Tennessee	5,251,926	805,233	548,545	593,145	143,481	399,731	1,136,537
Texas	7,822,486	1,221,360	384,267	2,165,223	190,195	961,088	1,701,381
Utah	2,407,031	804,767	375,107	512,914	----------	180,011	367,031
Vermont	2,019,430	190,985	142,422	68,579	11,563	181,177	310,694
Virginia	5,393,940	680,374	762,178	404,069	82,830	246,312	574,100
Washington	4,462,031	1,555,100	604,769	746,578	268,427	520,747	1,458,349
West Virginia	2,022,872	242,084	64,949	45,143	44,005	42,742	178,791
Wisconsin	3,072,078	1,093,490	809,366	1,549,424	122,831	891,607	1,475,686
Wyoming	1,047,595	6,034	----------	−500	3,561	24,703	9,349
Puerto Rico	2,865,919	220,084	199,219	127,831	36,896	152,928	171,777
Virgin Islands	----------	----------	----------	----------	----------	----------	----------
Other Territories, etc.[8]	----------	1,884,342	1,520,620	2,051,038	283,092	2,126,328	2,235,228
Undistributed to States, etc	[48] 118,508,528	----------	----------	----------	----------	----------	----------
Total	336,747,078	53,529,330	41,728,218	51,152,945	7,904,459	33,243,270	67,319,742

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service—Continued						
	Mental health activities	General research and services	Nursing services and resources [17]	Chronic disease and health of the aged	Community health practice and research	Accident prevention	Air pollution
	(79)	(80)	(81)	(82)	(83)	(84)	(85)
Alabama	$168,978	$249,853	$136,370	$8,253	$5,894		
Alaska		33,905					
Arizona	126,225	147,126	30,865		1,681	$20,297	
Arkansas	244,809	240,454	12,148		5,681		
California	7,475,342	8,718,974	483,716	49,630	621,408	262,147	$434,283
Colorado	1,229,690	724,316	169,527	11,230	15,699		
Connecticut	2,213,009	2,066,510	98,520	18,347	128,860		
Delaware	7,759	64,387					
District of Columbia	1,801,812	1,545,077	268,306	21,815	18,344	64,115	7,416
Florida	789,943	1,081,008	80,672	12,400	19,211		75,172
Georgia	637,971	773,669	66,496		70,811		70,575
Hawaii	193,680	203,972	5,679	13,000	1,561	24,996	
Idaho	78,848						
Illinois	3,785,953	4,583,715	167,228		73,911		28,454
Indiana	910,881	1,028,758	170,586		42,010	170,171	
Iowa	428,911	766 621	36,996		15,931	4,181	
Kansas	963,404	527,501			18,933		13,263
Kentucky	417,235	435,139	15,214				
Louisiana	691,203	1,207,215	34,901		115,103		33,016
Maine	170,669	128,238					
Maryland	1,823,689	3,591,178	173,172		219,181		100,884
Massachusetts	7,849,399	6,986,194	475,573		338,291	45,948	71,834
Michigan	3,043,345	2,418,749	161,051		500,309	31,709	169,183
Minnesota	1,147,907	1,456,019	157,668		197,291		94,415
Mississippi	155,389	193,459	7,312			9,688	
Missouri	1,888,592	2,160,598	64,143		58,732		
Montana	174,168	34,405	194,163				
Nebraska	677,665	224,947					14,000
Nevada	73,801	5,666	3,073				
New Hampshire	40,693	374,382	26,585				1,768
New Jersey	972,325	1,030,079	−246		16,206		21,727
New Mexico	75,388	147,991			10,476		
New York	10,639,111	10,202,676	1,575,790	117,300	428,347	239,675	169,789
North Carolina	1,958,101	2,665,369	121,737	9,595	406,230		31,163
North Dakota	59,732	52,009		1,738			
Ohio	2,139,078	2,986,077	201,460		81,601	20,102	100,611
Oklahoma	476,044	577,883	29,173		90,812		
Oregon	589,506	634,262	61,814	7,887	42,526		
Pennsylvania	3,685,415	3,643,699	330,520	9,437	200,721	44,406	97,900
Rhode Island	372,891	650,527	15,600	3,431			
South Carolina	144,222	43,360	38,248		6,709		
South Dakota	61,096	2,189	21,646		9,986		
Tennessee	971,157	1,505,932	35,800		1,819		
Texas	1,263,498	1,687,884	362,149	17,700	74,001		45,318
Utah	540,249	592,992	41,506		14,264		30,711
Vermont	157,478	257,722					
Virginia	452,722	543,358	10,214	2,840	9,352		4,560
Washington	692,741	2,034,527	387,985		61,430		4,020
West Virginia	46,096	87,303	9,037				
Wisconsin	1,052,287	2,021,047	140,349	5,550	46,559		
Wyoming	122,464	6,770					
Puerto Rico	261,277	56,794	43,465		159,212		
Virgin Islands							
Other Territories, etc.[8]	902,953	2,202,759					14,100
Undistributed to States, etc.							
Total	66,846,801	75,605,244	6,466,211	310,153	4,129,093	937,435	1,634,162

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Public Health Service—Continued						
	Milk, food, interstate and community sanitation (86)	Occupational health (87)	Radiological health (88)	Water supply and water pollution control (89)	Hospital and medical facility research (90)	General research support grants (91)	Construction of health research facilities (92)
Alabama	$62,605					$126,857	$114,994
Alaska							
Arizona	26,071			$1,909			311,946
Arkansas				21,620		72,678	
California	335,337	$129,372	$91,989	207,304	$36,807	1,344,954	1,965,365
Colorado	8,283	7,512	35,932	28,686	9,431	155,635	208,316
Connecticut			17,490	7,720	61,319	300,328	136,819
Delaware				2,313			
District of Columbia	31,066	23,578	13,046	58,872	12,924	308,502	390,786
Florida	63,351		30,038	86,469		296,029	446,709
Georgia	35,311	69,592	67,452	11,256	12,562	230,505	145,580
Hawaii	38,013				12,000		233,125
Idaho							
Illinois	81,715	4,361	1,475	114,589	108,027	986,037	2,365,437
Indiana	61,462	73,087	7,707			192,343	728 029
Iowa	78,814	12,885	9,545	26,221		184,243	527,928
Kansas	25,957	4,314	10,300	21,849	18,881	119,540	237,063
Kentucky				23,907		197,958	1,008,000
Louisiana	7,521			16,595	4,515	313,160	410,569
Maine			10,377				3,488
Maryland	18,294	23,575	99,048	69,620	20,428	515,715	656,234
Massachusetts	70,741	94,587	134,507	118,183	29,665	698,953	2,986,318
Michigan	51,306	47,626	74,564	55,929	67,005	542,372	150,246
Minnesota	77,315	89,308	3,700	37,323	14,378	353,741	93,279
Mississippi	11,108			10,523		83,906	153,500
Missouri	42,686	12,754	38,842	18,813	62,589	494,782	236,348
Montana	4,500						49,399
Nebraska	4,704			5,895	7,073	145,845	302,686
Nevada							
New Hampshire	6,476		1,500	29,894		79,083	70,668
New Jersey	17,851		16,700	63,601		138,090	90,553
New Mexico				16,790			
New York	170,253	190,783	239,988	97,003	86,882	2,363,726	4,200,909
North Carolina	41,438	12,402	61,690	33,084	24,000	443,868	1,503,714
North Dakota	5,500			6,858		32,038	[49] 125,079
Ohio	120,153	154,246	30,831	64,768	137,697	648,107	2,804,141
Oklahoma	3,680	18,985		36,645	15,000	80,877	78,781
Oregon	168,013		15,200	117,216	34,256	173,794	840,429
Pennsylvania	114,657	177,055	32,666	52,610	119,374	1,170,635	570,957
Rhode Island				41,224			598,749
South Carolina						61,904	379,798
South Dakota			3,574			30,545	
Tennessee	4,370		18,296	22,464		349,877	377,566
Texas	12,603	10,748	34,102	84,671		522 523	1,238,102
Utah	21,410		77,931	30,354		158,670	236,243
Vermont		18,110				68,515	320,140
Virginia	2,860		3,935	2,930		252,699	1,340,392
Washington	55,997		16,640	85,240	14,583	265,056	366,738
West Virginia	7,184	11,775		4,370		57,099	
Wisconsin	58,896	17,195	85,000	74,090	16,409	325,631	969,828
Wyoming	3,666						
Puerto Rico						113,235	3,400
Virgin Islands							
Other Territories, etc.[8]	261,671	8,000	51,750				
Undistributed to States, etc							
Total	2,212,838	1,211,850	1,335,815	1,809,408	925,805	15,000,055	29,978,351

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued						
	Office of Education			Office of Vocational Rehabilitation		Social Security Administration	
						Maternal and child welfare services—Children's Bureau	
	Expansion of teaching in the education of the mentally retarded	Defense educational activities [17]	Cooperative research	Grants for special projects [17]	Training and traineeships	Maternal and child health services	Services for crippled children
	(93)	(94)	(95)	(96)	(97)	(98)	(99)
Alabama		$497,450	$4,032	$55,193	$79,213		
Alaska		−200	19,127	39,000			
Arizona		709,885	74,085	55,084	50,411		
Arkansas		781,775	4,000	361	17,256		
California	$21,400	3,005,563	680,915	756,271	1,002,627	$64,684	$272,490
Colorado	23,368	1,026,108	60,207	153,401	143,742		
Connecticut	10,600	984,973	32,440	31,927	32,894		
Delaware		252,325	18,489	37,929			
District of Columbia		1,042,920	8,677	301,792	589,670	9,000	
Florida		858,528	111,274	125,565	156,691		
Georgia	23,200	874,989	30,381	35,158	55,397	23,025	
Hawaii		208,318	4,230	13,943	4,045		
Idaho		239,609					
Illinois	21,150	2,217,254	442,843	267,344	522,231		
Indiana		1,739,561	77,435	34,704	82,685		
Iowa		535,637	24,049	98,356	121,269		
Kansas		602,340	50,156	57,611	123,420		52,000
Kentucky		272,134	20,164	6,067	58,800		
Louisiana		595,616			181,864		
Maine		156,413		61,128			
Maryland		341,432	17,442	62,254	45,741	174,421	133,625
Massachusetts		1,588,008	205,153	373,476	595,868	170,247	
Michigan	21,600	1,693,830	355,560	376,845	441,528	67,741	
Minnesota	22,400	946,967	133,263	525,650	303,771	26,841	
Mississippi		331,095	5,000	33,315	8,845		
Missouri		683,584	115,346	174,700	203,579		
Montana		426,028		43,301			
Nebraska		331,460	13,162	44,963	71,767		
Nevada		25,166					
New Hampshire		248,634	3,273	−3,059	3,279		
New Jersey	7,350	650,091	20,620	101,107	62,707		
New Mexico		376,213	713	13,000			
New York	71,788	3,775,477	418,441	2,372,302	2,028,021	135,562	50,000
North Carolina		843,300	36,709	38,276	62,283	69,050	
North Dakota		403,265	23,262		3,250		
Ohio		1,163,761	15,674	238,982	347,911		
Oklahoma	22,400	765,020	32,835		138,528		
Oregon		1,100,993		17,839	92,912		
Pennsylvania	42,533	1,882,630	230,271	273,196	586,278	186,697	36,000
Rhode Island		317,550	69,106	106,571			
South Carolina		181,819	26,137		13,967		
South Dakota		104,572		29,090	1,947		
Tennessee	24,133	960,438	13,432	75,304	99,317	42,234	
Texas	16,500	1,536,585	70,406	245,068	236,641		
Utah		454,118	65,537	74,077	87,072		
Vermont		53,452		13,045	36,201		
Virginia	10,200	587,428	14,897	105,661	201,858		
Washington		921,339		38,301	158,937	16,464	
West Virginia		233,602	12,495	12,000	71,434		
Wisconsin	22,800	603,876	149,710	96,810	231,621		
Wyoming		223,105					
Puerto Rico		161,315	9,200		106,583		
Virgin Islands		13,302	2,329				
Other Territories, etc. [8]			1,984				
Undistributed to States, etc.							
Total	361,422	40,530,653	3,724,461	7,612,908	9,464,061	985,966	544,115

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued				Department of Labor		
	Social Security Administration—Continued			Office of the Secretary			
	Maternal and child welfare services—Children's Bureau—Con.	Bureau of Family Services	Office of the Commissioner		Unemployment compensation for Federal employees and ex-servicemen	Temporary extended unemployment compensation (trust fund)	Area Redevelopment Act
	Child welfare research and demonstration grants	Assistance to repatriated U.S. nationals	Cooperative research	Juvenile delinquency and youth offenses			
	(100)	(101)	(102)	(103)	(104)	(105)	(106)
Alabama	$10,000				$2,115,477	$2,079,210	
Alaska					1,027,801	1,059,819	$55,660
Arizona					1,186,991	344,447	12,400
Arkansas					1,141,821	1,690,891	47,840
California	20,000	$1,060		$184,604	20,162,070	48,193,105	15,744
Colorado		10			1,283,020	1,238,012	28,704
Connecticut				155,825	777,685	6,847,970	89,688
Delaware					185,108	652,254	
District of Columbia	6,000	166,065			2,399,072	1,373,453	
Florida		274,552			2,312,716	5,212,125	14,848
Georgia		69			2,353,180	5,631,698	42,560
Hawaii					1,198,156	2,148,390	
Idaho					898,290	975,705	
Illinois	20,500		$75,532		6,004,808	23,490,000	229,514
Indiana			21,698	56,812	2,508,289	15,381,423	32,256
Iowa					770,803	1,199,898	
Kansas			18,000		1,541,088	2,179,594	
Kentucky					2,439,440	5,902,644	91,830
Louisiana		1,133			2,521,128	5,498,804	
Maine					603,980	1,368,219	9,108
Maryland					2,180,666	5,618,152	146,816
Massachusetts	19,500		31,289		4,000,989	11,060,410	105,024
Michigan	9,500		95,670		5,331,864	9,460,421	368,742
Minnesota				67,591	2,594,150	4,743,351	88,912
Mississippi					1,158,359	2,091,935	
Missouri					2,308,021	5,125,508	45,360
Montana					843,432	1,259,267	70,870
Nebraska					444,396	1,019,760	
Nevada					316,759	498,246	9,120
New Hampshire					424,671	722,995	
New Jersey		207			3,448,616	13,072,037	28,989
New Mexico					1,123,084	982,490	48,600
New York	18,000	8,087	147,451	178,664	9,294,928	41,043,196	
North Carolina	13,454		48,214		1,968,171	5,794,996	41,536
North Dakota					449,778	682,086	20,880
Ohio			38,631	124,228	6,738,571	23,957,214	74,466
Oklahoma					1,665,693	1,962,562	208,656
Oregon		1,023			1,752,660	3,643,603	
Pennsylvania			28,360	165,000	11,907,049	10,020,979	602,643
Rhode Island					734,312	1,652,547	298,072
South Carolina					909,983	2,105,823	15,456
South Dakota					290,546	176,387	7,680
Tennessee		223			2,815,833	6,919,794	68,640
Texas			22,753	173,833	4,598,696	8,669,635	13,225
Utah					994,683	616,733	
Vermont					213,773	859,365	
Virginia					1,290,006	1,113,000	7,488
Washington				2,808	4,845,600	1,100,000	
West Virginia					1,763,207	805,587	347,070
Wisconsin	14,350				2,372,318	865,266	65,764
Wyoming					481,842	654,532	
Puerto Rico			13,000		1,710,210	3,166,243	
Virgin Islands		223			4,782	488	
Other Territories, etc [8]							
Undistributed to States etc.							
Total	131,304	452,652	540,598	1,109,365	[60]134,408,572	303,932,269	3,354,161

Footnotes at end of table.

TABLE 95.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1962*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued

States, Territories, etc.	Atomic Energy Commission	National Science Foundation		Veterans' Administration		Total payments within States (Part B)	Grand total (Parts A and B)
	Fellowships and assistance to schools [51]	Research grants awarded	Fellowship awards [52]	Automobiles, etc., for disabled veterans	Readjustment benefits and vocational rehabilitation		
	(107)	(108)	(109)	(110)	(111)	(112)	(113)
Alabama	$57,981	$803,590	$68,085	$11,200	$5,309,517	$34,227,175	$229,037,755
Alaska		459,769	18,674		59,042	6,213,932	55,502,828
Arizona	45,530	1,270,545	58,884	6,305	1,573,894	12,357,905	96,991,783
Arkansas	16,183	459,769	72,998	9,600	1,732,106	25,956,303	136,613,806
California	455,836	15,541,635	1,366,913	55,857	17,816,160	195,239,878	925,521,814
Colorado	5,528	2,223,264	134,651	12,425	2,163,751	38,138,318	146,782,025
Connecticut	27,981	2,134,829	179,614	10,622	1,581,153	28,441,434	116,636,067
Delaware	12,437	198,190	22,915		227,951	5,441,227	21,040,544
District of Columbia	107,335	7,601,153	95,877	9,600	2,283,757	27,049,364	103,870,336
Florida	57,501	2,388,042	121,202	20,800	6,581,015	37,579,713	196,246,143
Georgia	31,344	2,013,029	81,512	14,303	5,531,720	51,744,942	246,184,052
Hawaii	21,226	1,044,955	11,382	3,200	314,705	24,301,576	64,372,663
Idaho	19,989	291,203	39,991	8,000	487,648	19,303,115	68,611,566
Illinois	1,299,458	5,770,456	716,237	28,689	4,963,978	99,399,287	459,018,351
Indiana	191,119	5,323,283	307,453	4,800	2,842,899	56,338,634	190,855,092
Iowa	108,395	2,428,680	207,418	4,795	1,805,511	42,521,318	145,345,585
Kansas	92,997	2,195,623	153,328	11,200	1,690,100	42,639,224	136,502,765
Kentucky	112,172	703,170	77,366	4,800	2,197,596	33,415,198	194,096,066
Louisiana	133,383	2,337,253	164,776	6,700	3,606,974	44,763,730	272,377,422
Maine	17,472	577,733	34,482	4,800	550,541	10,876,373	52,481,576
Maryland	63,911	2,227,068	200,364	1,600	2,127,355	40,170,370	154,030,558
Massachusetts	349,746	10,477,393	467,959	27,145	4,337,499	89,824,879	289,845,223
Michigan	263,989	3,614,104	440,567	30,343	4,818,184	70,637,517	346,543,023
Minnesota	188,992	2,643,648	201,835	17,600	2,783,161	66,838,704	208,469,371
Mississippi	27,854	989,185	56,434	12,340	1,683,813	26,981,437	147,778,029
Missouri	105,839	2,329,809	193,479	15,922	3,239,975	53,174,426	276,935,068
Montana	35,917	557,295	37,482	3,200	635,149	20,960,722	77,008,680
Nebraska	56,687	553,257	59,721	3,200	894,703	30,260,541	91,451,074
Nevada	4,863	166,885	9,109		137,600	3,693,019	32,238,101
New Hampshire		937,250	39,579	4,800	331,486	7,257,326	39,530,610
New Jersey	96,933	3,987,280	288,626	24,000	3,163,868	41,881,612	211,556,946
New Mexico	40,858	1,527,510	33,068	6,400	1,037,032	19,094,610	92,053,625
New York	987,005	14,238,771	1,224,601	47,995	9,627,982	189,497,276	737,851,692
North Carolina	154,713	2,799,046	115,495	22,205	2,621,023	44,999,356	211,413,784
North Dakota	15,597	717,675	23,908	9,600	472,400	42,578,006	81,138,374
Ohio	164,252	4,952,397	469,137	23,995	5,111,713	87,373,562	454,412,100
Oklahoma	23,317	1,975,932	174,032	19,090	2,669,090	44,489,024	222,016,261
Oregon	34,120	2,868,198	100,134	4,800	1,614,440	32,379,904	154,709,782
Pennsylvania	281,791	7,568,920	603,334	38,318	8,529,549	96,999,159	456,403,153
Rhode Island	30,965	1,793,435	122,979	16,000	450,665	11,938,608	47,061,675
South Carolina	28,702	561,660	43,173	3,200	2,434,390	24,934,775	114,766,907
South Dakota	6,623	824,840	36,379		455,045	30,362,455	89,798,444
Tennessee	724,835	1,918,840	133,608	8,890	3,092,069	46,320,896	224,392,558
Texas	142,282	3,877,751	355,480	36,499	7,798,876	116,034,108	500,294,516
Utah	29,891	1,414,279	85,723	6,400	1,593,643	19,008,519	76,059,580
Vermont	1,805	326,071	23,001		281,341	8,816,020	49,795,192
Virginia	143,003	1,436,453	104,782	1,600	1,731,692	25,160,094	184,178,538
Washington	143,584	2,612,305	250,822	19,200	2,949,860	38,995,226	187,302,719
West Virginia	52,529	638,847	48,900	12,800	1,454,389	13,002,449	113,363,800
Wisconsin	82,495	3,376,838	293,270	19,200	2,511,823	44,711,067	171,271,870
Wyoming	28,778	206,365	15,700		192,041	9,377,561	60,505,352
Puerto Rico	1,582,452	489,200	18,429	4,800	2,045,168	31,560,804	113,917,071
Virgin Islands		127,170				148,794	7,748,582
Other territories, etc.[8]					3,824,638	17,368,503	41,933,337
Undistributed to States, etc	142,311					207,762,638	259,685,772
Total	[53] 8,850,506	140,501,848	10,204,868	668,838	149,971,680	2,490,542,613	10,385,549,606

Footnotes at end of table.

Footnotes for Table 95.

[1] Excludes $500,000, "State experiment stations, Agricultural Research Service," included in column 6.
[2] Excludes $1,450,144, "Cooperative extension work, payments and expenses, Extension Service," included in column 6.
[3] Includes $68,913,830, value of commodities distributed to participating schools, and payments of $5,572,599 made directly to private schools. In addition the school lunch program is a recipient of some of the commodities shown under the appropriation "Removal of surplus agricultural commodities," and under "Commodity Credit Corporation, value of commodities donated."
[4] Consists of $25,056,348, "Payments to States, National Forests Fund"; $99,211, "Payments to school funds, Arizona and New Mexico, act June 20, 1910 (receipt limitation)"; and $123,550, "Payment to Minnesota (Cook, Lake, and St. Louis counties) from the National Forests Fund."
[5] Formerly "Submarginal land program."
[6] Includes $500,000, "State experiment stations, Agricultural Research Service"; $1,450,144, "Cooperative extension work, payments and expenses, Extension Service"; and $1,325,000, "Payments to States and possessions, Agricultural Marketing Service."
[7] Consists of $13,625,550, "Forest protection and utilization, Forest Service" and $400,863, "Assistance to States for tree planting, Forest Service."
[8] Includes: American Samoa, Canal Zone, Guam, Trust Territory of the Pacific, and certain foreign countries.
[9] Includes $250,000, penalty mail costs for which a breakdown by States is unavailable.
[10] Includes $2,490,000, penalty mail costs and $6,157,982, retirement costs of cooperative extension agents.
[11] Consists of $25,462,917, "Watershed protection, Soil Conservation Service" and $13,320,904 for "Flood prevention, Soil Conservation Service."
[12] Federal share of the value of food stamps redeemed under the pilot food stamp plan.
[13] Cost of food commodities acquired through price support operations.
[14] Cash payments to States to increase consumption of fluid milk by children in nonprofit schools. Net of refunds.
[15] Consists of $28,622,622, forest highways and $2,266,845, public lands highways.
[16] See also Part B, column 70.
[17] Credit amounts are refunds of advances in prior years.
[18] Includes $1,192,670 paid from "Federal Contributions, Office of Emergency Planning" and $29,173 paid from "Research and Development, Office of Emergency Planning" (Executive Office of the President).
[19] Consists of $8,194,000, "Colleges for agriculture and the mechanic arts"; $2,550,000, "Further endowment of colleges of agriculture and the mechanic arts"; and $3,775,000, (Hawaii) "Land grant college aid."
[20] Consists of $33,031,504, "Promotion and further development of vocational education, Office of Education" and $7,147,113, "Promotion of vocational education, act of Feb. 23, 1917, Office of Education."
[21] Formerly "Environmental health activities." Total excludes $252,447 paid to interstate agencies to control water pollution.
[22] Includes $849,159 for treatment of leprosy patients, Hawaii, paid from "Hospitals and medical care, Public Health Service."
[23] Includes $974,468, supplies and services furnished in lieu of cash.
[24] Includes small amounts of services in kind furnished in lieu of cash.
[25] Includes—$1,063, "Grants for poliomyelitis vaccine."
[26] Consists of $14,860,885, "Federal aid in wildlife restoration, Bureau of Sport Fisheries and Wildlife" and $4,931,536, "Federal aid in fish restoration and management, Bureau of Sport Fisheries and Wildlife (receipt limitation)."
[27] Consists of $496,840, "Payments to counties from receipts under Migratory Bird Conservation Act, Bureau of Sport Fisheries and Wildlife" and $815, "Payments to Alaska, Alaska game law, Bureau of Sport Fisheries and Wildlife."
[28] Consists of $213,765, "Payments to States from grazing receipts, etc., public lands within grazing districts, Bureau of Land Management"; $259,900, "Payment to States (proceeds of sales), Bureau of Land Management (receipt limitation)"; $7,401, "Payments to Oklahoma (royalties), Bureau of Land Management (receipt limitation)"; $14,454,673, "Payments to counties, Oregon and California grant lands"; $4,411, "Payments to State of Alaska, income and proceeds, Alaska school lands"; $143,926, "Payments to Coos and Douglas counties, Oregon, in lieu of taxes on Coos Bay wagon road grant lands"; $10,418, "Operation and maintenance, Bureau of Reclamation"; $740, "Payments to States (grazing fees), Bureau of Land Management"; $3,884, "Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous, Bureau of Land Management"; $200,711, "Payments to States from grazing receipts, etc., public lands outside grazing districts, Bureau of Land Management"; $300,000 each to Arizona and Nevada, "Colorado River Dam Fund, Boulder Canyon Project"; $28,565, "Payment in lieu of taxes on lands in Grand Teton National Park, National Park Service" (Wyoming); $86,277, "Payments due counties, National Grasslands, Bureau of Land Management"; and $4,025, "Payment due counties, National Grasslands, Bureau of Sport Fisheries and Wildlife."
[29] Consists of $6,836,957, education and welfare services and $734,233, resources management.
[30] Consists of $7,145,533 for postage and $73,829 for other expenditures.
[31] Consists of $1,012,942, "Grants-in-aid for airports" and $56,844,715, "Grants-in-aid for airports, liquidation of contract authorizations."
[32] Includes $75,000, "Mass transportation."
[33] Payment in lieu of taxes.
[34] Paid from "Medical care, Veterans Administration."
[35] Paid from "General operating expenses, Veterans Administration."
[36] Consists of $5,944,017, "Transitional grants to Alaska"; $87,975, "Alaska public works, Interior"; and $536,809. "Payments to Alaska from Pribilof Islands Fund, Interior" (shared revenues).
[37] Area redevelopment assistance, Department of Commerce.
[38] Construction and rehabilitation, Bureau of Reclamation, Department of the Interior.
[39] Consists of $30,000,000, "Federal payment to District of Columbia" and $318,087, "Hospital facilities in the District of Columbia, General Services Administration."
[40] Center for Cultural and Technical Interchange between East and West, Department of State.
[41] Drainage of anthracite mines, Bureau of Mines, Department of the Interior.
[42] Internal revenue collections for Puerto Rico (shared revenues).
[43] Internal revenue collections for Virgin Islands, Office of Territories, Department of the Interior (shared revenues).

Footnotes for Table 95—Continued

[44] Consists of $9,429,950, Grants to American Samoa from "Administration of Territories, Office of Territories" and $6,146,500, "Trust Territory of the Pacific Islands, Office of Territories."
[45] Consists of $229,053,693, "Agricultural Conservation Program" and $8,796,544, "Emergency Conservation Measures."
[46] Formerly "Soil Bank Program."
[47] On obligations basis.
[48] Accounted for by the National Guard Bureau; breakdown by States unavailable.
[49] Includes $115,300 paid from "Grants for cancer research facilities."
[50] Includes $5,049,068 representing fiscal year 1961 unemployment compensation for Federal employees and ex-servicemen unexpended balances returned by the States and credited to the fiscal year 1962 appropriation.
[51] By State of the recipient institution.
[52] Based on State of permanent residence of recipient.
[53] Consists of $2,400,422, equipment grants; $1,301,520, student fellowships; $1,241,972, faculty training; and $3,906,592, material, services, and other. The fellowship awards are included in the State in which the awards are to be used.

NOTE.—Compiled from figures furnished by the departments and agencies concerned pursuant to Treasury Department Circular No. 1014, Aug. 8, 1958 (see 1958 annual report, exhibit 70, p. 381).

Customs Statistics

TABLE 96.—*Merchandise entries, fiscal years 1961 and 1962*

	1961	1962	Percentage increase, or decrease (—)
Entries:			
Consumption free	298, 594	317, 330	6. 3
Consumption dutiable	1, 023, 331	1, 132, 856	10. 8
Warehouse and rewarehouse	76, 198	75, 980	—. 3
Other formal	n.a.	21, 774	
Total formal entries	1, 398, 123	1, 547, 940	10. 7
Warehouse withdrawals	386, 737	373, 006	—3. 6
Appraisement	3, 921	2, 606	—33. 5
Drawback	17, 857	18, 803	5. 3
Outbound-immediate transportation; transportation and exportation; etc.	r 524, 362	599, 180	14. 3
Mail	1, 139, 896	1, 195, 063	4. 8
Informal	579, 206	594, 155	2. 6
Passenger declarations—total	(1)	2, 550, 388	
Crew declarations	(1)	842, 867	
Military declarations	(1)	856, 997	
Passenger declarations—dutiable	(1)	288, 743	
Other informal	n.a.	1, 040, 456	
All other entries	593, 299		
Baggage entries and written declarations	3, 762, 548	[2] 4, 250, 252	12. 9

r Revised.
n.a. Not available.
[1] Included under "Baggage entries and written declarations."
[2] Total of passenger, crew, and military declarations. Closely approximates prior year figure for "Baggage entries and written declarations."

TABLE 97.—*Principal commodities on which drawback was paid, fiscal years 1961 and 1962* [1]

Commodity	1961	1962	Percentage increase, or decrease (−)
Petroleum and products	$441,729	$1,670,867	278.1
Chemicals	450,737	1,620,292	259.2
Citrus fruit juices	4,963	1,114,450	(2)
Tobacco, unmanufactured	564,683	1,019,538	80.5
Coal-tar products	170,533	990,114	480.6
Sugar	590,088	713,009	20.8
Watch movements	355,148	606,539	70.8
Copper and manufactures	251,565	545,365	116.8
Iron and steel semimanufactures	845,618	534,147	−36.8
Aluminum	1,781,283	505,987	−71.6
Medicinal preparations	291,834	426,668	46.2
Automobiles, aircraft, and parts	165,802	397,471	139.7
Lead ore, matte, pigs, and bars	394,680	338,007	−14.4
Magnesite	142,823	249,840	74.9
Cotton cloth	313,084	244,682	−21.9
Tungsten ore	239,905	239,238	−.3
Steel mill products	74,032	207,689	180.5
Paper and manufactures	300,356	199,949	−33.4
Zinc ore and manufactures	136,529	173,677	27.2
Chromium and alloys	207,006	138,076	−33.3
Knit fabrics, cotton	7,801	127,952	(2)
Tires and tubes, rubber and synthetic	132,930	123,359	−7.2
Ferroalloying ores and metals	437,784	74,399	−83.0
Rayon and other synthetic textiles	75,123	69,830	−7.1
Nickel	47,146	65,121	38.1
Burlap	86,619	63,397	−26.8
Brass and bronze manufactures	15,666	52,777	236.9
Manganese ore	165,108	40,566	−75.4
Tire cord fabric, rayon	314,364	34,269	−89.1
Quicksilver or mercury	24,731	28,372	14.7
Peanut oil	150,954	24,470	−83.8
Cotton, unmanufactured	19,218	17,811	−7.3
Cork and manufactures	5,870	17,703	201.6
Wool fabrics	29,810	12,183	−59.1
Wool and semimanufactures	24,196	4,035	−83.3
Other	r 1,294,636	705,184	−45.6
Total	10,554,354	13,397,033	26.9

r Revised.
1 Includes Puerto Rico.
2 Percentage comparison is inappropriate

TABLE 98.—*Carriers and persons arriving in the United States, fiscal years 1961 and 1962* [1]

Type of entrant	1961	1962	Percentage increase, or decrease (—)
Carriers arriving:			
Vessels entering direct from foreign ports	48,364	47,463	−1.9
Vessels entering via United States ports	[2] (38,459)	[2] (39,631)	3.0
Vessels reporting only from foreign ports:			
Government	n.a.	1,211	
Ferries	107,883	105,453	−2.3
Other	37,235	44,383	19.2
Commercial planes	88,395	93,645	5.9
Military planes	28,608	31,272	9.3
Private planes	45,043	47,268	4.9
Autos, empty trucks	42,023,513	41,769,740	−.6
Buses	316,880	244,522	−22.8
Trucks	(3)	740,039	
Other vehicles	591,505	423,828	−28.4
Passenger trains	14,549	12,698	−12.7
Freight cars	1,873,822	1,809,767	−3.4
Total carriers	45,175,797	45,371,289	.4
Persons arriving:			
Passengers arriving on:			
Vessels entering direct from foreign ports	804,956	630,527	−21.7
Vessels entering via United States ports	(4)	46,463	
Vessels reporting only from foreign ports:			
Government	n.a.	257,195	
Ferries	1,643,445	1,312,313	−20.2
Other	222,519	245,986	10.5
Commercial planes	3,501,014	3,639,215	3.9
Military planes	446,275	525,522	17.8
Private planes	132,676	142,223	7.2
Autos, empty trucks	r 110,717,063	110,328,909	−.4
Buses	r 7,265,763	4,879,465	−32.8
Trucks	(3)	607,858	
Other vehicles	4,585,837	4,352,767	−5.1
Passenger trains	915,601	833,097	−9.0
Pedestrians	27,031,616	29,900,441	10.6
Total persons	r 157,266,765	157,701,981	.3

r Revised.
n.a. Not available.
[1] Excludes Puerto Rico.
[2] Not included in totals, already counted under entering direct from foreign ports.
[3] Included under automobiles.
[4] Included under entering direct from foreign ports.

TABLE 99.—*Aircraft and aircraft passengers entering the United States, fiscal years 1961 and 1962*

District	Aircraft		Aircraft passengers		Percentage increase, or decrease (−)	
	1961	1962	1961	1962	Aircraft	Passengers
Maine and New Hampshire	2,254	2,649	7,901	16,010	17.5	102.6
Vermont	1,494	1,381	297,359	278,444	−7.6	−6.4
Massachusetts	9,597	5,450	82,057	94,476	−43.2	15.1
Rhode Island	428	480	2,339	4,569	12.1	95.3
St. Lawrence	2,013	1,552	9,544	5,417	−22.9	−43.3
Rochester	1,149	1,273	13,129	13,826	10.8	5.3
Buffalo	2,982	3,039	393,660	402,727	1.9	2.3
New York	22,232	25,347	1,267,634	1,340,836	14.0	5.8
Philadelphia	7,057	7,371	233,478	271,084	4.4	16.1
Maryland	1,724	2,105	25,869	34,630	22.1	33.9
Virginia	1,453	1,728	28,988	29,986	18.9	3.4
North Carolina	298	362	5,242	5,534	21.5	5.6
South Carolina	2,544	2,191	56,637	52,862	−13.9	−6.7
Georgia	467	599	4,770	6,041	28.3	26.6
Florida	35,353	39,557	638,127	645,558	11.9	1.2
New Orleans	1,680	1,618	47,713	49,884	−3.7	4.6
Galveston	1,165	1,477	28,680	34,268	26.8	19.5
Laredo	7,813	8,228	64,417	68,225	5.3	5.9
El Paso	1,552	1,544	4,381	4,624	−.5	5.5
San Diego	3,823	4,065	12,379	15,551	6.3	25.6
Arizona	3,519	3,432	7,273	14,478	−2.5	99.1
Los Angeles	3,807	3,473	119,806	134,201	−8.8	12.0
San Francisco	2,490	3,461	27,340	30,231	39.0	10.6
Washington	8,058	8,301	140,382	152,593	3.0	8.7
Alaska	3,115	3,556	66,150	35,846	14.2	−45.8
Hawaii	8,340	9,950	268,359	318,461	19.3	18.7
Montana and Idaho	2,121	2,318	19,647	20,282	9.3	3.2
Dakota	2,175	2,689	16,813	38,694	23.6	130.1
Minnesota	514	392	15,481	2,535	−23.7	−83.6
Duluth and Superior	4,454	5,051	11,608	13,153	13.4	13.3
Michigan	4,741	4,784	27,683	29,340	.9	6.0
Chicago	4,948	4,566	92,610	80,598	−7.7	−13.0
Ohio	4,829	5,029	30,436	31,913	4.1	4.9
St. Louis	442	1,026	4,880	9,555	132.1	95.8
Other	1,415	2,141	7,193	20,528	51.3	185.4
Total	162,046	172,185	4,079,965	4,306,960	6.3	5.6

TABLE 100.—*Seizures for violations of customs laws, fiscal years 1961 and 1962* [1]

Seizures	1961 total	1962			
		Seizures by Customs	Seizures by other agencies	Joint seizures by Customs and other agencies	Total
Automobiles:					
Number	566	472	104	36	612
Value	$535,664	$600,017	$118,516	$26,655	$745,188
Trucks:					
Number	90	70	20	2	92
Value	$275,445	$225,743	$187,302	$400	$413,445
Aircraft:					
Number	7	12	----------	----------	12
Value	$93,500	$1,342,000	----------	----------	$1,342,000
Boats:					
Number	34	43	2	1	46
Value	$9,135,127	$12,007,961	$35,636	$19,500	$12,063,097
Narcotics:					
Number	1,161	954	6	44	1,004
Value	$128,765	$166,262	$20	$10,837	$177,119
Liquors:					
Number	5,590	5,381	22	110	5,513
Gallons	37,029	13,556	88	143	13,787
Value	$694,003	$282,602	$1,253	$2,509	$286,364
Prohibited articles (obscene, lottery, etc.):					
Number	3,076	5,054	15	51	5,120
Value	$185,971	$37,154	$334	$1,431	$38,919
Other seizures:					
Number	4,831	4,569	109	160	4,838
Value:					
Cameras	$5,441	$10,461	----------	$350	$10,811
Edibles and farm products	191,773	35,699	$28,440	293	64,432
Furs—skins and manufactures	16,777	7,244	300	----------	7,544
Guns and ammunition	57,654	15,440	587	1,852	17,879
Jewelry, including gems	694,905	563,220	----------	1,171	564,391
Livestock	10,457	4,202	9,611	257	14,070
Tobacco and manufactures	59,876	13,230	22	----------	13,252
Watches and parts	52,809	373,635	----------	----------	373,635
Wearing apparel	774,484	106,631	42	32	106,705
Miscellaneous	2,938,267	10,527,751	84,174	2,527	10,614,452
Total value of other seizures	4,802,443	11,657,513	123,176	6,482	11,787,171
Grand total:					
Number [2]	14,658	15,958	152	365	16,475
Value	$15,850,918	$26,319,252	$466,237	$67,814	$26,853,303

[1] Includes Puerto Rico and the Virgin Islands.
[2] Excludes number of carriers confiscated in connection with seizures of liquor, narcotics, etc.

TABLE 101.—*Investigative activities, fiscal years 1961 and 1962*

Activity	1961	1962	Percentage increase, or decrease (−)
Investigations of violations of customs laws:			
Undervaluations and false invoicing, irregular entries	1,636	2,032	24.2
Marking of merchandise	145	125	−13.8
Baggage declaration violations	698	1,046	50.0
Smuggling:			
Diamonds or jewelry	445	476	7.0
Narcotics	5,450	5,527	1.4
Other	1,797	1,754	−2.4
Touring permit violations	14	26	85.7
Navigation, aircraft, and vehicle violations	1,326	1,375	3.7
Prohibited importations (19 U.S.C. 1305)	149	240	61.1
Other investigations:			
Customs procedures	111	164	47.7
Drawback	1,000	1,100	10.0
Classification and market value	367	438	19.3
Customs brokers, license applications	163	129	−20.9
Petitions for relief from additional duties	924	898	−2.8
Character investigations of applicants	1,092	1,290	18.1
Pilferages and shortages	527	490	−7.0
Export control violations	707	652	−7.8
Examination of customs brokers' records	287	321	11.8
Miscellaneous	1,990	2,273	14.2
Total	18,828	20,356	8.1

Engraving and Printing Production

TABLE 102.—*New postage stamp issues delivered, fiscal year 1962*

Issue	Denomination (cents)
Commemoratives:	
Naval Aviation	4
Workmen's Compensation Law	4
Frederic Remington	4
Sun Yat-sen	4
Basketball	4
Nurses	4
New Mexico Statehood	4
Arizona Statehood	4
Project Mercury	4
Malaria Eradication	4
Shiloh (Civil War Centennial)	4
Charles Evans Hughes	4
Seattle World's Fair	4
Louisiana Statehood	4
The Homestead Act	4
Canal Zone Air Mail	15
Canal Zone Anniversary of Girl Scouts	4
U.S. Ordinary (Pershing)	8

TABLE 103.—*Deliveries of finished work by the Bureau of Engraving and Printing, fiscal years 1961 and 1962*

Class of printed work	Number of pieces 1961	Number of pieces 1962	Face value 1962
Currency:			
U.S. notes	28,720,000	30,960,000	$139,680,000
Silver certificates	1,046,812,000	999,112,000	1,214,072,000
Federal Reserve notes	540,720,000	526,352,000	6,417,000,000
Total	1,616,252,000	1,556,424,000	7,770,752,000
Bonds, notes, bills, certificates, and debentures:			
Bonds:			
Panama Canal, registered	950		
Treasury	1,113,844	837,419	28,880,819,100
D.C. Armory Board stadium	20,202		
Depositary, act of Sept. 24, 1917	550	500	
U.S. savings, registered	1,578,000	1,687,000	1,424,375,000
Consolidated Federal Farm Loan for the 12 Federal intermediate credit banks	133,920	96,316	1,224,816,000
Consolidated, of the Federal home loan banks		16,196	392,560,000
Notes:			
Treasury	523,765	794,019	43,593,692,000
Special, U.S. International Monetary Fund		350	8,650,000,000
Special, U.S. International Development Association	131	200	800,000,000
Consolidated, of the Federal home loan banks	61,780	82,650	3,480,000,000
Bills:			
Treasury	2,404,000	2,321,011	174,734,550,000
Certificates:			
Treasury certificates of indebtedness	288,561	273,043	19,828,002,000
Military payment		51,409,554	113,814,400
Debentures:			
Consolidated collateral trust for:			
Twelve Federal intermediate credit banks	103,455	139,800	3,710,000,000
Thirteen banks for cooperatives	29,000	61,003	1,577,515,000
Federal National Mortgage Association secondary market operations	71,732	91,356	1,131,030,000
Federal Housing Administration	70,365	397,308	640,625,500
Total	6,400,255	58,207,725	290,181,799,000
Stamps:			
Customs	10,818,604	15,618,010	
Internal Revenue:			
To office of issue	1,771,544,467	2,048,278,677	129,352,314
To Smithsonian Institution	116,700	14,328	377
Puerto Rican revenue	180,800,925	192,215,000	
Virgin Islands revenue	54,500	145,800	280,328
U.S. postage:			
Ordinary	18,864,852,200	20,344,484,200	935,832,430
Air mail	916,111,400	975,971,800	80,508,926
Commemoratives	3,032,289,800	2,150,087,800	86,525,288
Special delivery	34,265,000	34,820,000	10,446,000
Postage due	154,290,000	148,930,000	16,708,750
Experimental—ordinary		66,000	
Canal Zone postage:			
Ordinary	3,585,000	2,178,264	255,150
Air mail	3,950,000	3,070,400	259,700
Commemoratives		640,400	25,600
U.S. savings stamps	96,379,500	109,205,500	18,737,500
D.C. beverage tax paid	34,450,000	17,630,000	626,062
Federal migratory bird hunting	5,214,000	3,612,240	10,836,000
Food stamp coupons	7,980,086	40,300,150	38,121,000
Total	25,116,702,182	26,087,268,569	1,328,515,425
Miscellaneous, checks, certificates, etc.:			
To offices of issue	6,872,713	14,072,024	
Grand total	26,746,227,150	27,715,972,318	299,281,066,425

International Claims

TABLE 104.—*Awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State, through June 30, 1962*

Description	Total		Class I		Class II		Class III [1]		Private Law No. 509 approved July 19, 1940		U.S. Government	
	Number of awards	Amount	Number of awards	Awards on account of death and personal injury	Number of awards	Awards of $100,000 and less	Number of awards	Awards over $100,000	Number of awards	Amount	Number of awards	Amount
AWARDS												
Principal of awards:												
Agreement of August 10, 1922	4,734	$175,955,880.92	424	$3,549,437.75	3,996	$15,562,321.98	310	$114,809,326.78	-------	-------	4	$42,034,794.41
Agreement of December 31, 1928	2,291	5,582,354.38	115	556,625.00	2,169	2,447,803.92	7	2,577,925.46	-------	-------	-------	-------
Private Law No. 509	1	160,000.00	-------	-------	-------	-------	-------	-------	1	$160,000.00	-------	-------
Total principal	-------	181,698,235.30	-------	4,106,062.75	-------	18,010,125.90	-------	117,387,252.24	-------	160,000.00	-------	42,034,794.41
Less amounts paid by Alien Property Custodian and others	-------	314,085.27	-------	-------	-------	48,012.50	-------	266,072.77	-------	-------	-------	-------
Balance of principal	-------	181,384,150.03	-------	4,106,062.75	-------	17,962,113.40	-------	117,121,179.47	-------	160,000.00	-------	42,034,794.41
Interest to January 1, 1928, at rates specified in awards:												
Agreement of August 10, 1922	-------	78,751,456.32	-------	745,302.98	-------	7,113,930.76	-------	51,682,897.36	-------	-------	-------	19,209,325.22
Agreement of December 31, 1928	-------	2,649,630.04	-------	115,976.22	-------	971,159.15	-------	1,562,494.67	-------	-------	-------	-------
Private Law No. 509	-------	64,000.00	-------	-------	-------	-------	-------	-------	-------	64,000.00	-------	-------
Total payable to January 1, 1928	-------	262,849,236.39	-------	4,967,341.95	-------	26,047,203.31	-------	170,366,571.50	-------	224,000.00	-------	61,244,119.63
Interest thereon to date of payment or, if unpaid, to June 30, 1962, at 5 percent per annum, as specified in the Settlement of War Claims Act of 1928	-------	189,514,897.35	-------	236,195.75	-------	2,061,598.87	-------	81,405,388.78	-------	178,192.02	-------	105,633,521.93
Total due claimants	7,026	452,364,133.74	539	5,203,537.70	6,165	28,108,802.18	317	251,771,960.28	1	402,192.02	4	166,877,641.56
PAYMENTS												
Principal of awards:												
Agreement of August 10, 1922	4,717	94,424,092.28	424	3,549,437.75	3,983	15,497,158.79	310	75,377,495.74	-------	-------	-------	-------
Agreement of December 31, 1928	2,271	4,580,299.35	115	556,625.00	2,149	2,445,886.69	7	1,577,787.66	-------	-------	-------	-------
Private Law No. 509	1	101,053.06	-------	-------	-------	-------	-------	-------	1	101,053.06	-------	-------

Interest to January 1, 1928:												
Agreement of August 10, 1922		59,535,361.32		745,302.98		7,107,160.98		51,682,897.36				
Agreement of December 31, 1928		2,648,855.68		115,976.22		970,384.79		1,562,494.67				
Private Law No. 509		64,000.00								64,000.00		
Interest at 5 percent from January 1, 1928, to date of payment		45,860,742.78		236,195.75		2,045,380.09		[2] 43,479,647.02		99,519.92		
Total payments [3]	[4] 6,989	207,214,404.47	539	5,203,537.70	6,132	28,065,971.34	317	173,680,322.45	1	264,572.98		
BALANCE DUE												
Principal of awards:												
Agreement of August 10, 1922	327	81,217,703.37			13	17,150.69	310	39,165,758.27			4	42,034,794.41
Agreement of December 31, 1928	27	1,002,055.03			20	1,917.23	7	1,000,137.80				
Private Law No. 509	1	58,946.94							1	58,946.94		
Interest to January 1, 1928:												
Agreement of August 10, 1922		19,216,095.00				6,769.78						19,209,325.22
Agreement of December 31, 1928		774.36				774.36						
Accrued interest from January 1, 1928, through June 30, 1962		143,654,154.57				[5] 16,218.78		37,925,741.76		78,672.10		105,633,521.93
Balance due claimants	355	245,149,729.27			33	42,830.84	317	78,091,637.83	1	137,619.04	4	166,877,641.56
Reimbursement for administrative expenses: [6]												
Agreement of August 10, 1922		988,113.12		22,249.66		121,173.14		844,690.32				
Agreement of December 31, 1928		[7] 46,636.65		3,767.97		19,156.68		23,712.00				
Private Law No. 509		1,322.84								1,322.84		
Total reimbursements		1,036,072.61		26,017.63		140,329.82		868,402.32		1,322.84		

[1] Under the Settlement of War Claims Act of 1928 payment of Class III awards was limited to $100,000 until all Class I and Class II awards had been authorized for payment. Additional Class III awards payments were then to be made up to 80 percent of the total amount due for all three classes as of Jan. 1, 1928. On Feb. 27, 1953, the German Government agreed to pay $97,500,000 (U.S. dollars) over a period of 25 years in full settlement of Germany's obligations on account of Class III awards and the award under Private Law 509. Through June 30, 1962, $33,500,000 had been paid under the agreement, see table 116.

[2] Payments made in accordance with Public Law 375, approved Aug. 6, 1947.

[3] Amounts shown are gross, deductions for administrative expenses are shown below (see footnote 6).

[4] Includes partial payments on 317 Class III awards and one award under Private Law 509.

[5] Interest accrued from Jan. 1, 1928, to Mar. 11, 1940, on $26,612.06, representing awards plus interest to Jan. 1, 1928. No applications filed by claimants. Time for filing applications expired Mar. 11, 1940.

[6] Deductions of ½ of 1 percent are made from each payment to cover administrative expenses. These amounts are covered into the Treasury as miscellaneous receipts.

[7] Payable to the Government of Germany in connection with the adjudication of late claims. Through June 30, 1962, $24,150.09 had been paid.

TABLE 105.—*Yugoslav claims fund as of June 30, 1962*

[This special fund was established in accordance with the provisions of the act of Mar. 10, 1950, as amended (22 U.S.C. 1627). For further details, see annual report of the Secretary for 1954, p. 111]

Status of the fund	Amount
Receipts:	
Payment received from the Government of Yugoslavia under agreement of July 19, 1948	$17,000,000.00
Expenditures:	
Amounts paid to American nationals:	
Fiscal years:	
1953–61	16,630,467.32
1962	2,022.21
Total expenditures	16,632,489.53
Undisbursed balance June 30, 1962	367,510.47
Claims certified for payment by the:	
International Claims Commission of the United States [1]	793,596.69
Foreign Claims Settlement Commission of the United States	18,024,308.20
Total claims certified	18,817,904.89

[1] By Reorganization Plan No. 1 of 1954, the name of this Commission was changed to the Foreign Claims Settlement Commission of the United States, effective July 1, 1954.

TABLE 106.—*Status of claims of American nationals against certain foreign governments as of June 30, 1962*

	Bulgaria	Hungary	Rumania	Italy	U.S.S.R.	Czechoslovakia
Awards certified to the Treasury:						
Number of awards	231	1,301	565	650	1,979	2,970
Amount of awards:						
Principal	$4,684,186.46	$58,181,408.34	$60,011,347.78	$2,731,746.44	$70,446,019.13	$28,283,550.46
Interest	1,887,637.43	22,114,638.98	24,717,942.92	929,630.03	58,592,874.21	14,528,555.42
Total	6,571,823.89	80,296,047.32	84,729,290.70	3,661,376.47	129,038,893.34	42,812,105.88
Deposits in claims funds	2,816,146.84	1,740,681.19	21,112,996.46	5,000,000.00	9,114,444.66	8,990,282.54
Statutory deduction for administrative expenses	140,807.34	87,034.10	1,055,649.81	250,000.00	455,722.23	449,514.13
Amounts available for payment on awards	2,675,339.50	1,653,647.09	20,057,346.65	4,750,000.00	8,658,722.43	8,540,768.41
Payments on awards:						
Principal	2,605,581.79	1,637,660.83	20,048,525.97	2,731,746.44	8,637,201.82	
Interest				929,370.65		
Combined principal and interest						2,137,860.79
Balances in claims funds	69,757.71	15,986.26	8,820.68	1,088,882.91	21,520.61	6,402,907.62

International Financial Transactions

TABLE 107.—*United States net monetary gold transactions with foreign countries and international institutions, fiscal years 1945–62*

[In millions of dollars at $35 per ounce. Negative figures represent net sales by the United States; positive figures, net purchases]

Country, etc.	1945–1956	1957	1958	1959	1960	1961	1962
Afghanistan	−4.5	−0.6	−0.2				
Argentina	677.2	115.3	55.2	67.2		−140.0	85.0
Austria	−6.2			−123.5	−44.5		−56.3
Bank for International Settlements	−244.1		−89.5	−120.7		−59.0	
Belgium	134.9	6.8	−157.7	−210.2	−50.8	−90.1	−207.4
Bolivia	18.8						
Brazil	−25.4						
Burma						−3.8	−5.0
Cambodia						−12.0	−3.1
Canada	586.5	19.8					190.0
Ceylon					−7.5		
Chile	22.2	2.8		3.0	−1.3	−8.6	
Colombia	41.0	28.1				−6.3	
Congo Republic							28.8
Costa Rica							−2.3
Cyprus							−2.0
Denmark	−38.4	7.0	−17.0	−5.0	−10.0	−50.0	
Dominican Republic	−13.2						−3.1
Ecuador	2.1						
Egypt	−120.8				−7.5		−8.5
El Salvador	−18.1	−3.5				6.4	−5.7
Finland	−9.0				−4.7	−3.0	
France	202.3				−265.7	−173.0	−142.5
Germany, Federal Republic of	−375.6					−56.3	
Ghana						−5.6	
Greece	−45.2				−15.0	−47.0	−29.2
Iceland					−2.4		−7.1
Indonesia	−75.0		−2.0	−5.0	−6.0	−24.9	−.2
International Bank	18.8						
International Monetary Fund [1]	97.3	699.9	−7.3	[2] −352.6	252.1	300.0	150.0
Iran							−16.2
Iraq						−29.8	
Israel	−1.1				−4.4		−10.0
Italy	−114.3		−168.8	−180.0		100.0	
Japan				−125.0	−62.5	−15.2	
Korea	−1.9				−1.6		
Kuwait						−9.8	
Laos						−1.9	
Lebanon	−21.8						−32.1
Mexico	64.9			−20.0	−10.0	−20.0	
Morocco						−21.0	
Netherlands	−101.3	25.0	−104.8	−186.0	−34.9	−214.4	−24.9
Nicaragua	19.9						
Nigeria							−20.0
Norway	11.7						
Peru	−10.7		3.5			−20.0	
Philippines			21.9	11.9	5.0		
Portugal	−11.6		−20.0	−10.0			
Saudi Arabia	−4.1					−35.0	−25.1
South Africa	1,121.3						
Spain			31.5	31.7		−171.5	−204.1
Surinam				−2.5		−2.5	
Sweden	231.2	15.2					
Switzerland	−209.4	−8.0	−140.1	−75.1	20.1	−399.1	46.9
Syria	−10.4						−1.1
Tunisia							−.5
Turkey	57.9					−8.6	−1.1
United Kingdom	947.2	100.3	−750.0	−350.0	−150.0	−475.4	−711.6
Uruguay	−40.1	29.1	3.1			−3.8	
Vatican City	6.1	3.0	−1.5	−3.2	1.0	−7.0	
Venezuela	−225.9	−200.0			65.0		
Yugoslavia					−1.5	−15.9	−.7
All other	−129.7	−.2	−3.2	−5.8	−4.5	−6.3	−6.8
Total	2,403.5	840.1	−1,346.9	−1,660.7	−341.6	−1,730.4	−1,025.7

[1] International Monetary Fund figures prior to 1961 include gold purchases by the Fund on behalf of member countries for their payments to the Fund.

[2] Includes $343.8 million payment to the International Monetary Fund. Pursuant to an act approved June 17, 1959 (22 U.S.C. 286e–1), the United States made payment of its increase in quota to the International Monetary Fund, amounting to $1,375,000,000, on June 23, 1959. The payment was made in gold in the amount of $343,750,000.40, and in nonnegotiable, noninterest-bearing notes of the United States amounting to $1,031,249,999.60, in place of a like amount of currency.

TABLE 108.—*Estimated gold reserves and dollar holdings of foreign countries and international institutions as of June 30, 1961 and June 30, 1962*

[In millions of dollars]

Area and country	June 30, 1961		June 30, 1962			
	Total gold and short-term dollars	U.S. Government bonds and notes	Gold	Short-term dollar holdings	Total gold and short-term dollars	U.S. Government bonds and notes
Western Europe:						
Austria	480	3	363	277	640	(*)
Belgium	[r] 1,307	[r] 1	1,335	258	1,593	2
Denmark	81	31	31	52	83	29
Finland	112	2	62	71	133	2
France	2,862	4	2,270	1,394	3,664	3
Germany, Federal Republic of	6,588	3	3,667	2,622	6,289	3
Greece	136	(*)	96	110	206	(*)
Italy	3,059	(*)	2,242	1,187	3,429	(*)
Netherlands	[r] 1,735	3	1,581	307	1,888	2
Norway	[r] 134	132	30	101	131	85
Portugal	546	1	454	130	584	1
Spain	352	1	409	159	568	1
Sweden	574	51	182	425	607	123
Switzerland	2,850	87	2,409	951	3,360	83
Turkey	150	(*)	140	23	163	(*)
United Kingdom	4,109	[r] 435	2,600	2,264	4,864	440
Yugoslavia	14	---------	6	12	18	---------
Other and unidentified [1]	[r] 595	47	415	234	649	46
Total Western Europe	[r] 25,684	[r] 801	18,292	10,577	28,869	820
Canada	[r] 3,565	463	669	2,897	3,566	227
Latin America:						
Argentina	475	1	102	208	310	1
Bolivia	22	(*)	2	25	27	(*)
Brazil	474	2	286	225	511	1
Chile	171	(*)	45	131	176	(*)
Colombia	202	1	93	159	252	1
Costa Rica	22	(*)	2	13	15	(*)
Cuba	59	(*)	1	37	38	(*)
Dominican Republic	31	(*)	3	48	51	(*)
Ecuador	47	(*)	19	24	43	(*)
El Salvador	49	(*)	18	35	53	(*)
Guatemala	83	(*)	24	52	76	(*)
Haiti	12	(*)	1	10	11	(*)
Honduras	15	(*)	(*)	15	15	(*)
Mexico	450	5	106	518	624	6
Nicaragua	12	(*)	1	17	18	(*)
Panama	78	1	(*)	87	87	1
Paraguay	5	---------	(*)	5	5	---------
Peru	[r] 118	(*)	47	90	137	(*)
Uruguay	230	1	180	79	259	1
Venezuela	[r] 829	1	401	364	765	1
Other and unidentified [2 3]	[r] 88	57	---------	122	122	156
Total Latin America [2 3]	[r] 3,472	69	1,331	2,264	3,595	168
Asia:						
India	288	6	247	49	296	6
Indonesia	142	1	43	82	125	1
Iran	178	(*)	129	26	155	(*)
Israel	47	(*)	20	76	96	1
Japan	2,262	3	304	[4] 1,906	[4] 2,210	3
Korea	170	---------	2	164	166	---------
Pakistan	64	---------	53	10	63	---------
Philippines	[r] 184	2	34	179	213	1
Syria	23	---------	19	3	22	---------
Thailand	331	(*)	104	327	431	(*)
Other and unidentified [5]	[r] 729	45	470	390	860	40
Total Asia [5]	[r] 4,418	57	1,425	[4] 3,212	[4] 4,637	52

Footnotes at end of table.

TABLE 108.—*Estimated gold reserves and dollar holdings of foreign countries and international institutions as of June 30, 1961, and June 30, 1962*—Continued

[In millions of dollars]

Area and country	June 30, 1961		June 30, 1962			
	Total gold and short-term dollars	U.S. Government bonds and notes	Gold	Short-term dollar holdings	Total gold and short-term dollars	U.S. Government bonds and notes
Other countries:						
Australia	238	(*)	177	104	281	(*)
New Zealand	70		1	4	5	
South Africa	192	(*)	432	39	471	(*)
United Arab Republic (Egypt)	190	(*)	174	19	193	(*)
Other and unidentified [5 6]	r 548	37	148	487	635	39
Total other countries [5]	r 1,238	37	932	653	1,585	39
Total foreign countries [3 5]	r 38,377	r 1,427	22,649	[4] 19,603	[4] 42,252	1,306
International institutions [3 7]	r 6,393	1,011	2,110	4,453	6,563	1,009
Memorandum item: Sterling area	5,179	r 518	3,581	2,747	6,328	525

*Less than $500,000. r Revised.

[1] Includes holdings of European regional institutions such as the Bank for International Settlements (B.I.S.) and the European Fund, gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold, and unpublished gold reserves of certain Western European countries. The figures included for the gold reserves of the B.I.S. represent the Bank's net gold assets.
[2] Includes Inter-American Development Bank.
[3] Data for short-term dollars exclude nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.
[4] Total short-term dollars include $109 million reported by banks first included as of June 30, 1962. O this total, the holdings of Japan amount to $105 million.
[5] Excludes gold reserves of the U.S.S.R., other Eastern European countries, and China Mainland.
[6] Includes countries in Africa, Oceania, and Eastern Europe, and Western European dependencies outside Europe and Asia.
[7] Principally the International Monetary Fund and the International Bank for Reconstruction and Development.

NOTE: Gold and short-term dollars represent reported and estimated gold reserves, and official and private short-term dollar holdings (principally deposits and U.S. Treasury bills and certificates) reported by banks in the United States. U.S. Government bonds and notes represent estimated official and private holdings of U.S. Government securities with an original maturity of more than one year. Gold and short-term dollars plus U.S. Government bonds and notes represent the gold and liquid dollar holdings of foreign countries and international institutions.

TABLE 109.—*United States gold stock, and holdings of convertible foreign currencies by U.S. monetary authorities, fiscal years 1952–62*

[In millions of dollars]

End of fiscal year or month	Total gold stock and foreign currency holdings	Gold stock [1]		Foreign currency holdings [3]
		Treasury	Total [2]	
1952	23,533	23,346	23,533	----------
1953	22,521	22,463	22,521	----------
1954	22,027	21,927	22,027	----------
1955	21,730	21,678	21,730	----------
1956	21,868	21,799	21,868	----------
1957	22,732	22,623	22,732	----------
1958	21,412	21,356	21,412	----------
1959	19,746	19,705	19,746	----------
1960	19,363	19,322	19,363	----------
1961	17,789	17,550	17,603	186
1962	17,081	16,435	16,527	554
1961—July	17,695	17,527	17,590	105
August	17,636	17,451	17,530	106
September	17,519	17,376	17,457	62
October	17,443	17,300	17,331	112
November	17,148	16,975	17,021	127
December	17,063	16,889	16,947	116
1962—January	16,963	16,815	16,847	116
February	16,948	16,790	16,795	153
March	16,873	16,608	16,643	230
April	16,762	16,495	16,519	243
May	16,718	16,434	16,458	260
June	17,081	16,435	16,527	554

[1] Includes gold sold to the United States by the International Monetary Fund with the right of repurchase, the proceeds of which are invested by the Fund in U.S. Government securities; as of June 30, 1962, this amounted to $800 million.
[2] Includes gold in Exchange Stabilization Fund, which is not included in Treasury gold figures shown in the daily Treasury statement or in the *Circulation Statement of United States Money*.
[3] Includes holdings of Treasury and Federal Reserve System.

NOTE: The United States also has certain drawing rights on the International Monetary Fund, in which the United States has a quota of $4,125 million. In accordance with Fund policies, these drawing rights include the right to draw virtually automatically an amount equal to the sum of the U.S. gold subscription to the Fund ($1,031.2 million) and the Fund's net use of dollars; on June 30, 1962, these two amounts totaled $1,409.3 million. Under appropriate circumstances the United States could draw an additional amount equal to the U.S. quota.

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TABLE 110.—*U.S. international investment and gold position, end-selected years*

[In billions of dollars]

	1919	1930	1939	1946	1949	1959	1960	1961
U.S. investments abroad, total	7.0	17.2	11.4	18.7	30.7	64.8	71.5	[1] 77.3
U.S. Government subscriptions to international institutions	--------	--------	--------	0.3	3.4	4.8	4.9	5.0
Other U.S. investments abroad	7.0	17.2	11.4	18.4	27.3	60.0	66.6	72.3
Private investments	7.0	17.2	11.4	13.5	16.9	44.8	50.4	[1] 55.5
Direct	3.9	8.0	7.0	7.3	10.7	29.8	32.8	[1] 34.7
Other long-term	2.6	7.2	3.8	5.0	4.9	11.4	12.6	14.2
Short-term	0.5	2.0	0.6	1.3	1.3	3.6	5.0	6.6
U.S. Government credits and claims in foreign countries	--------	--------	(*)	4.8	10.3	15.2	16.2	16.8
Long-term	--------	--------	(*)	4.6	10.0	12.8	13.3	13.9
Short-term	--------	--------	--------	0.2	0.3	2.4	2.9	2.9
Foreign assets and investments in the U.S., total	4.0	8.4	9.6	15.9	16.9	42.1	44.7	50.0
Long-term	3.2	5.7	6.3	7.0	7.1	18.1	18.4	[2] 21.5
Liquid (short-term assets and U.S. Government obligations)	0.8	2.7	3.3	8.9	9.8	24.1	26.3	28.6
(of which international institutions held)	(–)	(–)	(–)	(0.5)	(1.8)	(3.8)	(4.8)	(5.0)
U.S. gold stock	2.5	4.2	17.8	20.7	24.6	19.5	17.8	16.9

*Less than $50 million.

[1] Reflects various adjustments including omission of investments in Cuba ($956 million) and a $36 million downward revision for South Africa, partly offset by an upward revision of $406 million for investments in Venezuela.

[2] Due in large part to price increases in 1961; figure may be substantially reduced in 1962 because of price decline.

SOURCE—U.S. Department of Commerce, and U.S. Treasury Department, Washington, D.C., Sept. 15, 1962.

Table 111.—*U.S. balance of payments by major components,[1] seasonally adjusted*

[In millions of dollars]

	1960	1961	1961				1962	
			Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
Goods and services, Government assistance and long-term capital accounts: [2]								
Nonmilitary merchandise exports	19,459	19,915	5,061	4,768	4,940	5,146	5,070	5,345
Less those financed by Government grants and capital	1,798	2,183	559	435	594	595	596	560
Merchandise exports other than those financed by Government grants and capital	17,661	17,732	4,502	4,333	4,346	4,551	4,474	4,785
Nonmilitary merchandise imports	−14,723	−14,514	−3,369	−3,417	−3,840	−3,888	−3,920	−4,032
Balance on trade, excluding exports financed by Government grants and capital	2,938	3,218	1,133	916	506	663	554	753
Nonmilitary service exports	7,219	7,745	1,937	1,910	1,863	2,035	2,093	2,154
Less those financed by Government grants and capital	322	391	86	92	105	108	115	122
Service exports, other than those financed by Government grants and capital	6,897	7,354	1,851	1,818	1,758	1,927	1,978	2,032
Nonmilitary service imports	−5,417	−5,462	−1,309	−1,337	−1,388	−1,428	−1,388	−1,405
Balance on services, other than those rendered under Government grants and capital	1,480	1,892	542	481	370	499	590	627
Balance	4,418	5,110	1,675	1,397	876	1,162	1,144	1,380
Other major transactions:								
Military expenditures	−3,048	−2,947	−770	−756	−699	−722	−752	−743
Military cash receipts	336	398	66	150	87	95	220	247
Government grants and capital—dollar payments to foreign countries and international institutions	−1,235	−1,283	−302	−254	−303	−424	−279	−271
Repayments on U.S. Government loans, excluding fundings by new loans	585	1,199	123	828	59	189	126	212
U.S. direct and long-term portfolio investments abroad [2]	−2,544	−2,481	−577	−487	−623	−794	−627	−707
Foreign direct and long-term portfolio investments in the United States	430	466	122	201	20	123	160	62
Remittances and pensions	−842	−878	−221	−221	−216	−220	−234	−222
Balance	−6,318	−5,526	−1,559	−539	−1,675	−1,753	−1,386	−1,422
Balance on goods and services, Government assistance and long-term capital account	−1,900	−416	116	858	−799	−591	−242	−42
Recorded U.S. private short-term capital outflow less foreign short-term credits to the United States (excluding foreign liquid dollar holdings)	−1,433	−1,443	−406	−316	−304	−417	−340	−5
Unrecorded transactions	−592	−602	−29	−366	193	−400	106	−171
Overall balance, seasonally adjusted	−3,925	−2,461	−319	176	−910	−1,408	−476	−218
Less seasonal adjustment			−11	87	−1	−75	−14	90
Overall balance, actual (not seasonally adjusted) [3]	−3,925	−2,461	−308	89	−909	−1,333	−462	−308
Equals:								
Changes in liquid liabilities to foreign private holders, including banks and nonmonetary international and regional institutions	−361	−1,202	74	−570	−234	−472	−692	10
Plus:								
Changes of holdings of gold and convertible currencies by U.S. monetary authorities and changes in U.S. liquid liabilities to foreign and international monetary authorities	−3,564	−1,259	−382	659	−675	−861	230	−318

[1] Excludes military transfers under grants.
[2] Short-term capital movements between parent companies and their foreign affiliates are reported as part of direct investment.
[3] Increase in U.S. liabilities and sales of gold (−).

Source—U.S. Department of Commerce, Office of Business Economics, Washington, D.C., September 1962.

TABLE 112.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1961 and 1962*

Assets and liabilities	June 30, 1961	June 30, 1962	Fiscal year 1962, increase, or decrease (—)
ASSETS			
Cash:			
Treasurer of the United States, checking accounts	$745, 020. 70	$1, 234, 967. 79	$489, 947. 09
Federal Reserve Bank of New York, special account	111, 866, 950. 15	77, 025, 123. 17	—34, 841, 826. 98
Total cash	112, 611, 970. 85	78, 260, 090. 96	—34, 351, 879. 89
Special account of the Secretary of the Treasury in the Federal Reserve Bank of New York—gold (schedule 1)	52, 810, 064. 16	91, 750, 542. 72	38, 940, 478. 56
Foreign exchange due from foreign banks:			
Central Bank of Argentina	14, 000, 000. 00	2, 000, 000. 00	—12, 000, 000. 00
Banco de Brazil		44, 500, 000. 00	44, 500, 000. 00
Bank of Canada		5, 000, 000. 00	5, 000, 000. 00
Bank of England	25, 399, 951. 81		—25, 399, 951. 81
Deutsche Bundesbank	20, 132, 000. 22	2, 506, 456. 80	—17, 625, 543. 42
Banco d'Italia		892, 062. 14	892, 062. 14
Netherlands Bank		3, 377, 481. 05	3, 377, 481. 05
Swiss National Bank	64, 999, 028. 28	20, 229, 010. 13	—44, 770, 018. 15
Investments in U.S. Government securities (schedule 2)	46, 000, 000. 00	72, 250, 000. 00	26, 250, 000. 00
Investments in foreign securities (schedule 2)		21, 359, 073. 02	21, 359, 073. 02
Accrued interest receivable (schedule 2)	306, 291. 55	306, 291. 54	—. 01
Accounts receivable	91, 356. 15	352, 796. 86	261, 440. 71
Unamortized premium on U.S. Government securities	1, 943. 28	716. 04	—1, 227. 24
Office equipment and fixtures, less allowance for depreciation	20, 482. 93	27, 879. 09	7, 396. 16
Total assets	336, 373, 089. 23	342, 812, 400. 35	6, 439, 311. 12
LIABILITIES AND CAPITAL [1]			
Liabilities:			
Vouchers payable	162, 719. 11	57, 866. 65	—104, 852. 46
Employees' payroll allotment account, U.S. savings bonds	2, 682. 47	3, 335. 23	652. 76
Accounts payable	231, 052. 33	263, 525. 68	32, 473. 35
Unamortized discount on U.S. Government securities	9, 605. 58	122, 821. 32	113, 215. 74
Total liabilities	406, 059. 49	447, 548. 88	41, 489. 39
Capital:			
Capital account	200, 000, 000. 00	200, 000, 000. 00	
Cumulative net income (schedule 3)	135, 967, 029. 74	142, 364, 851. 47	6, 397, 821. 73
Total capital	335, 967, 029. 74	342, 364, 851. 47	6, 397, 821. 73
Total liabilities and capital	336, 373, 089. 23	342, 812, 400. 35	6, 439, 311. 12

[1] For contingent liabilities under outstanding stabilization agreements, see schedule 4.

SCHEDULE 1.—SPECIAL ACCOUNT OF THE SECRETARY OF THE TREASURY IN THE FEDERAL RESERVE BANK OF NEW YORK—GOLD

Location of gold	June 30, 1961		June 30, 1962	
	Ounces	Dollars	Ounces	Dollars
Federal Reserve Bank of New York	1, 354, 295. 657	$47, 400, 348. 03	943, 390. 424	$33, 018, 664. 85
U.S. Assay Office, New York	154, 563. 189	5, 409, 716. 13	1, 430, 167. 976	50, 055, 883. 92
Federal Reserve Bank of New York, Account No. 4			247, 320. 238	8, 675, 993. 95
Total gold	1, 508, 858. 846	52, 810, 064. 16	2, 620, 878. 638	91, 750, 542. 72

TABLE 112.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1961 and 1962*—Continued

SCHEDULE 2.—INVESTMENTS HELD BY THE EXCHANGE STABILIZATION FUND, JUNE 30, 1962

Securities	Face value	Cost (in dollars)	Average price	Accrued interest
U.S. Government Securities, public issues:				
Treasury bills	$26,250,000	$25,836,656.94		
Treasury notes, 2⅝% Series A-1963	16,000,000	16,005,625.00	100.03515	$156,629.83
Treasury bonds:				
2½% of 1963	5,000,000	4,976,562.50	99.53125	46,616.02
2½% of 1964–69 (dated Apr. 15, 1943)	2,200,000	2,199,625.00	99.98295	2,254.10
2½% of 1964–69 (dated Sept. 15, 1943)	400,000	399,875.00	99.96875	409.83
2½% of 1965–70	10,000,000	10,000,000.00	100.00000	72,690.21
2½% of 1966–71	2,400,000	2,398,843.75	99.95182	17,445.65
2½% of 1967–72 (dated Nov. 15, 1945)	10,000,000	10,000,000.00	100.00000	10,245.90
Total	72,250,000	71,817,188.19		306,291.54
Foreign securities:				
Republic of Germany, Treasury bills	DM85,460,465.97	21,359,073.02		

SCHEDULE 3.—INCOME AND EXPENSE

Classification	Jan. 31, 1934, through—	
	June 30, 1961	June 30, 1962
Income:		
Profits on transactions in:		
British sterling	$310,638.09	$310,638.09
French francs	351,527.60	351,527.60
Gold and exchange (including profits from handling charges on gold)	129,617,820.51	135,020,638.48
Sale of silver to U.S. Treasury	3,473,362.29	3,473,362.29
Silver	102,735.27	102,735.27
Investments	2,554,630.63	2,583,989.43
Miscellaneous	70,372.96	91,169.90
Interest on:		
Investments	21,709,798.70	23,261,965.29
Foreign balances	4,179,817.45	6,221,464.64
Chinese yuan	1,975,317.07	1,975,317.07
Total income	164,346,020.57	173,392,808.06
Expense:		
Personal compensation and benefits	21,591,018.59	23,538,812.86
Travel	1,185,379.47	1,422,462.92
Transportation of things	1,846,797.63	2,016,752.65
Rent, communications, and utilities	728,455.88	755,302.78
Supplies and materials	168,547.36	182,895.44
Other	2,858,791.90	3,111,729.94
Total expenses	28,378,990.83	31,027,956.59
Cumulative net income	135,967,029.74	142,364,851.47

SCHEDULE 4.—CURRENT U.S. STABILIZATION AGREEMENTS, JUNE 30, 1962

Country	Effective dates			Amounts		
	Original	Renewal	Expiration	Original agreement	Advances	Repayments
				(In millions)	(In millions)	(In millions)
Argentina	June 7, 1962[1]		June 6, 1963	$50		
Brazil	May 16, 1961		May 15, 1963	70	$74.5	$30
Costa Rica	Sept. 6, 1961		Sept. 5, 1962	6		
Mexico	Jan. 1, 1958	Jan. 1, 1962	Dec. 31, 1963	75		
Philippine Republic	June 30, 1962		Dec. 31, 1962	25		

[1] Agreement dated Jan. 1, 1959, terminated.

TABLE 113.—*Summary of receipts, withdrawals, and balances of foreign currencies acquired by the United States without purchase with dollars, fiscal year 1962*

[In U.S. dollar equivalent [1]]

Balance held by Treasury Department, July 1, 1961		$1,323,393,406.49
Collections:		
Development Loan Fund (liquidation account) sec. 204, Mutual Security Act of 1954, as amended (22 U.S.C. 1874) [2]	$12,291,294.53	
Sale of surplus agricultural commodities pursuant to:		
Section 402, Mutual Security Act of 1954 (22 U.S.C. 1922)	116,883,288.42	
Title I, Public Law 480, Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704-5)	985,058,442.50	
Commodity Credit Corporation Charter Act (15 U.S.C. 713a)	2,828.07	
Loans and other assistance:		
Section 104(e) and 104(g) Public Law 480, loan repayments, including interest	17,874,484.02	
Section 635, Foreign Assistance Act of 1961 (22 U.S.C. 2395)	141,149.43	
Section 612, Foreign Assistance Act of 1961 (22 U.S.C. 2362) principal and interest on loans	32,228,602.62	
Informational media guaranties (22 U.S.C. 1442):		
Principal	3,560,988.67	
Interest	15,795.50	
Lend-lease and surplus property agreements (55 Stat. 32; 22 U.S.C. 412b, 1946 ed.), and (60 Stat. 754; 50 App. U.S.C. 1641(b)(1), 1946 ed.) [3]	26,197,136.40	
Bilateral agreements 5% and 10% counterpart funds, (22 U.S.C. 1852(b))	20,710,885.67	
Foreign programs to be held in trust	24,659,288.62	
President's special international program (22 U.S.C. 1990)	5,035.56	
All other sources	78,592,539.61	
Total collections		1,318,221,759.62
Total available		2,641,615,166.11
Withdrawals:		
Sold for dollars, proceeds credited to: [4]		
Treasury accounts and miscellaneous receipts	88,110,366.45	
Commodity Credit Corporation capital fund	146,976,045.83	
U.S. Information Agency	4,492,437.13	
Development Loan Fund (liquidation account) [2]	1,306,187.63	
Treasury suspense account	1,259,445.84	
President's special international program	5,035.55	
Total sold for dollars	242,149,518.43	
Requisitioned for use without reimbursement to the Treasury pursuant to: [5]		
Section 104, Public Law 480, as amended (7 U.S.C. 1704)	946,704,221.46	
Section 204, Mutual Security Act, as amended (22 U.S.C. 1874) (See also footnote 2)	926,387.35	
Section 402, Mutual Security Act, as amended (22 U.S.C. 1922)	113,289,673.60	
Trust agreements	24,664,508.99	
Other authority	586,576.01	
Total requisitioned without reimbursement	1,086,171,367.41	
Total withdrawals		1,328,320,885.84
Adjustment for rate differences		−28,684,000.94
Balances held by Treasury Department, June 30, 1962		**1,284,610,279.33**

Footnotes at end of table.

TABLE 113.—*Summary of receipts, withdrawals, and balances of foreign currencies acquired by the United States without purchase with dollars, fiscal year 1962*—Con.

[In U. S. dollar equivalent [1]]

Analysis of balance held by Treasury Department June 30, 1962:	
Proceeds for credit to miscellaneous receipts	$200,757,747.91
Proceeds for credit to agency accounts:	
Informational media guaranty funds:	
Principal	1,526,622.30
Interest account	169,128.89
Commodity Credit Corporation capital funds	223,396,612.19
Held in suspense for identification	4,863.26
For program use under sec. 103(c), Mutual Security Act of 1954, as amended (22 U.S.C. 1813)	13,901.82
For program allocations:	
Section 104, Title I, Public Law 480, as amended	845,454,551.31
Section 635, Foreign Assistance Act of 1961 (22 U.S.C. 2395)	236,996.82
Section 612, Foreign Assistance Act of 1961 (22 U.S.C. 2362)	13,049,854.83
Total	[6] 1,284,610,279.33
Balances held by other executive agencies, June 30, 1962, for purpose of:	
Economic and technical assistance under Mutual Security Act	136,419,323.40
Programmed uses under Agricultural Trade Development and Assistance Act	1,286,548,885.34
Military family housing in foreign countries	10,516,656.70
Trust agreements with foreign countries	8,410,946.44
Other	1,375,562.57
Balances held by Agency for International Development (to be deposited in Treasury):	
Interest earned on bank balances	45.45
Interest on Cooley loans [7]	126,146.66
Repayments on Cooley loans [7]	325,778.84
Total	1,443,723,345.40
Grand total	2,728,333,624.73

[1] For the purpose of providing a common denominator, the currencies of 86 foreign countries are herein stated in U.S. dollar equivalents. It should not be assumed that dollars in amounts equal to the balances shown are actually available. The dollar equivalents are calculated at varying rates of exchange. Foreign currencies generated under the Public Law 480 program comprise more than 76 percent of the total deposits. Foreign currencies deposited under certain provisions of Public Law 480 and the Mutual Security Act were converted at deposit rates provided for in the international agreements with the respective countries. The greater portion of these currencies is available to agencies without reimbursement pursuant to legislative authority and, when disbursed to the foreign governments, will generally be accepted by them at the deposit or collection rates. Currencies available for sale for dollars and certain other U.S. uses were converted at market rates of exchange in effect on the date of the sale and market rates in effect at the end of the month for transactions during the month, these market rates being those used to pay U.S. obligations. The closing balances were converted at the June 30, 1962, market rates. These statements do not include the participating country-owned foreign currencies equivalent to $267,517,921.06 which are reported by the Agency for International Development. These currencies are under joint control of the Agency for International Development and the foreign governments involved. This agency was established within the Department of State under authority of Executive Order 10973, dated Nov. 3, 1961, pursuant to the provisions of the Foreign Assistance Act of 1961, Public Law 87-195, Sept. 4, 1961 (22 U.S.C. 2381).

[2] Repealed by the Foreign Assistance Act of 1961, Public Law 87-195, pt. III, sec. 642(a)(2)(4), Sept. 4, 1961, 75 Stat. 460.

[3] Collections under lend-lease and surplus property agreements will continue to be made until such agreements are satisfied, although the act originally authorizing such action has been repealed.

[4] Dollars acquired from the sale of foreign currencies are derived from charges against the dollar appropriations of the Federal agencies which use the currencies. These dollar proceeds are credited to either miscellaneous receipts or other appropriate accounts on the books of the Treasury.

[5] Includes advances pursuant to the cited provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended; the mutual security acts, as amended; and withdrawal of foreign currency held in trust.

[6] Represents the dollar value of currencies held in the accounts of the Treasury Department only. Currencies transferred to agency accounts pursuant to requisitions submitted to the Treasury Department, or as otherwise authorized, are accounted for by the U.S. Government agencies. Balances held by executive departments and agencies as of June 30, 1962, are stated at end of summary.

[7] The loans were made under section 104e (Cooley Amendment) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)).

Note.—For detailed data on collections and withdrawals by country and program, see Part V of the *Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ended June 30, 1962.*

TABLE 114.—*Balances of foreign currencies acquired by the United States without purchase with dollars, June 30, 1962*

Country	Currency	In Treasury accounts		In agency accounts	
		Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Afghanistan	Afghani	361,898.78	$7,539.56	20,494,001.51	$426,958.36
Argentina	Peso	41,478,806.97	341,422.13	111,497,793.40	917,677.30
Australia	Pound	1,541.86	3,478.15	513.05	1,157.35
Austria	Schilling	13,895,255.59	508,714.98	32,242,190.57	1,253,584.39
Belgium	Franc	32,835,580.00	660,409.90	392,841.00	7,901.07
Bermuda	Pound			339.23	953.72
Bolivia	Boliviano	21,852,251,870.00	1,805,971.23	32,789,583,149.00	2,709,882.90
Brazil	Cruzeiro	5,134,946,040.80	14,671,274.41	21,482,042,680.50	61,377,264.81
Burma	Kyat	42,269,160.38	8,861,459.22	113,612,041.44	23,818,038.03
Cambodia	Riel	7,876,699.34	226,082.08	20,149,684.40	578,349.15
Ceylon	Rupee	14,353,263.57	3,013,492.25	48,479,789.01	10,178,414.66
Chile	Escudo	4,351,278.49	2,722,510.56	15,197,913.10	9,267,020.18
China	N.T. Dollar	404,715,781.12	10,117,894.54	1,543,908,786.40	38,597,719.66
Colombia	Peso	38,986,749.51	4,545,048.01	35,519,478.83	4,040,896.35
Congo, Republic of the.	Franc	167,800,205.00	2,599,538.42	3,919.00	60.71
Costa Rica	Colon	23,419.25	3,537.65	97,690.89	14,756.93
Cyprus	Pound	106,131.96	296,872.62	351.00	981.82
Denmark	Krone	4,405,384.27	639,852.47	9,573.52	1,390.49
Ecuador	Sucre	15,927,628.70	702,276.41	34,190,606.56	1,507,522.34
El Salvador	Colon	4,085.85	1,634.34		
Ethiopia	E. Dollar	604,146.00	244,099.39	1,079,462.97	436,146.66
Finland	Markka	1,379,011,585.00	4,301,346.18	359,907,552.00	1,122,606.21
France	New Franc	32,465,244.86	6,578,197.04	14,295,951.18	2,917,541.06
Germany, Federal Republic of.	W.D. Mark	10,083,078.41	2,528,354.66	82,344,106.21	20,642,955.41
Germany, East	E.D. Mark	32,042.69	2,584.09		
Ghana	Pound	16,368.36	46,408.75	732.97	2,078.18
Greece	Drachma	318,739,569.10	10,624,652.30	391,876,589.40	13,062,552.98
Guatemala	Quetzal	27,764.55	27,764.55	378,767.81	378,767.81
Guinea	Franc	359,132,850.00	1,456,928.40	246,498,728.00	999,994.84
Haiti	Gourde			166,722.41	33,344.48
Honduras	Lempira	183,393.39	91,696.69		
Hong Kong	H.K. Dollar	171,446.06	29,973.09	125,855.24	22,002.66
Hungary	Forint	500,000.00	10,416.67		
Iceland	Krona	43,043,624.15	999,619.69	65,887,648.34	1,530,135.81
India	Rupee	1,307,895,644.36	276,803,310.95	3,493,716,504.86	739,410,900.50
Indonesia	Rupiah	1,324,543,478.31	29,434,299.50	2,990,219,519.60	66,449,322.66
Iran	Rial	59,691,482.35	785,414.25	516,861,809.10	6,800,813.28
Iraq	Dinar			113.08	317.82
Ireland	Pound	6,479.28	18,225.84	674.52	1,897.40
Israel	Pound	81,758,256.79	27,788,524.53	58,605,731.65	19,535,243.89
Italy	Lira	2,908,880,779.00	4,684,188.06	5,943,298,494.00	10,085,522.05
Jamaica	Pound	9,502.60	26,805.64	287.53	811.11
Japan	Yen	2,790,799,035.25	7,752,219.51	483,097,824.35	1,341,938.41
Jordan	Dinar			764.40	2,155.71
Kenya	E.A. Shilling			12,281.47	1,731.49
Korea, Republic of.	Won	1,701,276,347.22	13,210,751.82	230,916,481.13	1,783,138.86
Laos	Kip	27,502.61	339.54	7,271,016.06	89,765.63

Footnotes at end of table.

TABLE 114.—*Balances of foreign currencies acquired by the United States without purchase with dollars, June 30, 1962*—Continued

Country	Currency	In Treasury accounts		In agency accounts	
		Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Lebanon	Pound			14,881.87	$4,980.55
Libya	Pound			268.35	755.28
Malaya, Federation of.	Malayan Dollar.	246,017.04	$81,033.28		
Mali	C.F.A. Franc	20,759,473.00	84,732.54		
Mexico	Peso	24,463,779.36	1,958,669.28	4,863,740.59	389,410.78
Morocco	Dirham	75,174,556.61	14,998,913.93	39,684,699.98	7,917,936.98
Nepal	Indian Rupee	2,153,438.93	455,754.27	24,469,335.51	5,178,695.35
Nepal	Nepalese Rupee.	103,512.46	13,478.18		
Netherlands	Guilder	5,936,192.53	1,653,996.24	3,266,659.00	910,186.40
New Zealand	Pound			286.88	795.35
Nicaragua	Cordoba	217,811.33	29,041.51		
Nigeria	Pound	5,603.32	15,833.09	610.48	1,725.02
Norway	Krone	1,532,620.19	215,558.39	35,437.90	4,984.23
Pakistan	Rupee	488,147,647.43	103,377,309.67	292,915,634.33	62,032,112.32
(Afghanistan, U.S.D.O.)	Pakistan Rupee.			104,452.35	22,120.36
Panama	Balboa	758.36	758.36		
Paraguay	Guarani	755,506,020.27	5,996,079.53		
Peru	Sol	64,444,623.14	2,411,432.69	124,830,931.66	4,657,870.59
Philippines, Republic of the.	Peso	17,503,883.51	4,519,463.86	69,518,553.92	17,949,536.26
Poland	Zloty	9,429,418,701.57	392,892,445.90	360,684.56	15,028.52
Portugal	Escudo	14,920,344.06	522,787.11	1,133,685.89	39,722.70
Senegal	C.F.A. Franc			469,712.00	1,917.19
Sierra Leone	West African Pound.			28,958.94	81,828.04
Singapore	Malayan Dollar.			2,570.40	846.64
Somali	Somalo			198,442.42	27,949.63
South Africa, Union of.	Rand	13,794.75	19,451.14	224.45	316.48
Spain	Peseta	3,348,967,399.11	55,862,705.00	4,792,274,308.02	80,457,083.54
Sudan	Pound	152,822.91	438,390.47	558,719.31	1,602,751.94
Sweden	Krona	3,524,261.34	684,588.45	9,196.84	1,786.49
Switzerland	Franc	2,794,546.09	646,735.96	30,324.45	7,017.92
Syrian Arab Republic.	Pound	17,370,825.81	4,865,777.53	63,300,343.54	17,731,188.66
Thailand	Baht	24,633,408.48	1,181,458.44	18,557,424.72	890,044.35
Tunisia	Dinar	2,839,523.92	6,814,312.27	2,155,264.89	5,172,221.96
Turkey	Lira	347,482,264.61	38,609,206.26	250,283,290.24	27,809,254.47
United Arab Republic:					
Cairo	Egy. Pound	33,099,531.25	75,226,207.38	35,619,641.09	80,953,729.79
United Kingdom	Pound	2,969,356.01	8,369,098.12	5,865,615.92	16,532,175.64
Uruguay	Peso	26,222,493.43	2,388,205.24	17,244,029.49	1,570,494.49
Venezuela	Bolivar	1,215,438.71	267,423.26		
Viet-Nam	Piastre	705,766,754.78	9,698,594.95	280,580,853.27	3,855,721.50
Yugoslavia	Dinar	83,351,780,222.00	111,135,706.96	49,911,705,635.00	66,548,940.85
Total			[1] 1,284,610,279.33		[1] 1,443,723,345.40

[1] For the purpose of providing a common denominator, the currencies of 86 foreign countries are herein stated in U.S. dollar equivalents. It should not be assumed that dollars in amounts equal to the balances shown are actually available.

Indebtedness of Foreign Governments

TABLE 115.—*Indebtedness of foreign governments to the United States arising from World War I, and payments thereon as of June 30, 1962*

	Indebtedness as of June 30, 1962				Cumulative payments since inception				
	Principal		Interest due and unpaid	Total	Principal		Interest		Total
	Due and unpaid [1]	Unmatured			Funded debts	Unfunded debts	Funded debts	Unfunded debts	
Armenia	$11,959,917.49	----------	$25,597,091.63	$37,557,009.12	----------	----------	----------	----------	----------
Austria [2]	20,684,722.80	$5,295,757.86	44,058.93	26,024,539.59	$862,668.00	----------	----------	----------	$862,668.00
Belgium	166,500,000.00	234,180,000.00	244,271,077.60	644,951,077.60	17,100,000.00	$2,057,630.37	$14,490,000.00	$18,543,642.87	52,191,273.24
Cuba	----------	----------	----------	----------	----------	10,000,000.00	----------	2,286,751.58	12,286,751.58
Czechoslovakia	68,301,108.90	96,940,000.00	87,818,485.98	253,059,594.88	19,829,914.17	----------	----------	304,178.09	20,134,092.26
Estonia	5,800,012.87	10,666,000.00	17,758,697.94	34,224,710.81	----------	----------	1,246,990.19	1,441.88	1,248,432.07
Finland	----------	5,596,494.98	[3] 82,165.96	5,678,660.94	3,403,505.02	----------	9,953,490.08	539,379.93	[4] 13,896,375.03
France	1,778,210,401.82	2,085,439,598.18	2,360,945,994.32	6,224,595,994.32	161,350,000.00	64,689,588.18	38,650,000.00	221,386,302.82	486,075,891.00
Great Britain	1,504,000,000.00	2,864,000,000.00	4,629,959,301.93	8,997,959,301.93	232,000,000.00	202,181,641.56	1,232,775,999.07	357,896,657.11	2,024,854,297.74
Greece	21,716,000.00	9,800,000.00	12,766,815.10	44,282,815.10	981,000.00	2,922.67	1,983,980.00	1,159,153.34	4,127,056.01
Hungary [5]	626,945.00	1,281,615.00	1,960,670.75	3,869,230.75	73,995.50	----------	482,171.22	753.04	556,919.76
Italy	652,000,000.00	1,352,900,000.00	201,747,659.34	2,206,647,659.34	37,100,000.00	364,319.28	5,766,708.26	57,598,852.62	100,829,880.16
Latvia	2,387,864.20	4,491,600.00	7,302,221.84	14,181,686.04	9,200.00	----------	621,520.12	130,828.95	761,549.07
Liberia	----------	----------	----------	----------	----------	26,000.00	----------	10,471.56	36,471.56
Lithuania	2,110,040.00	4,087,642.00	6,531,103.88	12,728,785.88	234,783.00	----------	1,001,626.61	1,546.97	1,237,956.58
Nicaragua [6]	----------	----------	----------	----------	----------	141,950.36	----------	26,625.48	168,575.84
Poland	69,841,000.00	136,216,000.00	222,256,364.20	428,313,364.20	[7] 1,287,297.37	----------	19,310,775.90	2,048,224.28	22,646,297.55
Rumania	26,842,560.43	37,018,000.00	41,893,691.40	105,754,251.83	2,700,000.00	1,798,632.02	29,061.46	263,313.74	[8] 4,791,007.22
Russia	192,601,297.37	----------	419,189,043.33	611,790,340.70	----------	----------	----------	8,750,311.88	[9] 8,750,311.88
Yugoslavia [10]	20,586,000.00	41,039,000.00	14,404,843.78	76,029,843.78	1,225,000.00	727,712.55	----------	636,059.14	2,588,771.69
Total	4,544,167,870.88	6,888,951,708.02	8,294,529,287.91	19,727,648,866.81	478,157,363.06	281,990,396.99	1,326,312,322.91	671,584,495.28	2,758,044,578.24

1 Includes amounts postponed under moratorium agreements.

2 The German Government was notified on Apr. 1, 1938, that the Government of the United States would look to the German Government for the discharge of the indebtedness of the Government of Austria to the Government of the United States. A letter dated Mar. 6, 1951, from Chancellor Adenauer to the Allied High Commission for Germany stated that Germany acknowledged liability for interest and similar charges on Austrian securities falling due between Mar. 12, 1938, and May 8, 1945. Article 28 (I) of the Austrian State Treaty of May 15, 1955, recognized that these charges constitute a claim on Germany and not on Austria.

3 Represents payments deferred.

4 Payments through June 30, 1962, totaling $5,193,394.36 were made available for education and training of Finnish citizens in the United States, and of U.S. citizens in Finland pursuant to the act of Aug. 24, 1949 (20 U.S.C. 222–224).

5 Although agreements provide for payment in U.S. dollars, interest payments due from Dec. 15, 1932, to June 15, 1937, were deposited in pengo equivalent, with the Hungarian National Bank.

6 Obligations held by the United States, and interest thereon, were cancelled pursuant to the agreement of Apr. 14, 1938, between the United States and Nicaragua.

7 Excludes claim allowance of $1,813,428.69, dated Dec. 15, 1929.

8 Excludes payment of $100,000.00 on June 15, 1940, as a token of good faith pending negotiation of a new agreement.

9 Consists principally of proceeds from liquidation of Russian assets in the United States.

10 The Yugoslavian Government has not accepted the moratorium provisions.

TABLE 116.—*World War I indebtedness, payments, and balances due under agreements between the United States and Germany as of June 30, 1962*

Agreements of June 23, 1930, and May 26, 1932	Army costs (reichsmarks)	Mixed claims (reichsmarks)	Total (reichsmarks)	Total (U.S. dollars)
Indebtedness as funded	1,048,100,000.00	[1] 1,632,000,000.00	2,680,100,000.00	[2] $1,080,884,330.00
Payments:				
Principal	50,600,000.00	81,600,000.00	132,200,000.00	[3] 31,539,595.84
Interest	856,406.25	5,610,000.00	6,466,406.25	[3] 2,048,213.85
Total	51,456,406.25	87,210,000.00	138,666,406.25	[3] 33,587,809.69
Balance:				
Principal	997,500,000.00	1,550,400,000.00	2,547,900,000.00	[2] 1,027,568,070.00
Interest	[4] 405,253,520.25	358,530,000.00	[4] 763,783,520.25	[2] 308,033,893.72
Total	1,402,753,520.25	1,908,930,000.00	[5] 3,311,683,520.25	[2] 1,335,601,963.72

Agreement of February 27, 1953 [6]	Indebtedness as funded in U.S. dollars	Total payments through June 30, 1962	Balance due
Mixed claims (U.S. dollars)	$97,500,000.00	$33,500,000.00	$64,000,000.00

[1] Excludes 489,600,000 reichsmarks canceled under agreement of Feb. 27, 1953 (see footnote 6).
[2] The amount of indebtedness as funded was converted to U.S. dollars at the rate of 40.33 cents to the reichsmark.
[3] The amount of payments was converted at the rate applicable at time of payment, i.e. 40.33 or 23.82 cents to the reichsmark.
[4] Includes interest accrued under unpaid moratorium agreement annuities amounting to 5,289,989 reichsmarks.
[5] Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse fur deutsche Auslandsschulden and not paid to the United States in dollars as required by the agreement.
[6] Under the agreement of Feb. 27, 1953, the United States agreed to cancel and deliver to the German Government 24 reichsmark bonds of 20,400,000 reichsmarks each, issued under the agreement of June 23, 1930, and receive 26 dollar bonds amounting to $97,500,000. These bonds mature serially over a period of 25 years beginning Apr. 1, 1953. The first 5 bonds are in amounts of $3,000,000 each, the next 5 in amounts of $3,700,000 each, and the remaining 16 in amounts of $4,000,000 each.

TABLE 117.—*Outstanding indebtedness of foreign countries on United States Government credits (exclusive of indebtedness arising from World War I) as of June 30, 1962, by area, country, and major program* [1]

[In millions of dollars]

Area and country	Under Export-Import Bank Act	Under "American Aid" (and related acts)	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend-lease, surplus property, and grant settlements [2]	Other credits	Total
Western Europe:								
Austria	27		24			1		52
Belgium and Luxembourg	45	59				7		111
Denmark	6	33						38
Finland	58		19	3		9		88
France	650	215		5		479		1,348
Germany, Federal Republic of	8	16				211		235
Greece	10	46	44	3		24		127
Iceland	(*)	22	6			(*)		28
Ireland		121						121
Italy	3	87	93	3		37		222
Netherlands	23	117				6		145
Norway	12	30				(*)		42
Portugal	12	30	3		12			57
Spain	93	74	138					304
Turkey	8	179	53	8		1		250
United Kingdom		368				514	3,260	4,143
Yugoslavia	48	142	188		7	(*)		384
European Coal and Steel Community		84						84
North Atlantic Treaty Organization (Maintenance Supply Services Agency)		6						6
Total Western Europe	1,003	1,627	567	22	19	1,288	3,260	7,787
Other Europe:								
Czechoslovakia						5		5
Hungary						9		9
Poland	22	61				17		100
U.S.S.R.						206		206
Total other Europe	22	61				237		320
Asia:								
Afghanistan	37	12						49
Burma		16	6			1		23
Ceylon		5	4					9
China—Taiwan	29	100	4	1		117		251
India	147	572	289	22		3		1,033
Indonesia	95	26	24			41		185
Iran	49	174	11			24		258
Israel	97	85	105	8				295
Japan	198		105			1		303
Jordan	(*)	2						2
Korea		6		1		21		27
Lebanon	2	3						5
Malaya	(*)	6						6
Pakistan	1	229	118	2		3		353
Philippines	43	33	5	(*)		(*)		82
Saudi Arabia	(*)					4		4
Syria		1	2					3
Thailand	19	37	3					59
Vietnam		51						51
Other Asia	(*)		(*)				(*)	(*)
Total Asia	717	1,357	676	35		215	(*)	3,000

Footnotes at end of table.

TABLE 117.—*Outstanding indebtedness of foreign countries on United States Government credits (exclusive of indebtedness arising from World War I) as of June 30, 1962, by area, country, and major program* [1]—Continued

[In millions of dollars]

Area and country	Under Export-Import Bank Act	Under "American Aid" (and related acts)	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To foreign governments	Under Agricultural Trade Development and Assistance Act: Loans of foreign currencies: To private enterprises	Under Agricultural Trade Development and Assistance Act: Long-term dollar credits	Lend-lease, surplus property, and grant settlements [2]	Other credits	Total
Latin America:								
Argentina	275	26	12					313
Bolivia	34	5	(*)					39
Brazil	693	75	89			4		861
Chile	168	62	32	(*)				263
Colombia	138	35	26	2				202
Costa Rica	15	4						19
Cuba	36							36
Dominican Republic		12						12
Ecuador	17	18	6	(*)			(*)	41
El Salvador	7	(*)			1			8
Guatemala	1	5						6
Haiti	27	4				(*)	(*)	32
Honduras	2	8						10
Mexico	301	2	10	4				317
Nicaragua	13	2						14
Panama	8	9						17
Paraguay	9	7	2					18
Peru	109	10	13	1		1		134
Uruguay	3	6	5	2		(*)		17
Venezuela	83	10						93
Other Latin America	(*)							(*)
Unspecified Latin America	24					7		31
Total Latin America	1,965	300	195	10	1	11	(*)	2,481
Africa:								
Ethiopia	5	11				(*)		16
Liberia	47	1				19		67
Libya	(*)	8						8
Morocco		153						153
Nigeria	1	4						5
Rhodesia and Nyasaland		11						11
South Africa	59							59
Sudan		10						10
Tanganyika		1						1
Tunisia		12	1					13
United Arab Republic (Egypt)	26	13	128	1				168
Other Africa	(*)	(*)						(*)
Unspecified Africa		(*)						(*)
Total Africa	139	224	130	1		19		512
Oceania:								
Australia	17					(*)		17
New Zealand	5					1		6
Total Oceania	22					1		23
United Nations							45	45
Unspecified		10						10
Total all areas	3,867	3,578	1,567	68	19	1,772	3,306	14,178

*Less than $500,000.

[1] Includes estimates for the U.S. dollar equivalent of receivables denominated in other than dollars and/or payable at the option of the debtor in foreign currencies, goods, or services. The total amount of such estimates approximates $3,030,000,000.

[2] Data on lend-lease, surplus property, and settlements for grants include approximately $342,000,000 for surplus property and other credits outstanding and administered by Federal agencies other than the Treasury Department (Export-Import Bank $200,000,000, State Department $112,000,000, Department of the Army $20,000,000, Maritime Administration $9,000,000, and General Services Administration $1,000,000), and exclude about $64,000,000 in defaulted short-term "cash" credits and deferred and otherwise past due interest. They also exclude the value of silver received by the U.S. Government ($1,000,000) but not completely recorded in the accounts of the Treasury Department as of June 30, 1962.

SOURCE—U.S. Department of Commerce, Office of Business Economics, from data supplied by the operating agencies.

TABLE 118.—*Status of accounts under lend-lease and surplus property agreements (World War II) as of June 30, 1962*

PART I.—SUMMARY OF AMOUNTS BILLED, COLLECTED, AND BALANCES DUE THE UNITED STATES

Country, etc.	Amount billed (net) [1]	Credits			Amounts payable to foreign governments [2]	Balances due United States		
		Collections		Other credits		Balance due	Amount past due [3]	To be repaid over a period of years by agreement
		U.S. dollars	Foreign currency (in U.S. dollar equivalent)					
Australia	$42,420,061.26	$34,170,930.90	$7,358,509.95	$863,517.18		$27,103.23		$27,103.23
Austria	10,551,298.07	2,898,737.35	6,637,500.00	556,807.01		458,253.71		458,253.71
Belgium and Congo Republic	116,016,624.57	36,489,867.42	11,128,228.53	61,340,822.18		7,057,706.44		7,057,706.44
Burma	6,652,754.12	141,128.56	5,560,577.14	142,077.32		808,971.10		808,971.10
Canada	388,765,007.77	388,765,007.77						
China	95,222,974.39	16,062,109.14			$3,584,435.73	82,745,300.98	$56,456,836.49	26,288,464.49
Czechoslovakia	9,795,992.26	596,730.50	1,062,961.45	1,990,965 94		6,145,334.37	3,107,754.27	3,037,580.10
Denmark	5,240,272.66	4,266,935.24	931,000.00	42,337.42				
Ethiopia	4,558,958.36	3,899,523.26		635,814.50		23,620.60		23,620.60
Finland	24,014,391.80	11,560,218.78	2,271,136.46	697,805.34		9,485,231.22		9,485,231.22
France	1,215,500,830.47	[4] 625,128,284.72	51,144,088.03	51,402,738.29		487,825,719.43		487,825,719.43
Germany, Federal Republic of	223,665,907.54	2,494,331.52	210,455,344.92			10,716,231.10		10,716,231.10
Greece	70,695,778.15	33,834,075.03	12,612,457.33	1,156,763.08	1,766.62	23,094,249.33		23,094,249.33
Greenland	8,351.28	8,351.28						
Hungary	20,556,276.87		9,122,500.10	1,818,002.31		9,615,774.46	3,782,124.96	5,833,649.50
Iceland	4,855,981.42	4,496,553.29	250,198.40			109,229.73		109,229.73
India	200,606,711.25	184,536,818.40	6,943,404.63	287,954.38		8,838,533.84	4,299,005.50	[5] 4,539,528.34
Iran	13,656,643.52	3,027,267.45	7,829,287.39			2,800,088.68	2,800,088.68	

Iraq	54.00	54.00	----------	----------	----------	----------	----------	----------
Italy	263, 798, 225. 10	151, 455, 835. 38	73, 822, 732. 70	3, 541, 571. 44	----------	34, 978, 085. 58	----------	34, 978, 085. 58
Japan	13, 728, 409. 82	----------	12, 971, 483. 00	756, 926. 82	----------	----------	----------	----------
Korea	31, 929, 970. 14	----------	2, 524, 307. 70	3, 977, 576. 38	----------	25, 428, 086. 06	3, 980, 503. 68	21, 447, 582. 38
Lebanon	1, 656, 638. 01	----------	521, 818. 51	1, 134, 819. 50	----------	----------	----------	----------
Liberia	19, 440, 619. 66	517, 937. 27	----------	----------	----------	18, 922, 682. 39	----------	18, 922, 682. 39
Luxembourg	120. 00	120. 00	----------	----------	----------	----------	----------	----------
Middle East	50, 377, 089. 88	11, 126, 866. 72	39, 234, 823. 16	----------	----------	15, 400. 00	15, 400. 00	----------
Netherlands	176, 649, 272. 42	102, 844, 231. 54	39, 492, 330. 04	28, 383, 412. 29	----------	5, 929, 298. 55	----------	5, 929, 298. 55
New Zealand	4, 935, 288. 23	1, 962, 908. 59	1, 587, 659. 28	644, 920. 86	----------	739, 799. 50	----------	739, 799. 50
Norway	21, 277, 848. 08	12, 658, 692. 51	8, 438, 517. 67	180, 637. 90	----------	----------	----------	----------
Pakistan	38, 014, 433. 42	34, 028, 433. 97	----------	----------	----------	3, 985, 999. 45	----------	3, 985, 999. 45
Philippines	5, 000, 000. 00	----------	2, 005, 855. 29	2, 988, 158. 91	----------	5, 985. 80	----------	5, 985. 80
Poland	48, 732, 701. 31	21, 006, 930. 48	10, 385, 744. 17	----------	----------	17, 340, 026. 66	----------	17, 340, 026. 66
Saudi Arabia	[6] 18, 583, 255. 72	14, 664, 675. 46	----------	----------	----------	3, 918, 580. 26	----------	3, 918, 580. 26
Southern Rhodesia	1, 415, 510. 78	1, 371, 931. 69	----------	----------	----------	43, 579. 09	43, 579. 09	----------
Sweden	2, 115, 455. 91	240, 689. 98	1, 824, 653. 33	50, 112. 60	----------	----------	----------	----------
Thailand	7, 064, 989. 28	2, 235, 736. 09	4, 178, 321. 72	650, 931. 47	----------	----------	----------	----------
Turkey	14, 473, 973. 98	11, 064, 231. 77	2, 110, 714. 28	1, 281, 136. 93	----------	17, 891. 00	15, 137. 92	2, 753. 08
Union of South Africa	117, 774, 297. 35	116, 608, 622. 69	242, 487. 98	923, 186. 68	----------	----------	----------	----------
Union of Soviet Socialist Republics	316, 748, 754. 86	110, 843, 708. 95	----------	----------	----------	205, 905, 045. 91	42, 467, 346. 10	163, 437, 699. 81
United Kingdom and colonies	1, 061, 215, 902. 90	335, 743, 414. 87	34, 575, 734. 24	154, 635, 335. 62	----------	536, 261, 418. 17	----------	[7] 536, 261, 418. 17
Yugoslavia	963, 376. 50	63, 376. 50	16, 300. 00	623, 065. 20	----------	260, 634. 80	----------	260, 634. 80
American Republics	136, 685, 117. 19	114, 365, 404. 88	11, 921, 129. 75	3, 154, 183. 21	----------	7, 244, 399. 35	494, 399. 35	[8] 6, 750, 000. 00
American Red Cross	2, 023, 386. 90	2, 023, 386. 90	----------	----------	----------	----------	----------	----------
Federal agencies	243, 114, 726. 52	243, 092, 796. 09	----------	----------	----------	21, 930. 43	21, 930. 43	----------
Military withdrawals	187, 629. 76	649. 00	186, 980. 76	----------	----------	----------	----------	----------
Miscellaneous items	1, 472, 077. 38	1, 136, 573. 15	335, 504. 23	----------	----------	----------	----------	----------
United Nations Relief and Rehabilitation Administration	7, 226, 762. 25	7, 226, 762. 25	----------	----------	----------	----------	----------	----------
Total	5, 059, 390, 703. 11	2, 648, 660, 841. 34	579, 684, 292. 14	323, 861, 580. 76	3, 586, 202. 35	1, 510, 770, 191. 22	117, 484, 106. 47	1, 393, 286, 084. 75

Footnotes at end of table.

TABLE 118.—*Status of accounts under lend-lease and surplus property agreements (World War II) as of June 30, 1962*—Continued

PART II.—BALANCES DUE BY TYPE OF AGREEMENT

Country, etc.	Lend-lease settlement agreements	Other lend-lease accounts	Surplus property agreements	Total
Australia			$27,103.23	$27,103.23
Austria			458,253.71	458,253.71
Belgium and Congo Republic			7,057,706.44	7,057,706.44
Burma			808,971.10	808,971.10
China		$82,745,300.98		82,745,300.98
Czechoslovakia			6,145,334.37	6,145,334.37
Ethiopia	$23,620.60			23,620.60
Finland			9,485,231.22	9,485,231.22
France	250,450,080.65		237,375,638.78	487,825,719.43
Germany, Federal Republic of			10,716,231.10	10,716,231.10
Greece			23,094,249.33	23,094,249.33
Hungary			9,615,774.46	9,615,774.46
Iceland			109,229.73	109,229.73
India		4,539,514.23	4,299,019.61	8,838,533.84
Iran	711,753.36	90,000.00	1,998,335.32	2,800,088.68
Italy			34,978,085.58	34,978,085.58
Korea			25,428,086.06	25,428,086.06
Liberia	18,922,682.39			18,922,682.39
Middle East		15,400.00		15,400.00
Netherlands	5,929,298.55			5,929,298.55
New Zealand			739,799.50	739,799.50
Pakistan		3,985,999.45		3,985,999.45
Philippines			5,985.80	5,985.80
Poland			17,340,026.66	17,340,026.66
Saudi Arabia		3,918,580.26		3,918,580.26
Southern Rhodesia		43,579.09		43,579.09
Turkey			17,891.00	17,891.00
Union of Soviet Socialist Republics		205,905,045.91		205,905,045.91
United Kingdom and colonies	504,662,442.68		31,598,975.49	536,261,418.17
Yugoslavia	260,634.80			260,634.80
American Republics	6,750,000.00	494,399.35		7,244,399.35
Federal agencies			21,930.43	21,930.43
Total	787,710,513.03	301,737,819.27	421,321,858.92	1,510,770,191.22

Footnotes at end of table.

TABLE 118.—*Status of accounts under lend-lease and surplus property agreements (World War II) as of June 30, 1962*—Continued

PART III.—LEND-LEASE SILVER ACCOUNTS

Country	Silver loaned		Silver repaid		Balance outstanding
	(In ounces)	(U.S. dollars)	(In ounces)	(U.S. dollars)	(U.S. dollars)
Australia	11,772,730.21	$8,371,719.26	11,772,730.21	$8,371,719.26	
Belgium	261,333.33	185,837.03	261,333.33	185,837.03	
Ethiopia	5,425,000.00	3,857,777.77	5,425,000.00	3,857,777.77	
India	172,542,107.00	122,696,609.42	172,203,891.65	122,456,100.69	[5] $240,508.73
Netherlands	56,737,341.25	40,346,553.77	56,737,341.25	40,346,553.77	
Pakistan	53,457,797.00	38,014,433.42	47,852,485.29	34,028,433.97	3,985,999.45
Saudi Arabia	21,316,120.01	[6] 18,583,255.72	[9] 15,805,616.51	14,664,675.46	3,918,580.26
United Kingdom	88,270,241.84	62,769,949.72	88,270,241.84	62,769,949.72	
Total	409,782,670.64	294,826,136.11	398,328,640.08	286,681,047.67	8,145,088.44

[1] Includes accrued interest through July 1, 1962.
[2] Represents cash payments by foreign governments in excess of billings under advance payment agreements. Amounts being held pending settlement for lend-lease.
[3] Principally billings considered past due as of June 30, 1961, and items subject to negotiation.
[4] Principal and interest in the amount of $59,622,516.54 was paid Apr. 19, 1962. The amount (previously reported herein as postponed) represented the two annual installments originally scheduled to be made on July 1, 1958 and 1959, but which under an agreement concluded in January 1958 had been postponed until 1981 and 1982.
[5] Includes silver valued at $240,508.73 which is in the possession of the United States and is currently in the process of being assayed.
[6] Principal obligation increased $3,425,125.95 to give effect to U.S. dollar payments in lieu of silver.
[7] Includes $28,647,846.90 principal and interest installments postponed pursuant to agreements.
[8] Represents amount which is postponed by agreement pending final settlement of certain claims.
[9] Represents repayment of 1,371,410.28 fine ounces in silver bullion and the equivalent of 14,434,206.23 fine ounces in U.S. dollars computed at market value at time of payment.

Corporations and Certain Other Business-Type Activities of the United States Government

TABLE 119.—*Capital stock, notes, and bonds of Government agencies held by the Treasury or other Government agencies, June 30, 1961 and 1962, and changes during 1962*

Class of security and issuing agent	Date of authorizing act	Amount owned June 30, 1961	Advances [1]	Repayments and other reductions [1]	Amount owned June 30, 1962
Capital stock of Government corporations:					
Held by the Secretary of the Treasury:					
Export-Import Bank of Washington	June 16, 1933, as amended	$1,000,000,000.00			$1,000,000,000.00
Federal Crop Insurance Corporation	Feb. 16, 1938, as amended	40,000,000.00			40,000,000.00
Federal National Mortgage Association, secondary market operations.	Aug. 2, 1954, as amended	158,820,304.97			158,820,304.97
Inland Waterways Corporation	June 3, 1924, as amended	15,000,000.00		$3,000,000.00	12,000,000.00
Public Housing Administration	Sept. 1, 1937, as amended	1,000,000.00			1,000,000.00
Held by the Secretary of Agriculture, Commodity Credit Corporation.	June 16, 1933, as amended	100,000,000.00			100,000,000.00
Held by the Governor of Farm Credit Administration:					
Banks for cooperatives	do	118,286,900.00		11,469,900.00	106,817,000.00
Federal intermediate credit banks	July 26, 1956	97,489,120.00	$3,900,000.00		101,389,120.00
Total capital stock		1,530,596,324.97	3,900,000.00	14,469,900.00	1,520,026,424.97
Bonds and notes of Government corporations and other agencies held by the Treasury: [2]					
Agency for International Development [3]	Apr. 3, 1948, as amended, and June 15, 1951.	1,106,567,254.82		44,324,558.82	[4] 1,062,242,696.00
Commodity Credit Corporation	Mar. 8, 1938, as amended	11,534,000,000.00	4,330,000,000.00	2,874,000,000.00	12,990,000,000.00
Export-Import Bank of Washington	July 31, 1945, as amended	1,697,900,000.00	1,315,500,000.00	1,183,900,000.00	1,829,500,000.00
Federal National Mortgage Association:					
Management and liquidating functions	Aug. 2, 1954, as amended	1,440,504,300.00	143,031,924.56	260,176,000.00	1,323,360,224.56
Secondary market operations	do		909,540,000.00	909,540,000.00	
Special assistance functions	do	1,761,584,166.39	180,368,200.47	98,475,000.00	1,843,477,366.86
Housing and Home Finance Administrator:					
College housing loans	Apr. 20, 1950, as amended	988,225,000.00	248,894,000.00	9,710,000.00	1,227,409,000.00
Public facility loans	Aug. 11, 1955	60,259,900.00	19,785,500.00		80,045,400.00
Urban renewal fund	July 15, 1949, as amended	165,000,000.00	95,000,000.00		260,000,000.00
Public Housing Administration	Sept. 1, 1937, as amended	32,000,000.00	89,000,000.00	89,000,000.00	32,000,000.00
Rural Electrification Administration	May 20, 1936, as amended	3,331,587,765.32	290,000,000.00	137,880,907.97	3,483,706,857.35
Saint Lawrence Seaway Development Corporation	May 13, 1954	120,546,686.06	600,000.00		121,146,686.06
Secretary of Agriculture, Farmers Home Administration:					
Rural housing loan program [5]	Aug. 7, 1956, as amended	154,247,223.78	97,800,000.00	19,742,968.50	232,304,255.28
Direct loan account [6]	July 8, 1959, June 29, 1960, and June 30, 1961.	272,250,385.60	326,000,000.00	290,778.26	597,959,607.34
Agricultural credit insurance fund [7]	Aug. 14, 1946, as amended	29,390,000.00	33,175,000.00	39,145,000.00	23,420,000.00
Secretary of Commerce, Maritime Administration:					
Federal ship mortgage insurance fund	July 15, 1958, as amended	1,400,000.00		1,400,000.00	

Secretary of the Treasury (Federal Civil Defense Act of 1950, as amended).	Jan. 12, 1951, as amended	440,000.00		140,000.00	300,000.00
U.S. Information Agency, informational media guaranty fund	Apr. 3, 1948, as amended, and July 18, 1956.	20,018,000.00	2,196,598.67	2,256,148.00	19,958,450.67
Veterans' Administration (veterans' direct loan program)	Apr. 20, 1950, as amended	1,330,077,996.00	200,000,000.00		1,530,077,996.00
Virgin Islands Corporation	Sept. 2, 1958, as amended	593,900.00	350,000.00		943,900.00
Defense Production Act of 1950, as amended:					
Export-Import Bank of Washington	Sept. 8, 1950, as amended	10,273,497.36		10,273,497.36	
General Services Administration	do	1,764,700,000.00	30,000,000.00	5,000,000.00	1,789,700,000.00
Secretary of Agriculture	do	64,577,779.63			64,577,779.63
Secretary of the Interior (Defense Minerals Exploration Administration).	do	32,000,000.00		1,000,000.00	31,000,000.00
Secretary of the Treasury	do	92,600,000.00	11,900,000.00	13,950,000.00	90,550,000.00
D.C. Commissioners:					
Stadium sinking fund, Armory Board, D.C	Sept. 7, 1957, as amended		415,800.00		415,800.00
Total bonds and notes		26,010,743,854.96	8,323,557,023.70	5,700,204,858.91	28,634,096,019.75
Guaranteed obligations of Government agencies held by Government corporations and other agencies:					
Federal Housing Administration debentures held by:					
Housing and Home Finance Agency:					
Federal Housing Administration	June 27, 1934, as amended	6,493,350.00			6,493,350.00
Federal National Mortgage Association:					
Management and liquidating functions	Aug. 2, 1954, as amended	69,008,200.00	19,303,650.00	4,187,800.00	84,124,050.00
Secondary market operations	do	746,450.00	44,972,600.00	7,045,950.00	38,673,100.00
Special assistance functions	do	10,448,400.00	30,206,100.00	3,230,100.00	37,424,400.00
Office of the Administrator, liquidating programs	June 24, 1954		4,200.00		4,200.00
Total guaranteed obligations		86,696,400.00	94,486,550.00	14,463,850.00	166,719,100.00

[1] Excludes refundings.
[2] See also table 122.
[3] The International Cooperation Administration was abolished by an act approved Sept. 4, 1961 (22 U.S.C. 2381(b)), and certain functions, including those relating to borrowings from the Secretary of the Treasury, were transferred to this Agency which was established under authority of E.O. 10973, dated Nov. 3, 1961.
[4] Not reduced by $68,702.82, representing excess repayments returned to the Agency as of June 30, 1962.
[5] Formerly identified as farm housing loan program but changed as operations were broadened by the Housing Act of 1961, approved June 30, 1961 (42 U.S.C. 1471).
[6] Name changed from regular loan programs by an act approved Aug. 8, 1961 (7 U.S.C. 1988(c)).
[7] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929(a)).

NOTE.—See table 124 for data on other securities held by agencies representing loans made.

TABLE 120.—*Borrowing authority and outstanding issues of Government corporations and certain other business-type activities whose obligations are issued to the Secretary of the Treasury, June 30, 1962* [1]

[In millions of dollars. On basis of daily Treasury statements]

Corporation or activity	Borrowing authority	Outstanding obligations held by Treasury	Unused borrowing authority
Agency for International Development: [2]			
Mutual defense program—economic assistance	1,001	1,001	(*)
Foreign investment guaranty fund	199		199
India emergency food aid	23	23	
Loan to Spain	38	38	(*)
Commodity Credit Corporation	14,500	12,990	1,510
Export-Import Bank of Washington	6,000	1,830	4,170
Federal Deposit Insurance Corporation	3,000		3,000
Federal home loan banks	1,000		1,000
Federal National Mortgage Association:			
Management and liquidating functions	1,494	1,323	[3] 170
Secondary market operations	2,250		[4] 2,250
Special assistance functions	3,463	1,843	1,619
Federal Savings and Loan Insurance Corporation	750		750
Housing and Home Finance Administrator:			
College housing loans	1,975	1,227	748
Flood insurance	500		500
Public facility loans	650	80	570
Urban renewal fund	1,000	260	740
Panama Canal Company	10		10
Public Housing Administration	1,500	32	1,468
Rural Electrification Administration	4,465	3,484	981
Saint Lawrence Seaway Development Corporation	140	121	19
Secretary of Agriculture, Farmers Home Administration:			
Rural housing loan program [5]	565	232	333
Direct loan account [6]	598	598	
Agricultural credit insurance fund [7]	23	23	
Secretary of Commerce:			
Area Redevelopment Administration, area redevelopment fund	300		300
Maritime Admin., Federal ship mortgage insurance fund	([8])		
Secretary of the Interior, Bureau of Mines:			
Development and operation of helium properties	10		10
Secretary of the Treasury (Federal Civil Defense Act of 1950, as amended)	250	(*)	250
Tennessee Valley Authority	[9] 150		150
U.S. Information Agency, informational media guaranty fund	28	20	8
Veterans' Administration (veterans' direct loan program)	1,830	1,530	300
Virgin Islands Corporation	1	1	(*)
Defense Production Act of 1950, as amended:			
Export-Import Bank of Washington	20		20
General Services Administration	1,854	1,790	64
Secretary of Agriculture	76	65	12
Secretary of the Interior, Defense Minerals Exploration Admin.	36	31	5
Secretary of the Treasury	107	91	16
Unallocated	7		7
D.C. Commissioners, Stadium sinking fund, Armory Board, D.C.	[10] (*)	(*)	
Total	49,814	28,634	21,180

*Less than $500,000.

[1] Excludes authorizations to borrow from the public; also excludes authorizations to expend from public debt receipts for subscriptions to capital stock of the following agencies: International Bank for Reconstruction and Development, $6,350 million; International Monetary Fund, $2,325 million; International Finance Corporation, $35 million; and certain Government corporations, $1,135 million. In addition, the authorized credit to the United Kingdom, of which $3,260 million is outstanding, has been excluded.

[2] The International Cooperation Administration was abolished by an act approved Sept. 4, 1961 (22 U.S.C. 2381(b)), and certain functions, including those relating to borrowings from the Treasury, were transferred to this Agency which was established under authority of E.O. 10973, dated Nov. 3, 1961.

[3] Transferred to the special assistance functions fund as of July 1, 1962, in accordance with an act approved June 30, 1961 (12 U.S.C. 1721(f)).

[4] The balance shown represents unused portion of authorization to expend from public debt receipts available for loans to the secondary market operations fund without further action by Congress. Because of the borrowing and capital structure of the fund, the maximum it could borrow from the Treasury without adjusting its other borrowing or its capital structure as of June 30, 1962, would be as follows:

Borrowing authorized (10 times capital plus surplus)	$2,900,939,061
Obligations outstanding	−2,557,630,000
Unused balance of borrowing authorized	343,309,061

[5] Formerly identified as farm housing loan program but changed as loan operations were broadened by the Housing Act of 1961 approved June 30, 1961 (42 U.S.C. 1471).

[6] Name changed from regular loan programs by an act approved Aug. 8, 1961 (7 U.S.C. 1988(c)).

[7] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929(a)).

[8] Authority to borrow from the Treasury is indefinite in amount. Funds may be borrowed as needed to purchase insured defaulted mortgages as provided by an act approved July 15, 1958 (46 U.S.C. 1275(b)).

[9] Represents amount of interim obligations outstanding which may be issued to the Secretary of the Treasury under specified conditions as provided by an act approved Aug. 6, 1959 (16 U.S.C. 831n-4(c)).

[10] Funds may be borrowed from the Secretary of the Treasury under certain conditions as provided by an act approved July 28, 1958 (2 D.C. Code 1727).

TABLE 121.—*Comparative statement of obligations of Government corporations and certain other business-type activities held by the Treasury, June 30, 1952–62*

[Face amount, in millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Agency	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Agency for International Development [1]	1,150	1,189	1,203	1,209	1,213	1,198	1,188	1,164	1,138	1,107	1,062
Commodity Credit Corporation	1,970	3,612	4,180	7,608	11,190	13,383	11,528	12,874	12,704	11,534	12,990
Export-Import Bank of Washington	1,088	1,227	1,347	1,310	1,239	1,205	1,528	1,937	1,636	1,698	1,830
Federal National Mortgage Association:											
Management and liquidating functions				1,966	1,860	1,716	1,348	1,140	719	1,441	1,323
Secondary market operations	2,038	2,446	2,233	----	94	3	----	42	----	----	----
Special assistance functions				(*)	(*)	22	154	1,170	1,619	1,762	1,843
Housing and Home Finance Administrator:											
College housing loans	2	20	52	82	116	228	389	594	779	988	1,227
Prefabricated housing loans program	32	19	13	----	----	----	----	----	----	----	----
Public facility loans	----	----	----	----	1	1	14	38	48	60	80
Urban renewal fund	10	28	38	48	48	53	73	98	150	165	260
Public Housing Administration	655	655	215	61	38	41	35	27	29	32	32
Reconstruction Finance Corporation	197	159	154	----	----	----	----	----	----	----	----
Rural Electrification Administration	1,731	1,933	2,091	2,207	2,343	2,519	2,728	2,923	3,155	3,332	3,484
Saint Lawrence Seaway Development Corporation	----	----	----	3	16	48	97	112	118	121	121
Secretary of Agriculture, Farmers Home Administration:											
Rural housing loan program [2]	----	----	----	----	5	41	31	77	104	154	232
Direct loan account [3]	78	117	172	162	146	212	223	216	229	272	598
Agricultural credit insurance fund [4]	----	----	----	----	(*)	8	2	29	35	29	23
Secretary of Commerce, Maritime Administration:											
Federal ship mortgage insurance fund	----	----	----	----	----	----	----	1	1	1	----
Secretary of the Treasury (Federal Civil Defense Act of 1950)	----	----	2	2	2	1	1	1	1	(*)	(*)
Small Business Administration	----	----	----	11	9	7	----	----	----	----	----
Tennessee Valley Authority	39	34	29	14	----	----	----	----	----	----	----
U.S. Information Agency	----	----	----	----	----	13	17	20	19	20	20
Veterans' Administration (veterans' direct loan program)	178	270	367	491	584	733	780	930	1,180	1,330	1,530
Virgin Islands Corporation	----	----	----	----	----	----	----	----	(*)	1	1
Defense Production Act of 1950, as amended:											
Defense Materials Procurement Agency	334	284	----	----	----	----	----	----	----	----	----
Export-Import Bank of Washington	(*)	(*)	13	22	29	35	30	25	20	10	----
General Services Administration	----	----	594	794	869	1,019	1,439	1,684	1,715	1,765	1,790
Reconstruction Finance Corporation	57	122	----	----	----	----	----	----	----	----	----
Secretary of Agriculture	----	----	2	2	47	47	59	59	64	65	65
Secretary of the Interior, Defense Minerals Exploration Administration	4	10	15	18	22	26	30	32	32	32	31
Secretary of the Treasury	----	----	150	166	177	168	167	151	140	93	91
D.C. Commissioners: Stadium sinking fund, Armory Board, D.C.	----	----	----	----	----	----	----	----	----	----	(*)
Total	9,564	12,125	12,869	16,175	20,049	22,727	21,859	25,343	25,636	26,011	28,634

*Less than $500,000.

[1] The International Cooperation Administration was abolished by an act approved Sept. 4, 1961 (22 U.S.C. 2381(b)), and certain functions, including those relating to borrowings from the Secretary of the Treasury, were transferred to this Agency which was established under authority of Executive Order No. 10973, dated Nov. 3, 1961.

[2] Formerly identified as farm housing loan program but changed as loan operations were broadened by the Housing Act of 1961 approved June 30, 1961 (42 U.S.C. 1471).

[3] Name changed from regular loan programs by an act approved Aug. 8, 1961 (7 U.S.C. 1988 (c)).

[4] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929(a)).

TABLE 122.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury,*[1] *June 30, 1962*

[On basis of daily Treasury statements, see "Bases of Tables"]

Title and authorizing act	Date of issue	Date payable[2]	Rate of interest	Principal amount
Agency for International Development:[3]				
Act of Apr. 3, 1948, as amended:			*Percent*	
Notes of Administrator (E.C.A.)	Various dates	June 30, 1977	1⅞	$38, 214, 346. 27
Notes of Administrator (E.C.A.)	do	June 30, 1984	1⅞	[4] 1, 000, 964, 134. 32
Act of June 15, 1951:				
Notes of Director (M.S.A.)	Feb. 6, 1952	Dec. 31, 1986	2	22, 995, 512. 59
Total				1, 062, 173, 993. 18
Commodity Credit Corporation, act of Mar. 8, 1938, as amended:				
Note, Series Fifteen—1963	June 30, 1962	June 30, 1963	3	12, 990, 000, 000. 00
Export-Import Bank of Washington, act of July 31, 1945, as amended:				
Notes, Series 1965	Various dates	Various dates	2⅝	191, 500, 000. 00
Notes, Series 1965	do	June 30, 1965	2¾	48, 900, 000. 00
Notes, Series 1965	do	Various dates	2⅞	194, 600, 000. 00
Notes, Series 1965 and 1972	do	do	3⅛	180, 200, 000. 00
Notes, Series 1965	do	Dec. 31, 1965	3⅜	26, 400, 000. 00
Notes, Series 1965, 1967, and 1968	do	Various dates	3⅝	162, 700, 000. 00
Notes, Series 1968	do	June 30, 1968	3½	76, 100, 000. 00
Notes, Series 1968 and 1969	do	Various dates	3⅞	100, 100, 000. 00
Notes, Series 1969	do	June 30, 1969	3¾	98, 600, 000. 00
Note, Series 1977	June 30, 1959	June 30, 1977	2⅜	299, 300, 000. 00
Notes, Series 1968 and 1977	Dec. 31, 1961	Various dates	3	451, 100, 000. 00
Total				1, 829, 500, 000. 00
Federal National Mortgage Association, act of Aug. 2, 1954, as amended:				
Management and liquidating functions:				
Note, Series C	June 26, 1958	July 1, 1962	2¼	624, 170, 000. 00
Note	Jan. 11, 1960	Jan. 11, 1965	4	120, 130, 224. 56
Note, Series C	Aug. 15, 1960	July 1, 1965	3½	566, 940, 000. 00
Note, Series C	June 1, 1961	do	3⅜	9, 020, 000. 00
Notes, Series C	Various dates	July 1, 1966	3⅝	3, 100, 000. 00
Subtotal				1, 323, 360, 224. 56
Special assistance functions:				
Notes, Series D	Various dates	Various dates	2⅜	26, 372, 411. 21
Notes, Series D	do	do	2¾	29, 436, 080. 58
Note, Series D	Jan. 2, 1958	July 1, 1962	3	12, 001, 257. 58
Note, Series D	Mar. 3, 1958	do	2⅝	16, 507, 793. 30
Note, Series D	Apr. 1, 1958	do	2½	16, 199, 624. 25
Note, Series D	June 2, 1958	do	2¼	11, 019, 173. 23
Note, Series D	Sept. 2, 1958	July 1, 1963	3¼	28, 232, 087. 90
Notes, Series D	Various dates	Various dates	3⅝	286, 278, 903. 98
Notes, Series D	do	do	3¾	228, 340, 364. 54
Notes, Series D	do	do	3⅞	513, 653, 568. 02
Notes, Series D	do	do	4	150, 034, 904. 80
Notes, Series D	do	do	4¼	162, 574, 197. 47
Notes, Series D	do	July 1, 1964	4⅜	124, 327, 000. 00
Note, Series D	Aug. 3, 1959	do	4½	144, 410, 000. 00
Notes, Series D	Various dates	do	4⅝	7, 270, 000. 00
Note, Series D	June 1, 1961	July 1, 1965	3⅜	3, 100, 000. 00
Notes, Series D	Various dates	do	3½	77, 200, 000. 00
Note, Series D, subseries BMR	Mar. 28, 1962	July 1, 1966	3⅛	6, 520, 000. 00
Subtotal				1, 843, 477, 366. 86
Total Federal National Mortgage Association				3, 166, 837, 591. 42
Housing and Home Finance Administrator:				
College housing loans, act of Apr. 20, 1950, as amended:				
Notes, Series B and D	Various dates	Various dates	2½	321, 375, 000. 00
Notes, Series C, E, and G	do	do	2⅝	306, 971, 000. 00
Notes, Series C and F	do	do	2¾	208, 643, 000. 00
Notes, Series H	do	do	2⅞	234, 026, 000. 00
Notes, Series I	do	July 1, 1980	3¼	148, 363, 000. 00
Note, Series J	Nov. 30, 1961	July 1, 1981	3⅛	8, 031, 000. 00
Subtotal				1, 227, 409, 000. 00

Footnotes at end of table.

TABLE 122.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury,*[1] *June 30, 1962*—Continued

Title and authorizing act	Date of issue	Date payable [2]	Rate of interest	Principal amount
Housing and Home Finance Administrator—Continued				
Public facility loans, act of Aug. 11, 1955:			*Percent*	
Note, Series PF	Nov. 30, 1961	July 31, 1973	3 9/10	$71,710,400.00
Note, Series PF	Nov. 22, 1961	July 1, 1976	3 1/8	8,335,000.00
Subtotal				80,045,400.00
Urban renewal fund, act of July 15, 1949, as amended:				
Note	Dec. 31, 1958	Dec. 31, 1963	3	60,000,000.00
Note	do	June 30, 1964	3 5/8	20,000,000.00
Notes	Various dates	Various dates	3 3/4	60,000,000.00
Note	June 30, 1959	Dec. 31, 1964	4 1/4	30,000,000.00
Note	Dec. 31, 1959	June 30, 1965	4 5/8	35,000,000.00
Note	June 30, 1960	Dec. 31, 1965	4 3/8	25,000,000.00
Note	June 30, 1961	Dec. 31, 1966	3 3/8	30,000,000.00
Subtotal				260,000,000.00
Total Housing and Home Finance Administrator				1,567,454,400.00
Public Housing Administration, act of Sept. 1, 1937, as amended:				
Notes	Various dates	On demand	3	32,000,000.00
Rural Electrification Administration, act of May 20, 1936, as amended:				
Notes of Administrator	Various dates	Various dates	2	3,483,706,857.35
Saint Lawrence Seaway Development Corporation, act of May 13, 1954, as amended:				
Revenue bond	Nov. 26, 1954	Dec. 31, 1963	2 3/8	946,686.06
Revenue bonds	Various dates	Dec. 31, 1964	2 1/2	800,000.00
Revenue bonds	do	Various dates	2 5/8	700,000.00
Revenue bonds	do	Dec. 31, 1966	2 3/4	900,000.00
Revenue bonds	do	Various dates	2 7/8	5,100,000.00
Revenue bonds	do	do	3	7,800,000.00
Revenue bonds	do	do	3 1/8	8,200,000.00
Revenue bonds	do	do	3 1/4	24,600,000.00
Revenue bonds	do	do	3 3/8	15,900,000.00
Revenue bonds	do	do	3 1/2	9,900,000.00
Revenue bonds	do	do	3 5/8	31,100,000.00
Revenue bonds	do	do	3 3/4	4,600,000.00
Revenue bonds	do	do	4	5,900,000.00
Revenue bonds	do	do	4 1/8	2,300,000.00
Revenue bonds	do	Dec. 31, 2003	4 1/4	600,000.00
Revenue bonds	do	Dec. 31, 2004	3 7/8	1,800,000.00
Total				121,146,686.06
Secretary of Agriculture, Farmers Home Administration:				
Rural housing loan program, act of Aug. 7, 1956, as amended: [5]				
Notes	Various dates	Various dates	3 3/4	20,514,255.28
Notes	do	do	3 7/8	64,250,000.00
Notes	do	do	4	80,000,000.00
Notes	do	do	4 1/8	67,540,000.00
Subtotal				232,304,255.28
Direct loan account, acts of July 8, 1959, June 29, 1960, and June 30, 1961: [6]				34
Notes	Various dates	Various dates	3	552,459,607.00
Note	Feb. 21, 1962	June 30, 1966	3 7/8	37,500,000.00
Note	May 28, 1962	do	3 5/8	8,000,000.—
				34
Subtotal				597,959,607.

Footnotes at end of table.

TABLE 122.—*Description of obligations of Government corporations and certain other business-type activities held by the Treasury,*[1] *June 30, 1962*—Continued

Title and authorizing act	Date of issue	Date payable [2]	Rate of interest	Principal amount
Secretary of Agriculture, Farmers Home Administration—Continued				
Agricultural credit insurance fund, act of Aug. 14, 1946, as amended: [7]			*Percent*	
Notes	Various dates	June 30, 1963	2.632	$450,000.00
Notes	do	do	2.638	485,000.00
Notes	do	do	3¼	1,775,000.00
Notes	do	June 30, 1965	3⅜	3,825,000.00
Notes	do	do	3½	3,025,000.00
Notes	do	Various dates	3⅝	13,860,000.00
Subtotal				23,420,000.00
Total Secretary of Agriculture				853,683,862.62
Secretary of the Treasury, Federal Civil Defense Act of 1950, as amended:				
Note, Series FCD	July 1, 1959	July 1, 1964	4⅜	300,000.00
United States Information Agency:				
Informational media guaranty fund, act of Apr. 3, 1948, as amended:				
Note of Administrator (E.C.A.)	Oct. 27, 1948	June 30, 1986	1⅞	1,410,000.00
Note of Administrator (E.C.A.)	do	do	2	1,305,000.00
Note of Administrator (E.C.A.)	do	do	2⅛	2,272,610.67
Note of Administrator (E.C.A.)	Jan. 24, 1949	do	2½	775,000.00
Note of Administrator (E.C.A.)	do	do	2⅝	75,000.00
Note of Administrator (E.C.A.)	do	do	2¾	302,389.33
Note of Administrator (E.C.A.)	do	do	2⅞	1,865,000.00
Note of Administrator (E.C.A.)	do	do	3	1,100,000.00
Note of Administrator (E.C.A.)	do	do	3⅛	510,000.00
Note of Administrator (E.C.A.)	do	do	3¼	3,431,548.00
Note of Administrator (E.C.A.)	do	do	3⅜	495,000.00
Note of Administrator (E.C.A.)	do	do	3⅝	220,000.00
Note of Administrator (E.C.A.)	do	do	3¾	2,625,960.00
Notes of Administrator (E.C.A.)	Various dates	do	3⅞	2,474,000.00
Notes of Administrator (E.C.A.)	do	do	4	1,096,942.67
Total				19,958,450.67
Veterans' Administration (veterans' direct loan program), act of Apr. 20, 1950, as amended:				
Agreements	Various dates	Indefinite	2½	88,342,741.00
Agreements	do	do	2¾	53,032,393.00
Agreements	do	do	2⅞	102,845,334.00
Agreements	do	do	3	385,853,891.00
Agreements	Dec. 31, 1956	do	3⅜	49,736,333.00
Agreement	Mar. 29, 1957	do	3¼	49,768,442.00
Agreement	June 28, 1957	do	3½	49,838,707.00
Agreement	Apr. 7, 1958	do	3⅛	49,571,200.00
Agreement	Oct. 6, 1958	do	3⅝	48,855,090.00
Agreements	Various dates	do	3¾	99,889,310.00
Agreements	do	do	3⅞	252,344,555.00
Agreements	do	do	4¼	109,387,321.00
Agreements	do	do	4½	99,909,137.93
Agreement	Feb. 5, 1960	do	4⅝	20,000,000.00
Agreement	Apr. 1, 1960	do	4⅛	20,703,541.07
Agreement	July 19, 1960	do	4	50,000,000.00
Total				1,530,077,996.00
Virgin Islands Corporation, act of Sept. 2, 1958, as amended:				
Notes	Various dates	Various dates	3¾	450,000.00
Notes	do	do	3⅞	110,000.00
Note	Sept. 30, 1959	Sept. 30, 1979	4⅛	10,000.00
Note	Oct. 15, 1959	Oct. 15, 1979	4⅜	500.00
Note	Feb. 24, 1960	Feb. 24, 1980	4½	23,400.00
Note	Oct. 20, 1961	Oct. 20, 1981	4	350,000.00
Total				943,900.00

Footnotes at end of table.

TABLE 122.—*Description of obligations of Government corporations and other business-type activities held by the Treasury,*[1] *June 30, 1962*—Continued

Title and authorizing act	Date of issue	Date payable [2]	Rate of interest	Principal amount
Defense Production Act of 1950, as amended:				
General Services Administration:			*Percent*	
Notes of Administrator, Series D	Various dates	Various dates	2⅜	$115,000,000.00
Notes of Administrator, Series D	do	do	2¾	125,000,000.00
Note of Administrator, Series D	Feb. 17, 1958	Feb. 17, 1963	2⅞	35,000,000.00
Note of Administrator, Series D	Apr. 16, 1958	Apr. 16, 1963	2⅝	35,000,000.00
Notes of Administrator, Series D	Various dates	Various dates	3	110,000,000.00
Notes of Administrator, Series D	do	do	3⅝	220,000,000.00
Notes of Administrator, Series D	do	do	3¾	90,000,000.00
Notes of Administrator, Series D	do	do	3⅞	295,000,000.00
Notes of Administrator, Series D	do	do	4	165,000,000.00
Note of Administrator, Series D	June 1, 1959	June 1, 1964	4¼	85,000,000.00
Notes of Administrator, Series D	Various dates	Various dates	4⅜	383,700,000.00
Notes of Administrator, Series D	do	do	4½	30,000,000.00
Notes of Administrator, Series D	do	do	4⅝	53,000,000.00
Note of Administrator, Series D	Oct. 21, 1959	Oct. 21, 1964	4¾	8,000,000.00
Note of Administrator, Series D	Oct. 11, 1960	Oct. 11, 1965	3½	10,000,000.00
Notes of Administrator, Series D	Various dates	Various dates	4⅞	30,000,000.00
Subtotal				1,789,700,000.00
Secretary of Agriculture:				
Notes	Various dates	Various dates	2⅜	10,458,000.00
Note	July 8, 1957	July 1, 1962	3¾	3,097,000.00
Note	July 1, 1959	July 1, 1964	4⅜	50,145,000.00
Note	July 1, 1960	July 1, 1965	4	62,000.00
Notes	Feb. 7, 1961	do	3⅝	815,779.63
Subtotal				64,577,779.63
Secretary of the Interior, Defense Minerals Exploration Administration:				
Note	Feb. 18, 1955	July 1, 1964	2⅜	1,000,000.00
Note	Apr. 29, 1955	do	2½	1,000,000.00
Notes	Various dates	Various dates	2⅞	6,000,000.00
Notes	do	do	3	17,000,000.00
Note	Nov. 19, 1956	July 1, 1966	3¼	1,000,000.00
Note	Jan. 30, 1957	do	3½	1,000,000.00
Notes	Apr. 22, 1957	do	3⅜	1,000,000.00
Note	Aug. 12, 1957	July 1, 1967	3⅞	1,000,000.00
Note	Oct. 11, 1957	do	3¾	1,000,000.00
Note	Jan. 17, 1958	do	3⅛	1,000,000.00
Subtotal				31,000,000.00
Secretary of the Treasury:				
Note, Series TDP	July 1, 1958	Dec. 1, 1962	2⅜	16,010,000.00
Notes, Series TDP	Various dates	Various dates	3¾	74,540,000.00
Subtotal				90,550,000.00
Total Defense Production Act of 1950, as amended.				1,975,827,779.63
District of Columbia Commissioners: Stadium sinking fund, Armory Board, D.C., act of Sept. 7, 1957, as amended:				
Note	June 1, 1962	When funds are available.	3	415,800.00
Total obligations				28,634,027,316.93

[1] These obligations were issued to the Treasury in exchange for advances by the Treasury from public debt receipts under congressional authorization for specified Government corporations and other business-type activities to borrow from the Treasury.

[2] Obligations may be redeemed at any time.

[3] The International Cooperation Administration was abolished by an act approved Sept. 4, 1961 (22 U.S.C. 2381(b)), and certain functions, including those relating to borrowings from the Secretary of the Treasury, were transferred to this Agency which was established under the authority of Executive Order No. 10973, dated Nov. 3, 1961.

[4] Not reduced by $68,702.82 representing excess repayments returned to the Agency as of June 30, 1962, after publication of the daily Treasury statement.

[5] Formerly identified as farm housing loan program but changed as operations were broadened by the Housing Act of 1961 approved June 30, 1961 (42 U.S.C. 1471).

[6] Name changed from regular loan programs by an act approved Aug. 8, 1961 (7 U.S.C. 1988(c)).

[7] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C 1929(a)).

TABLE 123.—*Comparative statement of the assets, liabilities, and net investment of Government corporations and certain other business-type activities, June 30, 1953–62*

[In thousands of dollars. On basis of reports received from the corporations and activities]

	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
ASSETS [1]										
Cash in banks, on hand, and in transit	128,193	99,027	120,127	206,816	327,593	293,724	519,933	500,956	433,423	453,558
Fund balances with the U.S. Treasury [2]	934,980	1,132,691	1,123,585	5,616,503	9,173,106	10,618,704	11,158,166	12,516,086	14,316,292	16,361,860
Deposits with Government corporations and agencies	92,744	26,735	1,292	-----	-----	-----	-----	-----	-----	-----
Loans receivable:										
Interagency [3]	14,567,813	15,134,300	16,187,898	14,950	1,000	22,500	29,500	35,359	88,410	135,222
Others, less reserves	17,637,107	18,489,131	18,926,881	18,098,179	17,436,557	18,492,422	21,717,163	22,492,495	24,158,523	27,042,245
Accounts and other receivables:										
Interagency	305,485	383,923	267,822	2,044,482	4,321,144	2,507,822	2,752,190	3,294,913	2,089,475	2,542,453
Others, less reserves	1,008,315	1,737,795	2,153,872	4,077,562	6,314,358	6,108,708	5,676,902	5,441,679	4,886,479	4,975,733
Commodities, supplies, and materials, less reserves	2,200,910	3,368,816	3,475,511	21,811,498	23,466,539	24,422,360	21,836,537	21,947,821	20,677,470	19,872,472
Investments:										
Public debt securities	2,587,587	2,911,291	3,107,974	780,239	796,714	884,321	1,060,068	1,211,237	1,328,014	1,518,832
Capital stock and paid-in surplus of certain Government corporations [4]	200,500	172,000	151,000	242,820	373,499	363,541	363,358	361,149	374,596	367,026
Other interagency	154	8,112	5,204	25,225	50,428	54,042	63,059	78,422	96,650	128,046
Inter-American Development Bank-investment	-----	-----	-----	-----	-----	-----	-----	80,000	80,000	190,000
International Bank for Reconstruction and Development-stock	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000
International Development Association-subscription	-----	-----	-----	-----	-----	-----	-----	-----	73,667	135,323
International Finance Corporation-stock	-----	-----	-----	-----	35,168	35,168	35,168	35,168	35,168	35,168
International Monetary Fund-subscription	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	4,125,000	4,125,000	4,125,000	4,125,000
Others, less reserves	44,642	54,316	44,498	3,824	4,310	5,785	6,055	8,725	18,500	74,112
Land, structures, and equipment, less reserves	7,867,142	8,076,630	7,821,251	17,599,850	21,809,280	29,705,524	28,964,050	30,302,264	32,653,590	34,069,782
Acquired security or collateral, less reserves	140,992	126,694	159,879	170,383	212,499	223,045	259,807	298,070	497,283	747,394
All other assets, less reserves	217,774	220,496	320,308	1,505,006	2,105,143	4,440,605	7,025,785	7,764,706	9,487,891	10,602,904
Total assets [5]	51,319,337	55,326,957	57,252,103	75,582,337	89,812,339	101,563,272	106,227,741	111,129,049	116,055,430	[6] 124,012,130
LIABILITIES										
Accounts and other payables:										
Interagency	297,310	266,198	321,230	458,349	390,793	689,578	614,246	738,790	779,247	1,100,463
Others	641,912	652,353	631,038	1,257,065	2,009,695	2,578,841	2,527,390	2,645,659	3,520,734	4,595,227
Trust and deposit liabilities:										
Interagency	277,445	203,661	115,743	33,107	135,552	503,915	260,621	187,784	276,713	184,822
Others	550,324	864,546	928,681	213,285	358,813	341,867	490,909	683,544	331,886	343,520

Bonds, debentures, and notes payable:										
To Secretary of the Treasury [7]	12,121,859	12,866,065	16,172,348	----	----	----	----	----	----	----
Other interagency	2,431,698	2,237,972	13,307	25,225	51,435	76,571	92,586	108,116	116,896	208,819
Others	1,182,502	1,052,217	1,880,858	1,476,075	627,120	850,977	845,336	857,826	183,763	402,721
All other liabilities	787,185	2,516,470	1,459,324	1,203,533	1,743,173	1,638,307	1,635,858	1,701,863	2,655,264	3,020,169
Total liabilities [5]	18,290,236	20,659,481	21,522,527	4,666,635	5,316,580	6,680,056	6,466,946	6,923,583	7,864,503	9,855,740
NET INVESTMENT										
U.S. interest:										
Borrowings from the U.S. Treasury [7]	----	----	----	19,951,094	22,721,223	21,853,482	25,300,944	25,635,477	26,010,453	28,633,680
Interagency	200,500	172,000	151,000	1,567,977	3,794,793	1,314,300	1,877,296	2,374,004	1,101,678	1,311,617
Other [5]	32,413,945	34,009,255	35,010,589	49,396,632	57,979,743	71,715,434	72,582,554	76,195,985	81,078,795	84,211,093
Total U.S. interest	32,614,445	34,181,255	35,161,589	70,915,703	84,495,759	94,883,216	99,760,795	104,205,465	108,190,927	114,156,390
Private interest [8]	414,656	486,221	567,987	----	----	----	----	----	----	----
Total net investment	33,029,101	34,667,477	35,729,576	70,915,703	84,495,759	94,883,216	99,760,795	104,205,465	108,190,927	114,156,390
Total liabilities and net investment	51,319,337	55,326,957	57,252,103	75,582,337	89,812,339	101,563,272	106,227,741	111,129,049	116,055,430	124,012,130

[1] Does not include the cash balance in the account of the Treasurer of the United States

[2] These amounts consist mainly of unexpended balances of general, special, and revolving fund accounts against which checks may be drawn to pay proper charges under these funds. The funds are considered as assets of the agencies, but are not assets of the U.S. Government since funds must be provided for anticipated charges to be made against these balances.

[3] Beginning with 1956 excludes Treasury loans to Government corporations and certain other business-type activities which formerly were included as interagency assets but now are treated as part of the U.S. investment in these activities (see footnote 7).

[4] Beginning with 1956 includes capital stock of mixed-ownership corporations treated in prior years as an interagency item.

[5] Figures for 1953 and subsequent years include data on certain maritime activities of a nonrevolving fund nature in the Commerce Department.

[6] Includes foreign currency assets, representing loans and other receivables recoverable in foreign currency as well as balances of foreign currencies in U.S. depositaries, in the dollar equivalent aggregating $5,783,775 thousand (see table 113, footnote 1).

[7] Beginning with 1956, pursuant to Department Circular No. 966, borrowings from the Secretary of the Treasury formerly shown as liabilities under "Bonds, debentures, and notes payable" are treated as part of the U.S. investment in the activities (see also footnote 3).

[8] Beginning with fiscal 1956 deposit and trust revolving funds, which are not fully owned by the Government, are excluded. Detailed statements of the financial condition of these funds as of June 30, 1962, will be found in the November 1962 *Treasury Bulletin*.

NOTE.—Beginning with 1956, figures reflect the expanded reporting coverage under Department Circular No. 966, issued Jan. 30, 1956, and Supplement No. 1, issued June 1, 1956. The circular requires submission of specified financial statements by all wholly owned and mixed-ownership Government corporations specifically included in the Government Corporation Control Act, as amended (31 U.S.C. 846, 856), and all other activities of the Government operating as revolving funds for which business-type public enterprise or intragovernmental fund budgets are required by the Bureau of the Budget. It provides also that other activities and agencies whose operations, services, or functions are largely self-liquidating or primarily of a revenue-producing nature, and activities and agencies whose operations result in the accumulation of substantial inventories, investments, and other recoverable assets may be brought under the regulations as agency accounting systems are developed to the point where they are capable of furnishing the financial statements required. The statements required are financial condition, income and expense, source and application of funds, and certain commitments and contingencies. Supplement No. 1 added to the reporting coverage by requiring all executive agencies not reporting under the circular itself to submit an annual statement of financial condition as of June 30. Any of these activities and agencies which have not yet developed formal accounting procedures to provide complete balance sheet statements are authorized temporarily to report assets only. These assets are not included in the totals in this table. Statements of financial condition by category, department, and agency, as of June 30, 1962, were published in the *Treasury Bulletin* of November 1962; and for earlier years in appropriate issues of the *Treasury Bulletin*. Loans outstanding (excluding interagency loans and including reserves) by type of loans and lending agency as of June 30, 1962, are shown in table 124.

TABLE 124.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1962*

[In thousands of dollars]

LOANS OUTSTANDING, EXCLUDING INTERAGENCY LOANS AND THOSE MADE BY DEPOSIT AND TRUST REVOLVING FUNDS, CLASSIFIED BY TYPES OF LOANS[1]

Type of loan and lending agency	U.S. dollar loans			Foreign currency loans [2]
	Total	Public enterprise revolving funds	Certain other activities	
TO AID AGRICULTURE				
Loans to cooperative associations:				
Farmers Home Administration:				
Direct loan account [3]	14,071	14,071		
Rural Electrification Administration	3,524,551		3,524,551	
Crop, livestock, and commodity loans:				
Commodity Credit Corporation	1,280,845	1,280,845		
Farmers Home Administration:				
Direct loan account [3]	2,272	2,272		
Emergency credit revolving fund [4]	87,685	87,685		
Virgin Islands Corporation	2	2		
Storage facility and equipment loans:				
Commodity Credit Corporation	72,245	72,245		
Farm mortgage loans:				
Farmers Home Administration:				
Agricultural credit insurance fund [5]	31,839	31,839		
Direct loan account [3]	294,560	294,560		
Rural housing and other loans [6]	317,209		317,209	
Guaranteed loans held by lending agencies:				
Commodity Credit Corporation	[7] 901,826	[7] 901,826		
Other loans:				
Farmers Home Administration:				
Direct loan account [3]	545,190	545,190		
Rural housing and other loans [6]	5,480		5,480	
Total to aid agriculture	7,077,776	3,230,536	3,847,240	
TO AID HOME OWNERS				
Mortgage loans:				
Federal Housing Administration	291,834	291,834		
Federal National Mortgage Association:				
Management and liquidating functions	1,416,646	1,416,646		
Special assistance functions	1,907,635	1,907,635		
Federal Savings and Loan Insurance Corporation	44,662	44,662		
Housing and Home Finance Administrator:				
Community disposal operations fund	3,805	3,805		
Interior Department:				
Bureau of Indian Affairs:				
Liquidation of Hoonah housing project	165	165		
Public Housing Administration	338	338		
Veterans' Administration:				
Direct loans to veterans and reserves	1,333,612	1,333,612		
Loan guaranty revolving fund	4,195	4,195		
Other loans:				
Veterans' Administration:				
Direct loans to veterans and reserves	9,592	9,592		
Loan guaranty revolving fund	456,843	456,843		
Total to aid home owners	5,469,327	5,469,327		
TO AID INDUSTRY				
Loans to railroads:				
Expansion of defense production:				
Treasury Department	12,821	12,821		
Other purposes:				
Interstate Commerce Commisson	14,676		14,676	
Treasury Department:				
Reconstruction Finance Corporation liquidation fund	5,320	5,320		
Ship mortgage loans:				
Commerce Department:				
Federal ship mortgage insurance fund	3,470	3,470		
Maritime Administration	117,259		117,259	
Other loans:				
Expansion of defense production:				
Interior Department	12,317	12,317		
Treasury Department	108,486	108,486		
Defense production guarantees:				
Air Force Department	245	245		
Army Department	2,362	2,362		
Navy Department	5,121	5,121		

Footnotes at end of table.

TABLE 124.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1962*—Continued

[In thousands of dollars]

LOANS OUTSTANDING, EXCLUDING INTERAGENCY LOANS AND THOSE MADE BY DEPOSIT AND TRUST REVOLVING FUNDS, CLASSIFIED BY TYPES OF LOANS[1]—Con.

Type of loan and lending agency	U.S. dollar loans			Foreign currency loans[2]
	Total	Public enterprise revolving funds	Certain other activities	
TO AID INDUSTRY—Continued				
Other loans—Continued				
Other purposes:				
Commerce Department:				
Area Redevelopment Administration:				
Area redevelopment fund	1,188	1,188		
Inland Waterways Corporation (in liquidation)	4,375	4,375		
General Services Administration:				
Reconstruction Finance Corporation liquidation fund	558	558		
Housing and Home Finance Administrator:				
Liquidating programs	4,183	4,183		
Interior Department:				
Bureau of Commericial Fisheries:				
Fisheries loan fund	7,393	7,393		
Office of Minerals Exploration	392		392	
Virgin Islands Corporation	44	44		
Small Business Administration:				
Revolving fund (lending operations)	571,072	571,072		
Reconstruction Finance Corporation liquidation fund	1,404	1,404		
Treasury Department:				
Civil defense loans	692	692		
Reconstruction Finance Corporation liquidation fund	2,677	2,677		
Total to aid industry	876,055	743,728	132,327	
TO AID EDUCATION				
Health, Education, and Welfare Department:				
Loans to institutions and nonprofit schools	3,250		3,250	
Loans to students in institutions of higher education	201,914		201,914	
Loans to students (World War II)	82		82	
Housing and Home Finance Administrator:				
College housing loans	1,188,259	1,188,259		
Total to aid education	1,393,504	1,188,259	205,246	
TO AID STATES, TERRITORIES, ETC.				
Commerce Department:				
Area Redevelopment Administration:				
Area redevelopment fund	60	60		
General Services Administration:				
Public Works Administration (in liquidation)	62,524		62,524	
Health, Education, and Welfare Department:				
Public Health Service	680		680	
Housing and Home Finance Administrator:				
Public facility loans	74,574	74,574		
Liquidating programs	7,392	7,392		
Urban renewal fund	142,667	142,667		
Interior Department:				
Bureau of Reclamation	52,317		52,317	
Office of Territories:				
Alaska public works	18,372		18,372	
National Capital Planning Commission	527		527	
Public Housing Administration	96,369	96,369		
Treasury Department:				
Miscellaneous loans and certain other assets	72,663		72,663	
Total to aid States, Territories, etc	528,145	321,062	207,082	

Footnotes at end of table.

TABLE 124.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1962*—Continued

[In thousands of dollars]

LOANS OUTSTANDING, EXCLUDING INTERAGENCY LOANS AND THOSE MADE BY DEPOSIT AND TRUST REVOLVING FUNDS CLASSIFIED BY TYPES OF LOANS [1]—Con.

Type of loan and lending agency	U.S. dollar loans			Foreign currency loans [2]
	Total	Public enterprise revolving funds	Certain other activities	
FOREIGN LOANS				
Expansion of defense production:				
Export-Import Bank of Washington	32	32		
Military assistance credit sales:				
Defense Department:				
Air Force Department	17,730		17,730	
Army Department	31,479		31,479	
Navy Department	132,219		132,219	
Other purposes:				
Agency for International Development: [8]				
Development loans	84,809	84,809		
Development loan fund liquidation account	183,430	183,430		653,677
Loans to U.S. firms and domestic or foreign firms in foreign countries				68,143
All other loans	1,816,322		1,816,322	2,220,752
Commerce Department:				
Maritime Administration	9,492		9,492	
Export-Import Bank of Washington:				
Regular lending activities	3,567,294	3,567,294		
Agent for certain Mutual Security Act loans	144,879		144,879	
Liquidation of certain Reconstruction Finance Corporation assets	3	3		
Treasury Department:				
Miscellaneous loans and certain other assets	3,266,011		3,266,011	
Total foreign loans	9,253,701	3,835,568	5,418,133	2,942,572
OTHER LOANS				
General Services Administration:				
Surplus property credit sales and liquidation activities	110,598		110,598	
Housing and Home Finance Administrator:				
Housing for the elderly	4,873	4,873		
Liquidating programs	7,320	7,320		
Interior Department:				
Bureau of Indian Affairs:				
Loans for Indian assistance	22		22	
Revolving fund for loans	12,410	12,410		
Office of Territories:				
Loans to private trading enterprises	155	155		
Public Housing Administration	439	439		
Small Business Administration:				
Revolving fund (lending operations)	71,019	71,019		
Reconstruction Finance Corporation liquidation fund	1,233	1,233		

Footnotes at end of table.

TABLE 124.—*Statement of loans outstanding of Government corporations and certain other business-type activities, June 30, 1962*—Continued

[In thousands of dollars]

LOANS OUTSTANDING, EXCLUDING INTERAGENCY LOANS AND THOSE MADE BY DEPOSIT AND TRUST REVOLVING FUNDS CLASSIFIED BY TYPES OF LOANS [1]—Con.

Type of loan and lending agency	U.S. dollar loans			Foreign currency loans [2]
	Total	Public enterprise revolving funds	Certain other activities	
OTHER LOANS—Continued				
State Department:				
Loan to United Nations	45,000		45,000	
Emergency loans to individuals	783		783	
Treasury Department:				
Federal Farm Mortgage Corporation [9] liquidation fund	1,257	1,257		
Miscellaneous loans and certain other assets	100		100	
Veterans' Administration:				
Insurance appropriations policy loans	799		799	
Service-disabled veterans' insurance fund	2,118	2,118		
Soldiers' and sailors' civil relief	36	36		
Veterans' special term insurance fund	909	909		
Vocational rehabilitation revolving fund	76	76		
Total other loans	259,148	101,845	157,302	
Total loans [10]	[11] 24,857,656	14,890,325	9,967,330	2,942,572

[1] In accordance with an amendment issued June 23, 1960, to Department Circular No. 966, purchase money mortgages, mortgages purchased from insured lending institutions to prevent default, and similar long-term paper held by the agencies are classified as loans receivable and are included in this table. Prior to June 30, 1960, these assets had been classified as accounts and notes receivable or other assets.

[2] The dollar equivalents of these loans are computed for reporting purposes at varying rates. Where the loan agreements stipulate a dollar denominated figure, the loans outstanding are generally valued at the agreement rates of exchange. Loans executed in units of foreign currency are valued at the market rates (i.e., the rates of exchange at which the Treasury sells such currencies to Government agencies).

[3] Certain loan programs were transferred from the Farmers Home Administration nonrevolving fund to this revolving fund which was established by an act approved Aug. 8, 1961 (7 U.S.C. 1988 (c)).

[4] Name changed from disaster loans, etc., revolving fund by an act approved Aug. 8, 1961 (7 U.S.C. 1966).

[5] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929 (a)).

[6] Formerly identified as the farm housing loan program but changed as loan operations were broadened by the Housing Act of 1961, approved June 30, 1961 (42 U.S.C. 1471).

[7] Includes certificates of interest.

[8] The International Cooperation Administration was abolished by the Foreign Assistance Act of 1961, approved Sept. 4, 1961 (22 U.S.C. 2381(b)); and this Agency was established under authority of Executive Order 10973, dated Nov. 3, 1961, pursuant to the provision of the act (22 U.S.C. 2381).

[9] This Corporation was abolished and its remaining assets were transferred from the Farm Credit Administration to the Secretary of the Treasury for liquidation pursuant to an act approved Oct.4, 1961 (12 U.S.C. 1020 note).

[10] Excludes World War I funded and unfunded indebtedness of foreign governments, and World War II indebtedness of foreign governments involving lend-lease articles, surplus property sales agreements, and certain other credit shown in table 117.

[11] Does not include foreign currency loans.

NOTE.—For explanation of reporting coverage see note to table 123. The *Treasury Bulletin* for November 1962 contained this table on pp. 126–128, and also, on pp. 129–130, a table by years beginning with 1950 showing loans outstanding including those by deposit and trust revolving funds. Statistical statements of financial condition by agencies as of June 30, 1962, were published in the *Treasury Bulletin* for November 1962. Statements of income and expense, and source and application of funds by agencies as of June 30, 1962, were published in the *Treasury Bulletin* for December 1962.

TABLE 125.—*Dividends, interest, and similar earnings received by the Treasury from Government corporations and certain other business-type activities, fiscal years 1961 and 1962*

Agency and nature of earnings	Amounts	
	1961	1962
Agency for International Development,[1] interest on borrowings	$19,996,983.81	$18,914,551.91
Atomic Energy Commission, defense production guarantees, earnings	508,699.11	
Civil Service Commission, investigations, earnings	1,368.87	1,639.91
Commerce Department:		
National Bureau of Standards, working capital fund, earnings	228,299.85	39,171.52
Maritime Administration, Federal ship mortgage insurance fund, interest on borrowings	54,250.00	9,139.95
Commodity Credit Corporation:		
Interest on capital stock	3,500,000.00	3,125,000.00
Interest on borrowings	406,074,897.12	326,458,958.01
Defense Department:		
Army Department, defense housing, profits	80,000.00	
Navy Department, defense housing, profits	300,000.00	29,018.50
Air Force Department, industrial fund, earnings	1,816,502.97	
Export-Import Bank of Washington:		
Regular activities:		
Dividends	22,500,000.00	30,000,000.00
Interest on borrowings	42,803,072.29	56,757,420.53
Liquidation of certain Reconstruction Finance Corporation assets:		
Earnings	860,653.52	
Interest on borrowings	73,548.23	
Farm Credit Administration:		
Banks for cooperatives, franchise tax	1,527,632.86	2,356,664.49
Federal Farm Mortgage Corporation,[2] dividends	1,700,000.00	800,000.00
Federal intermediate credit banks, franchise tax	1,128,892.81	2,492,079.64
Farmers Home Administration:		
Rural housing loan program,[3] interest on borrowings	11,612,573.42	7,300,340.69
Direct loan account,[4] interest on borrowings		8,999,852.64
Agricultural credit insurance fund,[5] interest on borrowings	1,195,868.62	923,214.92
Federal National Mortgage Association:		
Management and liquidating functions:		
Earnings		40,000,000.00
Interest on borrowings	27,768,315.07	43,850,589.30
Secondary market operations:		
Dividends	3,112,445.64	3,639,600.00
Interest on borrowings	986,051.68	1,204,563.62
Special assistance functions, interest on borrowings	64,147,173.50	70,245,342.77
Federal Prison Industries, Inc., earnings		4,000,000.00
General Services Administration:		
Buildings management fund, earnings	1,803,809.64	
General supply fund, earnings	1,154,594.50	3,684,809.90
Working capital fund, earnings	6,966.51	17,247.31
Government Printing Office, earnings	3,000,000.00	5,194,802.14
Housing and Home Finance Administrator:		
College housing loans, interest on borrowings	20,017,279.61	25,314,431.40
Public facility loans, interest on borrowings	1,594,232.01	2,006,416.07
Urban renewal fund, interest on borrowings	2,914,362.22	3,226,513.29

Footnotes at end of table

TABLE 125.—*Dividends, interest, and similar earnings received by the Treasury from Government corporations and certain other business-type activities, fiscal years 1961 and 1962*—Continued

Agency and nature of earnings	Amounts	
	1961	1962
Interior Department:		
Bureau of Reclamation:		
Colorado River Dam fund, Boulder Canyon project, interest	$3,113,866.35	$3,081,323.82
Upper Colorado River Basin fund, earnings	1,293.00	----------
Virgin Islands Corporation:		
Interest on appropriations and paid-in capital	396,397.61	310,611.94
Interest on borrowings	1,362.76	35,816.87
Panama Canal Company, interest on net direct investment of the Government	8,780,538.55	9,364,406.00
Public Housing Administration, low rent public housing program fund, interest on borrowings	1,102,450.67	1,127,578.40
Rural Electrification Administration, interest on borrowings	64,416,156.12	67,797,047.47
Saint Lawrence Seaway Development Corporation, interest on borrowings	2,000,000.00	2,165,000.00
Secretary of the Treasury (Federal Civil Defense Act of 1950, as amended), interest on borrowings	25,293.04	19,294.47
Small Business Administration, interest on appropriations	15,238,423.13	14,248,587.62
Tennessee Valley Authority, earnings	41,432,397.60	36,541,639.64
Treasury Department:		
Federal Farm Mortgage Corporation liquidation fund,[2] dividends	----------	360,340.40
U.S. Information Agency, informational media guaranty fund, interest on borrowings	1,064,720.00	609,592.00
Veterans' Administration:		
Canteen service revolving fund, profits	41,191.00	35,129.00
Direct loans to veterans and reserves, interest on borrowings	31,990,233.05	40,049,945.44
Rental, maintenance, and repair of quarters, profits	10,000.00	10,386.20
Supply fund, earnings	126,973.47	----------
Veterans' special term insurance fund, earnings	----------	4,000,000.00
Defense Production Act of 1950, as amended:		
Export-Import Bank of Washington, interest on borrowings	509,787.11	106,926.98
General Services Administration, interest on borrowings	781,250.01	4,182,115.69
Secretary of Agriculture, interest on borrowings	6,942.57	----------
Secretary of the Interior (Defense Minerals Exploration Administration), interest on borrowings	----------	99,861.87
Secretary of the Treasury, interest on borrowings	4,842,608.02	3,470,904.33
Total	818,350,357.92	848,207,876.65

[1] The International Cooperation Administration was abolished by an act approved Sept. 4, 1961 (22 U.S.C. 2381 (b)), and certain functions, including those relating to borrowings from the Treasury, were transferred to this Agency which was established under authority of E.O. 10973, dated Nov. 3, 1961.

[2] This Corporation was abolished and its remaining assets were transferred from the Farm Credit Administration to the Secretary of the Treasury for liquidation pursuant to an act approved Oct. 4, 1961 (12 U.S.C. 1020 note).

[3] Formerly identified as the farm housing loan program but changed as loan operations were broadened by the Housing Act of 1961 approved June 30, 1961 (42 U.S.C. 1471).

[4] Name changed from regular loan programs by an act approved Aug. 8, 1961 (7 U.S.C. 1988 (c)).

[5] Name changed from farm tenant mortgage insurance fund by an act approved Aug. 8, 1961 (7 U.S.C. 1929 (a)).

Government Losses in Shipment

TABLE 126.—*Government losses in shipment revolving fund, June 30, 1962*

[Established July 8, 1937 under authority of the Government Losses in Shipment Act, as amended (5 U.S.C. 134-134h)]

SECTION I.—STATUS OF FUND

Transactions	Cumulative through June 30, 1961	Fiscal year 1962	Cumulative through June 30, 1962
Receipts:			
Appropriation	$802,000.00		$802,000.00
Transferred from securities trust fund pursuant to: 5 U.S.C. 134b	91,803.13		91,803.13
Transferred from the account "Unclaimed Partial Payments on United States Savings Bonds" pursuant to:			
Public Law 85-354	50,000.00		50,000.00
Public Law 86-561	100,000.00		100,000.00
Recoveries of payments for losses	481,204.49	$18.90	481,223.39
Repayments to the fund	3,924.32		3,924.32
Total receipts	1,528,931.94	18.90	1,528,950.84
Expenditures:			
Payment for losses	1,437,263.47	67,271.65	1,504,535.12
Other payments (refunds, etc.)	92.57		92.57
Total expenditures	1,437,356.04	67,271.65	1,504,627.69
Balance in fund	91,575.90	−67,252.75	24,323.15

NOTE.—This statement excludes contingent liabilities for pending claims against the fund as of June 30, 1962, in amount of $726,787.52, chiefly for forged U.S. savings bonds.

SECTION II.—AGREEMENTS OF INDEMNITY ISSUED BY THE TREASURY DEPARTMENT [1]

Agreements of indemnity	Number	Amount
Issued through June 30, 1961	423	$2,726,979.09
Issued during the fiscal year 1962	12	45,820.67
Total issued	435	2,772,799.76
Canceled through June 30, 1962	29	1,027,879.87
In force as of June 30, 1962	406	1,744,919.89

SECTION III.—CLAIMS MADE AND SETTLED

Claims	Number	Amount
Received:		
Through June 30, 1961	6,413	$7,374,482.24
During fiscal year 1962 and processed by:		
Bureau of Accounts	120	377,235.08
Bureau of the Public Debt	49	55,039.09
Total claims received through June 30, 1962	6,582	7,806,756.41
Settled:		
Through June 30, 1961	6,396	7,350,830.99
During fiscal year 1962 and processed by:		
Bureau of Accounts:		
For payment out of the fund	55	17,505.20
For credit in appropriate accounts	74	319,148.52
Without payment or credit	2	7,256.45
Bureau of the Public Debt:		
For payment out of the fund, U.S. savings bonds redemption cases	46	49,766.45
Without payment or credit	3	19,575.95
Total claims settled through June 30, 1962	6,576	7,764,083.56
Unadjusted as of June 30, 1962 [2]	6	42,672.85
Total	6,582	7,806,756.41

[1] The Government has not sustained any actual monetary loss in connection with its liability under these agreements of indemnity.

[2] Includes claims in process of adjustment by the Bureau of the Public Debt.

Personnel

TABLE 127.—*Number of employees in the departmental and field services of the Treasury Department, quarterly from June 30, 1961, to June 30, 1962* [1]

Organizational unit	June 30, 1961	Sept. 30, 1961	Dec. 31, 1961	March 31, 1962	June 30, 1962	Increase, or decrease (−), since June 30, 1961
Office of the Secretary	650	652	693	711	728	78
Comptroller of the Currency, Bureau of	1,221	1,219	1,207	1,237	1,299	78
Customs, Bureau of	8,553	8,611	8,712	8,804	8,929	376
Engraving and Printing, Bureau of	3,038	3,005	2,993	2,973	2,943	−95
Fiscal Service:						
Accounts, Bureau of	2,159	2,009	1,923	1,926	1,815	−344
Public Debt, Bureau of	2,237	2,241	2,255	2,258	2,219	−18
Treasurer, Office of	993	963	956	967	998	5
Internal Revenue Service	53,680	53,764	54,016	[2] 58,977	56,510	2,830
Mint, Bureau of	927	1,011	1,022	1,037	1,051	124
Narcotics, Bureau of	417	415	422	418	422	5
U.S. Coast Guard	4,916	4,882	4,784	4,865	4,894	−22
U.S. Savings Bonds Division	506	514	516	520	526	20
U.S. Secret Service	673	690	692	697	702	29
Total civilian employees	79,970	79,976	80,191	85,390	83,036	3,066
Military employees—U.S. Coast Guard	31,520	31,840	31,491	31,707	31,511	−9
Grand total	111,490	111,816	111,682	117,097	114,547	3,057

[1] Actual number of employees on the last day of the month and any intermittent employees who worked at any time during this month.
[2] Includes seasonal employees.

INDEX

A

D

F

H

J

K

L

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R

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