Annual Report

of the

Secretary of the Treasury

on the

State of the Finances

For the Fiscal Year Ended June 30, 1967

TREASURY DEPARTMENT

DOCUMENT NO. 3242

Secretary

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Term of service		Official
From	To	
		Secretaries of the Treasury
Jan. 21, 1961	Apr. 1, 1965	Douglas Dillon, New Jersey.
Apr. 1, 1965	--------------	Henry H. Fowler, Virginia.
		Under Secretary
Apr. 29, 1965	--------------	Joseph W. Barr, Indiana.
		Under Secretary of the Treasury for Monetary Affairs
Feb. 1, 1965	--------------	Frederick L. Deming, Minnesota.
		General Counsels
Nov. 16, 1962	Jan. 31, 1965	G. d'Andelot Belin, Massachusetts.
Apr. 12, 1966	--------------	Fred B. Smith, Maryland.
		Assistant Secretaries
Apr. 24, 1961	--------------	Stanley S. Surrey, Massachusetts.
Dec. 20, 1961	Sept. 1, 1965	James A. Reed, Massachusetts.
Sept. 18, 1963	--------------	Robert A. Wallace, Illinois.
Apr. 29, 1965	June 10, 1966	Merlyn N. Trued, New Jersey.
Sept. 14, 1965	--------------	W. True Davis, Jr., Missouri.
Aug. 2, 1966	--------------	Winthrop Knowlton, New York.
		Special Assistants to the Secretary (for Enforcement)
Sept. 16, 1965	Feb. 10, 1967	David C. Acheson, District of Columbia.
Apr. 4, 1967	--------------	James P. Hendrick, District of Columbia.
		Deputy Under Secretaries of the Treasury for Monetary Affairs
Dec. 3, 1963	Nov. 23, 1965	Paul A. Volcker, New Jersey.
Nov. 24, 1965	Nov. 11, 1967	Peter D. Sternlight, New York.
		Fiscal Assistant Secretary
June 15, 1962	--------------	John K. Carlock, Arizona.
		Assistant Secretary for Administration
Sept. 14, 1959	--------------	A. E. Weatherbee, Maine.

[1] For officials from Sept. 11, 1789, to Jan. 20, 1965, see the 1965 annual report exhibit 69, pp. 449–457.

PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF DECEMBER 31, 1967

Secretary of the Treasury	Henry H. Fowler
Special Assistant to the Secretary	Douglass Hunt
Under Secretary of the Treasury	Joseph W. Barr
Special Assistant to the Under Secretary	Mark A. Weiss
Under Secretary for Monetary Affairs	Frederick L. Deming
Deputy Under Secretary for Monetary Affairs	Vacancy
Director, Office of Domestic Gold and Silver Operations	Thomas W. Wolfe
Director, Office of Financial Analysis	John H. Auten
Director, Office of Debt Analysis	Edward P. Snyder
Assistant to the Secretary (Debt Management)	R. Duane Saunders
General Counsel	Fred B. Smith
Deputy General Counsel	Roy T. Englert
Assistant General Counsel	Charlotte Tuttle Lloyd
Assistant General Counsel	Milan C. Miskovsky
Assistant General Counsel	Hugo A. Ranta
Assistant General Counsel	Donald L. E. Ritger
Chief Counsel, Foreign Assets Control	Stanley L. Sommerfield
Director of Practice	William H. Sager
Assistant Secretary	Stanley S. Surrey
Deputy Assistant Secretary	Melvin I. White
Director, Office of Tax Analysis	Gerard M. Brannon
Tax Legislative Counsel	Jerome Kurtz
Special Assistant for International Tax Affairs	Joseph H. Guttentag
Assistant Secretary	Robert A. Wallace
Special Assistant to Assistant Secretary	William N. Griggs
Director, Employment Policy Program	Mrs. Mary F. Nolan
Assistant Secretary	W. True Davis, Jr.
Deputy to the Assistant Secretary	Matthew J. Marks
Assistant Secretary	Winthrop Knowlton
Deputy Assistant Secretary	John R. Petty
Deputy to Assistant Secretary for International Monetary Affairs	George H. Willis
Deputy to Assistant Secretary for International Financial and Economic Affairs	Ralph Hirschtritt
Special Assistant to the Secretary (for Enforcement)	James P. Hendrick
Executive Assistant	Charles C. Humpstone
Fiscal Assistant Secretary	John K. Carlock
Deputy Fiscal Assistant Secretary	George F. Stickney
Assistant Fiscal Assistant Secretary	Hampton A. Rabon, Jr.
Assistant to Fiscal Assistant Secretary	Boyd A. Evans
Assistant to Fiscal Assistant Secretary	Sidney Cox
Assistant Secretary for Administration	A. E. Weatherbee
Deputy Assistant Secretary for Administration and Director, Office of Budget and Finance	Ernest C. Betts, Jr.
Director, Office of Planning and Program Evaluation	Benjamin Caplan
Director, Office of Personnel	Amos N. Latham, Jr.
Director, Office of Management and Organization	J. Elton Greenlee
Director, Office of Administrative Services	Paul McDonald
Director, Office of Security	Thomas M. Hughes
Assistant to the Secretary (Congressional Relations)	Joseph M. Bowman, Jr.
Deputy Assistant to the Secretary (Congressional Relations)	Joseph L. Spilman, Jr.
Deputy Assistant to the Secretary (Congressional Relations)	Samuel M. Jones

Assistant to the Secretary (Public Affairs)	James F. King
Deputy Assistant to the Secretary (Public Affairs)	John F. Kane
Assistant to the Secretary (National Security Affairs)	Raymond J. Albright
Deputy Assistant to the Secretary (National Security Affairs)	Howard E. Hensleigh
National Security Affairs Adviser	Robert G. Efteland
National Security Affairs Adviser	Clyde C. Crosswhite
Financial Adviser	Robert W. Bean
Director, Office of Foreign Assets Control	Mrs. Margaret W. Schwartz
Senior Consultant	Seymour E. Harris
Director, Executive Secretariat	Nicholas A. Rey

BUREAU OF ACCOUNTS

Commissioner of Accounts	Sidney S. Sokol
Assistant Commissioner	L. D. Mosso
Comptroller	Steve L. Comings
Chief Disbursing Officer	Lester W. Plumly
Deputy Commissioner for Central Accounts and Reports	Howard A. Turner
Deputy Commissioner for Deposits and Investments	Sebastian Fama

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Assistant Commissioner, Office of Investigations	Lawrence Fleishman
Assistant Commissioner, Office of Operations	David C. Ellis
Assistant Commissioner, Office of Regulations and Rulings	Robert V. McIntyre
Chief Counsel	Alfred H. Golden

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Director, Bureau of Engraving and Printing	James A. Conlon
Deputy Director, Bureau of Engraving and Printing	Vacancy

BUREAU OF THE MINT

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

BUREAU OF NARCOTICS

Commissioner of Narcotics	Henry L. Giordano
Deputy Commissioner of Narcotics	George H. Gaffney
Assistant Commissioner (Enforcement)	John R. Enright
Assistant Commissioner (Permissive)	William J. Durkin
Assistant Commissioner (Administration)	Ernest M. Gentry

BUREAU OF THE PUBLIC DEBT

Commissioner of the Public Debt	Donald M. Merritt
Assistant Commissioner	H. J. Hintgen
Deputy Commissioner in Charge, Chicago Office	Michael E. McGeoghegan

INTERNAL REVENUE SERVICE

Commissioner of Internal Revenue	Sheldon S. Cohen
Deputy Commissioner	William H. Smith
Assistant Commissioner (Administration)	Edward F. Preston
Assistant Commissioner (Inspection)	Vernon D. Acree
Assistant Commissioner (Compliance)	Donald W. Bacon
Assistant Commissioner (Data Processing)	Robert L. Jack
Assistant Commissioner (Planning and Research)	Albert W. Brisbin
Assistant Commissioner (Technical)	Harold T. Swartz
Chief Counsel	Lester R. Uretz

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Comptroller of the Currency	William B. Camp
First Deputy Comptroller	Justin T. Watson
Administrative Assistant to the Comptroller	Wayne G. Wickman
Deputy Comptroller	John D. Gwin
Deputy Comptroller	Thomas G. DeShazo
Deputy Comptroller	David C. Motter
Chief National Bank Examiner	F. H. Ellis
Deputy Comptroller (Mergers and Branches)	R. J. Blanchard
Deputy Comptroller (Trusts)	Dean E. Miller
Deputy Comptroller (FDIC Affairs)	Albert J. Faulstich
Chief Counsel	Robert Bloom

OFFICE OF THE TREASURER OF THE UNITED STATES

Treasurer of the United States	Vacancy
Deputy Treasurer	William T. Howell
Assistant Deputy Treasurer	William E. Scott

UNITED STATES SAVINGS BONDS DIVISION

National Director	Glen R. Johnson
Assistant National Director	Elmer L. Rustad

UNITED STATES SECRET SERVICE

Director	James J. Rowley
Deputy Director	Rufus W. Youngblood
Assistant Director (Administration)	Phil W. Jordan
Assistant Director (Investigations)	Burrill A. Peterson
Assistant Director (Protective Forces)	Thomas L. Johns
Assistant Director (Protective Intelligence)	Thomas J. Kelley

COMMITTEES AND BOARDS

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

•ORGANIZATION OF THE DEPARTMENT OF THE TREASURY•

December 1, 1967

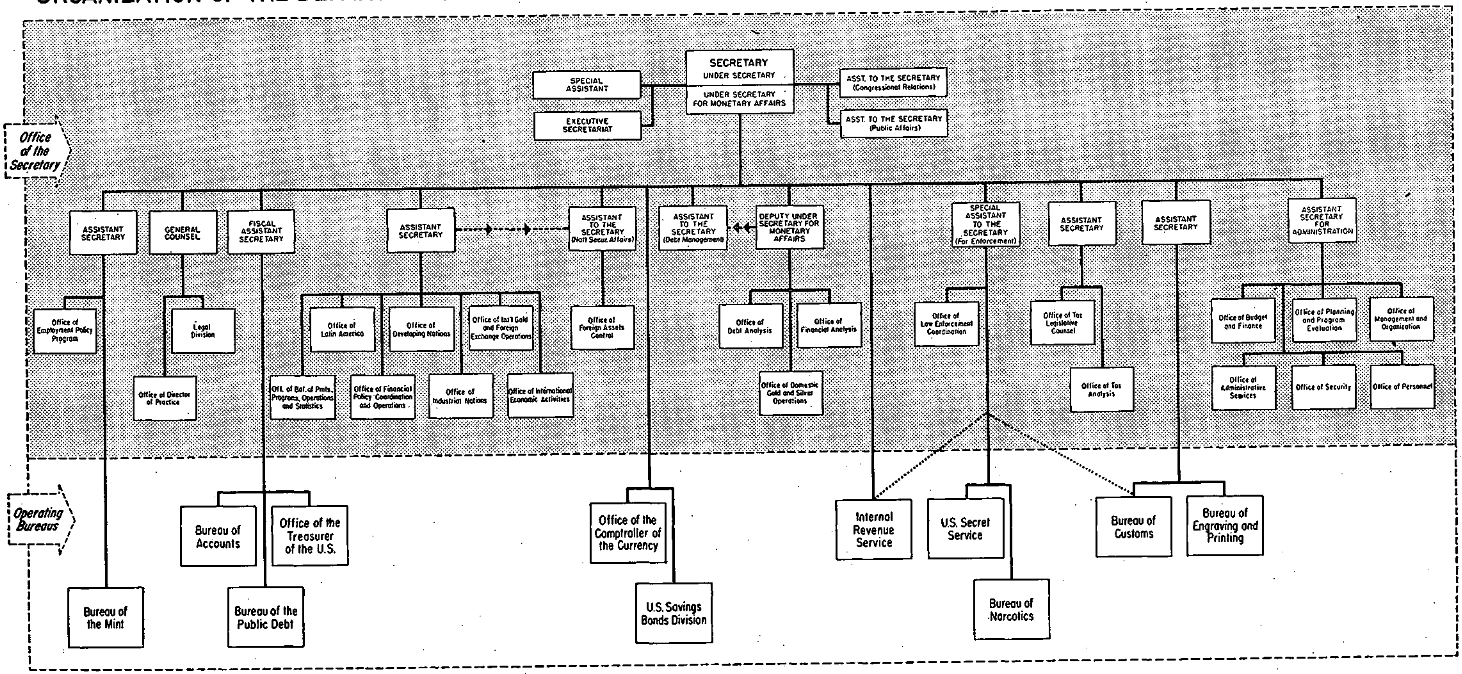

CHART 1

ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,
Washington, May 15, 1968.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year 1967. The main text of this report consists of a detailed review of Treasury fiscal operations and administrative reports of the offices under my supervision during the fiscal year 1967, along with supporting exhibits and statistical material. This brief general introduction reviews the major fiscal and financial developments that have taken place since the time of my last report in early 1967.

Overall Review

During the calendar year 1967, the economy successfully weathered a sizable inventory adjustment and resumed its rapid rate of advance. By early 1968, the economy was entering its eighth successive year of expansion—the longest in our history. There was every indication that this unparalleled advance could be sustained. However, it was increasingly clear that an additional degree of fiscal and financial restraint would be required in order to insure the continued strength of the dollar at home and abroad. A major objective of policy would be to reverse decisively the trend toward larger deficits in our internal budget and in our international balance of payments.

Delay in enacting the President's tax program threatened to swell the Federal budget deficit to inappropriately high levels. In terms of the new unified budget concept, the fiscal 1968 deficit was estimated in January 1968 at $22.8 billion in the absence of tax action. It was further estimated that the fiscal 1969 deficit would decline only slightly to $20.8 billion if no tax action were taken. With the economy at a high level of employment and showing strong inflationary tendencies, it was clear that back-to-back budget deficits in excess of $20 billion could exert a seriously destabilizing influence. Therefore, the January 1968 budget included legislative proposals to raise an additional $16 billion in revenue during fiscal 1968 and fiscal 1969. This would reduce the fiscal 1968 deficit to $19.8 billion and the fiscal 1969 deficit to $8 billion.

The other deficit requiring corrective action is in our international balance of payments. During 1965 and 1966 the payments deficit was held below $1.5 billion despite the drains occasioned by our expanded commitment to the defense of freedom in Southeast Asia.

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In 1967, the deficit widened, particularly in the fourth quarter, and reached $3.6 billion for the calendar year on the liquidity basis. Prompt action was needed—and is being taken—to shrink the deficit. The action program announced by President Johnson on January 1, 1968, was designed to achieve balance-of-payments savings of up to $3 billion.

Domestically, there was a marked contrast in the pace of economic advance between the first and second half of calendar year 1967. In the first half of the year, inventory investment fell from an annual rate of $18½ billion to nearly zero, but final sales rose strongly and prevented the inventory adjustment from causing a downturn. In the second half of the year, with the inventory adjustment completed and housing continuing its recovery, the economy moved ahead briskly. Growth in production was interrupted only temporarily by work stoppages.

This pattern of a relatively slow first half year followed by a much stronger second half had been anticipated and plans were made accordingly. In the first half of calendar year 1967, a policy of monetary ease, instituted late in 1966, was complemented by a degree of fiscal support. The moderate tax increase proposed by the President in January 1967 was not to be effective at once but only after the first half of 1967. As the pace of the economy slowed in the first half of 1967, the Federal budget swung into a deeper deficit position. This stimulative effect of a larger deficit was temporarily desirable in view of the sharply declining pace of the economic advance. Rising levels of Federal expenditure bolstered final sales while the steep inventory adjustment downward was running its course.

Ideally, there would have been a sizable swing back toward fiscal restraint in the second half of the calendar year as the economy began to move ahead more rapidly. Tax action was recommended by the President early in August 1967, with the increases to be effective from midyear, but there was no congressional action on the President's proposals. Late in the year, expenditure cuts in specific programs totaling $4.3 billion were achieved, as a result of joint congressional and executive action. But, in the absence of congressional action to raise taxes, the budget continued to run in heavy deficit in the second half of 1967 and early 1968, at a time when the economy was not in need of fiscal stimulus but would have benefited greatly from a shift toward restraint.

The resumption of strong growth in the second half of 1967 was accompanied by a sharp advance in prices. For example, the comprehensive GNP price deflator rose at a 3.8 percent annual rate in the second half of the calendar year, in contrast to about 2½ percent in the first half. The rise in the consumer price index followed a similar pattern.

On a year-to-year basis, the price record appeared more favorable, with consumer prices actually rising slightly less in 1967 than in 1966. However, the faster rise in prices during the second half of 1967, which continued in early 1968, was definitely cause for concern. It threatened to disrupt the domestic expansion and to impair our international competitive position. In his February 1968 *Economic Report*, President Johnson emphasized the need to make a decisive turn back toward price stability and stated:

"Therefore, in addition to urging prompt action by the Congress on my tax proposals, I must again urge—in the strongest terms I know—that unions and business firms exercise the most rigorous restraint in their wage and price determinations in 1968."

Both cost and demand pressures were contributing to the faster advance in prices in late 1967 and early 1968. The strengthening of demand in the second half of 1967 was clearly mirrored in an upward movement of prices. From the cost side, strong pressures were being exerted by a faster pace of advance in hourly compensation than in productivity. In turn, this reflected the earlier upsurge of demand in late 1965 and 1966 which upset the balance of the expansion.

From 1961 to 1965 the rise in average hourly compensation in the total private economy only slightly exceeded the gain in output per manhour and unit labor costs were relatively stable. In manufacturing there was actually a downward drift in unit labor costs as productivity gains exceeded the rise in employee compensation. This pattern was broken after 1965. During 1966, when total demand pressed heavily against the economy's short-run productive capacity, there was a sharp rise in hourly compensation of nearly 7 percent. In 1967, the average rise fell back slightly to about 6 percent but productivity gains slowed abruptly to around 1½ percent. As a consequence, between 1966 and 1967 there was a rise in unit labor costs of roughly 4½ percent for the total private economy and of about 5 percent for the manufacturing sector.

In the presence of these cost increases, it would be particularly important during 1968 and beyond to insure that the situation was not further aggravated by an excessively strong rise in demand. Another burst of demand could further prejudice the prospects for an early return to relatively stable prices and seriously impede progress toward balance-of-payments equilibrium. As it was, an earlier pattern of cost-price stability had been temporarily disrupted and the potential for further inflationary developments had been increased.

The U.S. balance-of-payments position and the continued stability of the international financial system were becoming increasingly important factors in the determination of U.S. fiscal and financial policy. Both our international and domestic financial positions would be strengthened through the application of an extra degree of fiscal restraint. There was no conflict between the policy prescription for the domestic economy and the balance of payments. In each case, the situation called for higher taxes and further deferment and reduction of lower priority Federal expenditures.

Tax Policy

The major tax developments since the time of my last report have been the restoration of the investment tax credit and a continuing effort to obtain legislative approval of a temporary increase in income taxes. Fuller details on these and other developments in tax policy during the fiscal year 1967 are provided on pages 28–39 of the accompanying report.

Temporary suspension of the investment tax credit was a key element in the President's anti-inflationary program presented in a special message to the Congress on September 8, 1966. Rapid expansion of plant and equipment programs had led to growing order backlogs and heavy pressure on the financial markets. The September 8 program included the following steps: Reduction in lower priority Federal expenditures; a proposed temporary suspension of the 7-percent investment tax credit and accelerated depreciation; and special efforts to lower interest rates and to ease the inequitable burden of tight money. The announcement of this program and prompt action by the Congress and the financial regulatory agencies led to a much better financial environment. The special investment incentives were temporarily suspended under the terms of Public Law 89–800, effective as of October 10, 1966.

While temporary suspension of these investment incentives was essential under the special circumstances of late 1966, it was made clear at the time of their suspension that they continued to be regarded as a valuable permanent structural component of the tax system and would be restored as soon as possible. On March 9, 1967, President Johnson did request the restoration of the investment tax credit and the use of accelerated depreciation for buildings, pointing out that in the previous 6 months the temporary suspension had done the job it was designed to do.

Legislation restoring the investment incentives was passed by the House of Representatives on March 14. There was protracted debate on the Senate floor, not on restoration of the investment incentives, but on proposed amendments to the Presidential Election Campaign Fund Act of 1966. The bill was finally passed by the Senate on May 9 and signed by the President on June 13, 1967, with restoration of the credit effective as of March 10, 1967. Details of the legislation are discussed on pages 29–31 in the main text of this report.

The initial proposal for a general increase in income taxes was made by President Johnson in his state of the Union message of January 10, 1967. He called for a surcharge of 6 percent on both individual and corporate income taxes to last for 2 years or so long as the unusual expenditures associated with our efforts in Vietnam continue. The temporary surcharge was to be effective from July 1, 1967.

As revised estimates of revenues and expenditures made it clear that the budget deficit would be much larger than had been anticipated in early 1967, President Johnson requested on August 3, 1967, that the surcharge be raised from 6 percent to 10 percent. Aside from the recommendation for a 10 percent surcharge, the President repeated his January 1967 recommendations for a further speedup of corporate tax collections and a postponement of scheduled reductions in excise taxes. In addition, the President urged the Congress to exercise the utmost restraint and responsibility in the appropriations process and to make every effort not to exceed the January budget estimates. For its part, the executive branch promised to take every proper action within its power to reduce expenditures in the January budget.

The House Ways and Means Committee held hearings on the tax proposals in August and September but voted to table immediate consideration. Difficulty in arriving at procedures to implement expenditure reductions was apparently a major factor in the Ways and Means decision to defer action. After the devaluation of sterling in November, the Ways and Means hearings were reopened. At that time the administration presented a two-part plan: The tax proposals and a specific statutory plan for expenditure reduction in fiscal 1968 from the levels then in prospect. While the Ways and Means Committee did not take favorable action on the proposals, the expenditure reduction part of the plan was implemented by joint congressional and executive action late in calendar 1967. On December 18, 1967, President Johnson signed Public Law 90–218, which, together with previous congressional actions, provided that "Federal obligations and expenditures in controllable programs for the fiscal year 1968 should be reduced by no less than $9 billion and $4 billion, respectively, below the President's budget requests."

On January 22, 1968, the House Ways and Means Committee resumed its hearings on the President's tax proposals. The committee took favorable action on the corporate tax acceleration and excise tax components of the tax package, but not on the proposed 10-percent surcharge on individual and corporate income tax liabilities. The corporate tax acceleration and the postponement of scheduled excise tax reductions were passed by the House of Representatives on February 29, 1968.

The scene then shifted to the Senate. The Senate Finance Committee approved action on excise taxes and the corporate tax acceleration but decided, by a 9–8 vote, against the proposed 10-percent surcharge. On the floor of the Senate, however, the 10-percent surcharge and a ceiling on Federal expenditures, along with a number of other amendments, were added to the excise tax and corporate acceleration legislation. The exact pattern that legislative developments might follow from that point was uncertain, but the prospects for action on a program of fiscal restraint appeared to have improved.

Financial Policies and Debt Management

In the domestic financial area, the past year has been one of strong demand pressures in our money and capital markets. Longer-term interest rates dipped only temporarily in early 1967 when the pace of economic expansion slowed and long-term rates then rose during the balance of the year. In the first half of calendar year 1967, short-term interest rates did decline from the peaks that had been reached in the late summer and early fall of 1966. After midyear, however, money market rates moved up rather steadily. Monetary ease, which had commenced in late 1966, continued through most of 1967 but interest rates rose in response to heavy financial demands.

At the close of 1967, short-term rates remained below the peaks of August–September 1966, but longer term rates had, in some cases, pushed well beyond the earlier highs. Three-month Treasury bills were yielding a shade more than 5 percent at the end of 1967, still about one-half of one percent below the peak yields in 1966. Longer bills and short- to intermediate-term coupon issues also remained below their 1966 peaks. Longer-term governments and new issues of corporate and municipal bonds had moved beyond the earlier highs by the end of the calendar year 1967, while mortgage rates were just about at the earlier levels. Between the end of 1966 and 1967, rates on new Aa-rated corporate bonds rose by almost a full percentage point and neared 7 percent while rates on new tax-exempt securities rose by more than five-eighths of one percent. These very sizable increases in corporate and municipal rates reflected the particularly heavy volume of financing in those areas.

Despite the slackening in the pace of economic activity in early 1967, private financial demands were heavy throughout the entire year. As an aftermath of the credit squeeze of 1966, efforts were made throughout the private sector to rebuild liquidity and in some cases to make advance provision for possible future credit needs. Furthermore, there was general belief in the business and financial community that the slowdown in the economy was likely to be temporary in duration and would be followed by a period of more rapid expansion. As the year progressed, an upturn in planned business plant and equipment expenditures and a rise in inventory investment were, indeed, adding to corporate financial requirements. In addition to normal requirements, municipal financing was swollen by issues postponed from 1966 and by an abnormally large volume of industrial revenue bonds, since the future of the tax-exempt status for new issues of industrial revenue bonds appeared increasingly uncertain.

For the year as a whole, corporate long-term security offerings and placements (including refundings) totaled $24.6 billion, about 40 percent more than in 1966. State and local issues reached $14.5 billion, up from $11.3 billion a year earlier. Net additions to mortgage debt of $22 billion were only slightly above the 1966 total but were rising throughout the year as savings inflows to mortgage lenders continued in large volume. With private credit demands strong throughout the entire year, the major change occurred in the Federal sector where there was a marked change between the first and second half of calendar 1967.

In the first half of 1967, the Federal sector exerted a relatively small impact on the credit markets. Indeed, there was actually a larger net repayment of debt than that which had taken place in the first halves of 1965 and 1966. In the second half of 1967, however, the Federal sector made a sizable net credit demand, sharply above the levels of earlier years. This combination of heavy private and Government demands for credit exerted strong upward pressure on interest rates during the second half of 1967. Despite these upward rate pressures, there was no serious disruption of the flow of funds to various sectors and credit was readily available, although expensive by historical standards.

The outlook for financial markets in 1968 and beyond depends very much on the outcome of the President's fiscal proposals. In the absence of tax and expenditure action, the Federal sector would be making a sizable contraseasonal credit demand in the first half of calendar 1968, and the fiscal 1969 deficit on the new unified budget basis would exceed $20 billion. This would require roughly that amount of new borrowing. (There would be some additional requirements of those agencies—chiefly the Federal home loan banks and the Federal land banks—not included in the new budget's concept of net borrowing requirements.) Borrowing of this magnitude at a time when the economy was advancing rapidly could seriously overstrain the capacity of the financial markets, divert credit flows, and threaten to drive interest rates still higher. Therefore, the prompt application of fiscal restraint, so necessary on other grounds as well is viewed as essential from the standpoint of the domestic financial markets.

Debt management activities have been conducted successfully during the past year despite the relatively difficult financial environment. An intensive savings bond campaign has played a major part by encouraging additional savings and reducing the amount of market financing otherwise required. (A detailed review of public debt management and ownership developments during fiscal 1967 is provided on pages 12–28 of the accompanying report.)

In the first half of calendar 1967, after a refunding operation in February that received a very favorable reception, the balance of Treasury cash needs were met in March by an additional $2.7 billion of June 1967 tax anticipation bills. In the second half of the year, the Treasury did a bit more than $16 billion of new money borrowing through the issuance of marketable securities.

The bulk of the financing in the second half of the year was done in the bill area through additions to the regular auctions and through the use of tax anticipation bills. Outside of the bill area, there were several major financings. Following a $9.9 billion refunding operation, $2½ billion in cash was raised in August through the issuance of a 3½-year Treasury note priced to yield 5.40 percent. In November, a little over $2 billion in additional new cash was raised in conjunction with the refunding of $10.2 billion of November maturities. In this operation, the Treasury made initial use of the authority granted by Congress earlier in the year to issue Treasury notes of up to 7-year maturity. Nonetheless, there was a substantial shortening of the average maturity of the marketable interest-bearing public debt during the course of calendar year 1967. By the end of the year, the average maturity was 4 years and 1 month in contrast to 4 years and 7 months at the end of calendar year 1966.

There were two sizable Treasury financing operations in early 1968, both of which were well received. At the end of January, the Treasury announced an exchange offering of 7-year, 5¾ percent notes for notes maturing February 15, 1968, and for notes and bonds due August 15 and November 15, 1968. The successful completion of this operation led to a modest degree of debt lengthening and a useful reduction in the sizable financing task that would have to be faced in the second half of the year. In a separate operation during February, there was a $4 billion cash offering of 15-month, 5⅝ percent Treasury notes.

International Financial Affairs

A summary of a wide range of developments in international financial affairs through fiscal 1967 will be found in the text of this report (pages 39–53). Attention will be confined here to major developments during the year in the U.S. balance of payments and the progress made toward improved international financial arrangements.

Balance of Payments

During calendar year 1967, and particularly in the fourth quarter, the U.S. balance-of-payments deficit widened appreciably, only partly because of special factors. The widening of the deficit made it necessary to take prompt corrective action. A new balance-of-payments action program was announced at the beginning of 1968 designed to shrink the deficit by as much as $3 billion. The worsening of the payments position in 1967 had come after 2 years in which the deficit had been held to relatively low levels, considering the direct and indirect balance-of-payments drains associated with the Vietnam effort.

In calendar year 1966, the U.S. balance-of-payments deficit on the liquidity basis was $1.4 billion, about the same as in 1965, and about one-half the size of the deficits in 1963 and 1964. On the official reserve transactions basis, there was a 1966 surplus of $200 million, compared to a deficit of $1.3 billion in 1965, and deficits of $1.5 billion and $2 billion in 1964 and 1963, respectively. (The liquidity balance is measured by changes in U.S. reserve assets and in liquid liabilities to all foreign residents and international organizations. The official reserve transactions balance differs from the liquidity balance by excluding changes in certain of our nonliquid liabilities to foreign official institutions which are not part of the liquidity deficit.)

In 1967, the deficit on the liquidity basis reached $3.6 billion and returned near the deficit levels of 1959 and 1960. On the official reserve transactions basis, the deficit for calendar 1967 was $3.4 billion. U.S. gold losses in 1967 rose to $1.170 billion, about double the $571 million loss in 1966. Much of the deterioration occurred in the final quarter of the year when the liquidity deficit reached an estimated $1.85 billion on a seasonally adjusted basis and gold losses exceeded $1 billion. The heavy pressure in gold markets continued in early 1968 until it was checked by international agreement on new arrangements with respect to private gold markets.

Some part of the large fourth-quarter balance-of-payments deficit was due to temporary factors. The weakness of sterling, which finally led to its devaluation in November, caused the United Kingdom to liquidate its portfolio of U.S. corporate securities and U.S. Government agency bonds, with adverse effect on the liquidity balance. On trade account, U.S. imports were boosted by a copper strike and the prospect of a steel strike in 1968. Even after allowance for these and other special factors, however, it was clear that there had been a significant worsening of the deficit during 1967 and that a tightening of the balance-of-payments program was essential under the circumstances.

President Johnson announced the details of the new balance-of-payments program in a special message on January 1, 1968. The program was designed to bring the balance of payments to, or close to, equilibrium. President Johnson emphasized the close relationship between the domestic economy and the balance of payments. In his January 1, 1968, message he stated:

"The first line of defense of the dollar is the strength of the American economy.

"No business before the returning Congress will be more urgent than this: To enact the anti-inflation tax which I have sought for almost a year. Coupled with our expenditure controls and appropriate monetary policy, this wil help to stem the inflationary pressures which now threaten our economic prosperity and our trade surplus."

The new balance-of-payments program embodied a comprehensive approach to the problem with savings sought in all major areas of the balance of payments. It was evolutionary in the sense of building upon the experience gained from previous balance-of-payments programs, but also included new techniques designed to achieve effective control of direct investment and the expenditures of U.S. tourists. The main elements of the new program were the following:

—a mandatory program, administered by the Department of Commerce, to restrain direct investment abroad. By Executive order and regulations issued under the Banking Law a limit would be placed upon direct investment by U.S. companies in foreign affiliates. Key features of the direct investment program are a temporary moratorium on any new capital outflow from the United States to the highly developed countries, principally in continental Western Europe, and special regulations governing the repatriation by U.S. companies of foreign earnings and permissible levels of short-term financial assets held abroad. (In March, Canada was exempted from the balance-of-payments measures affecting capital flows that are administered by the Department of Commerce and the Federal Reserve Board. An exchange of letters between the United States and Canadian Governments described the steps that would be taken to insure that the U.S. balance-of-payments position would not be impaired as a consequence.)

—revised guidelines by the Board of Governors of the Federal Reserve System to reduce foreign credits from U.S. banks and other financial institutions. The new guidelines, which are substantially more restrictive than those issued in November 1967, are designed to achieve a net inflow of at least $500 million in 1968. The Board pointed out that the guidelines have been designed to focus the major effect of the reduction on the developed countries of continental Western Europe without adverse effects on credits necessary to finance U.S. exports or on credits to developing countries.

—encouragement of foreign travel in the United States and temporary measures to restrain the volume of U.S. travel expenditures outside of the Western Hemisphere. In view of the increase in the U.S. travel deficit to an estimated $2 billion in 1968, some action in this area was obligatory. The permanent and long-run part of the program is an effort to increase the number of foreign travelers in this country. In addition, the administration proposed customs and temporary tax measures, including a graduated tax on expenditures incurred in connection with trips outside the Western Hemisphere, to reduce U.S. tourist expenditures with the least possible reduction in the number of U.S. travelers.

—further reductions in the balance-of-payments impact of Government expenditures overseas.

—a long-term export expansion program, including intensified promotional efforts and enlarged facilities for export insurance, guarantees, and financing.

—consultation with foreign countries to minimize the disadvantages to our trade which arise from differences among national tax systems.

—further efforts to attract greater foreign investment in U.S. corporate securities, carrying out the principles of the Foreign Investors Tax Act of 1966.

The full effect of the recommended measures would not be felt immediately. Some elements of the program, e.g., the graduated tax on U.S. tourist expenditures, required congressional approval which might not be forthcoming. Short-run improvement of the trade balance would depend upon a moderation of the very rapid pace of the domestic economic advance as well as upon business conditions abroad. There were some uncertainties as to the immediate impact of other features of the program. But, even so, there was every prospect that the new balance-of-payments program would be promptly successful in reversing the trend toward larger deficits that had reappeared in 1967.

International Finance

There have been two major developments in the international financial area since the time of my last report. The first was the devaluation of sterling in November 1967 and the heavy speculative activity in private gold markets that followed. In March 1968, agreement was reached among the central banks cooperating in the gold pool on new arrangements. This restored a calmer atmosphere to gold and exchange markets. The second major development was the further progress made toward implementation of the plan for creation of special drawing rights in the International Monetary Fund.

During early 1967, there was an improving trend in international financial markets. Sterling seemed to be making a successful recovery and there was relatively little speculative activity in gold markets. With the outbreak of the crisis in the Middle East in June, this better atmosphere evaporated quickly. Gold and foreign exchange markets were subjected to temporarily heavy pressures. While these pressures abated somewhat during the summer, the position of sterling remained precarious. After a continuing defense of the existing parity during the early fall, the decision to devalue the pound by 14.3 percent to $2.40 was announced on Saturday, November 18, 1967. International cooperation confined the exchange rate adjustment to sterling and a few closely related currencies.

In the aftermath of sterling devaluation, there was a heavy run on gold in private markets abroad. A statement by the gold pool contributors which was made in Frankfurt the weekend after devaluation calmed the market for a time. Rumors again flooded the market, but a further statement in December by me as Secretary of the Treasury and by the Chairman of the Federal Reserve Board (made with the support of the other gold pool members) again restored comparative calm. The announcement on January 1, 1968, by President Johnson of the new U.S. balance-of-payments program further improved the situation. Although the speculative activity in private gold markets more directly reflected uncertainty over the price of gold in terms of all currencies, rather than the strength of the dollar and the short-term U.S. balance-of-payments position, the announcement of the new balance-of-payments measures was helpful. After a period of relative quiet, there was a renewed surge of speculation in foreign gold markets beginning in late February and early March.

Effective action was taken to cope with the threat to international financial stability. The U.S. Congress completed action on legislation removing the 25-percent gold backing requirement for Federal Reserve note liabilities, thus showing renewed determination to defend the value of the dollar. The representatives of the central banks that were cooperating in the gold pool arrangements met in Washington over the weekend of March 16 and 17, 1968. The Governors of the Central Banks of Belgium, Germany, Italy, the Netherlands, Switzerland, the United Kingdom, and the United States announced after their meeting that:

". . . henceforth officially-held gold should be used only to effect transfers among monetary authorities and, therefore, they decided no longer to supply gold to the London gold market or any other gold market. Moreover, as the existing stock of monetary gold is sufficient in view of the prospective establishment of the facility for Special Drawing Rights, they no longer feel it necessary to buy gold from the market. Finally, they agreed that henceforth they will not sell gold to monetary authorities to replace gold sold in private markets."

The effect of these steps was a separation of the private and official markets for gold. In official transactions among monetary authorities, gold would continue to be bought and sold at the existing $35 an ounce price. But, the abstention of the cooperating monetary authorities from dealings in gold in private markets would mean that the price of gold in private markets could diverge from the monetary valuation of $35 an ounce. The drain from monetary gold stocks into private holdings was halted by this action and the prospects for international financial stability were greatly improved. With the removal of the threat to international financial stability that had been posed by the gold situation, the world's monetary authorities could proceed with their plans to provide for an assured and orderly growth in international reserves.

A milestone in international monetary cooperation was passed in September 1967 with the unanimous endorsement of the outline plan for international monetary reform at the annual meeting of the IMF in Rio de Janeiro. Under the plan, the problem of inadequate growth of international monetary reserves would be met by creating Special Drawing Rights (SDR's) in the International Monetary Fund. At a Ministerial Meeting of the Group of Ten, March 29–30, 1968, in Stockholm, general agreement was reached—with the French delegation abstaining on some points—on the Amendment to the Articles of the International Monetary Fund necessary to carry the SDR plan into operation. Subsequently the Executive Board of the International Monetary Fund drafted the necessary technical language and submitted it to the Fund's Board of Governors for their approval. The next step would be actual ratification of the plan by the member governments.

The agreements reached at Rio de Janeiro and Stockholm were the culmination of years of intensive study and negotiation. Acting in concert, the world's leading nations had taken a long step toward the provision of an international monetary system in which reserve needs would be met through conscious and deliberate action. As President Johnson indicated, the Rio agreement constituted the greatest forward step in the improvement of the international monetary system since the creation of the International Monetary Fund itself.

HENRY H. FOWLER,
Secretary of the Treasury.

TO THE PRESIDENT OF THE SENATE.
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

REVIEW OF FISCAL OPERATIONS

Financial Operations

Basis

Actual budget receipt and expenditure data in this section, applicable to the fiscal years 1967 and 1966, are on the basis of the budget concepts then prevailing. A summary table showing actual and estimated data on the basis of the budget concepts adopted pursuant to the recommendations of the President's Commission on Budget Concepts appears on pages 7–8.

Summary

The administrative budget deficit for fiscal 1967 was $9.9 billion (compared with $2.3 billion for 1966 and $3.4 billion for 1965). Net administrative budget receipts for fiscal 1967 amounted to $115.8 billion ($11.1 billion over 1966). Net administrative budget expenditures for the year totaled $125.7 billion ($18.7 billion over 1966).

Net trust receipts exceeded net trust expenditures by $10.1 billion in fiscal 1967. Net trust receipts for the year amounted to $44.6 billion ($9.8 billion above 1966), while net trust expenditures amounted to $34.5 billion ($.4 billion less than 1966).

On a consolidated cash basis, total receipts from the public for 1967 were $153.6 billion, and total payments to the public were $155.1 billion—an excess of payments to the public of $1.5 billion.

Gross public debt outstanding was $326.2 billion at June 30, 1967, an increase of $6.3 billion from June 30, 1966. The Government's fiscal operations in fiscal years 1966–67, and their effect on the public debt are summarized as follows:

	In billions of dollars			
	1966		1967	
Administrative budget receipts and expenditures:				
Net receipts (−)	−104.7		−115.8	
Net expenditures	107.0		125.7	
Administrative budget deficit		2.3		9.9
Trust receipts and expenditures:				
Net receipts (−)	−34.9		−44.6	
Net expenditures	34.9		34.5	
Excess of trust receipts (−), or expenditures		(*)		−10.1
Net investments in public debt and agency securities		3.6		10.9
Net sales (−) of Government agency securities in the market		−4.1		−.4
Increase (−), or decrease in checks outstanding, deposits in transit (net), etc		.9		.6
Increase (−), or decrease in public debt interest accrued		.1		(*)
Change in cash balances, increase, or decrease (−):				
Treasurer's account	−.2		−4.6	
Held outside Treasury	.1		.1	
Net decrease in cash balances		−.1		−4.5
Increase in public debt		2.6		6.3

*Less than $50 million.

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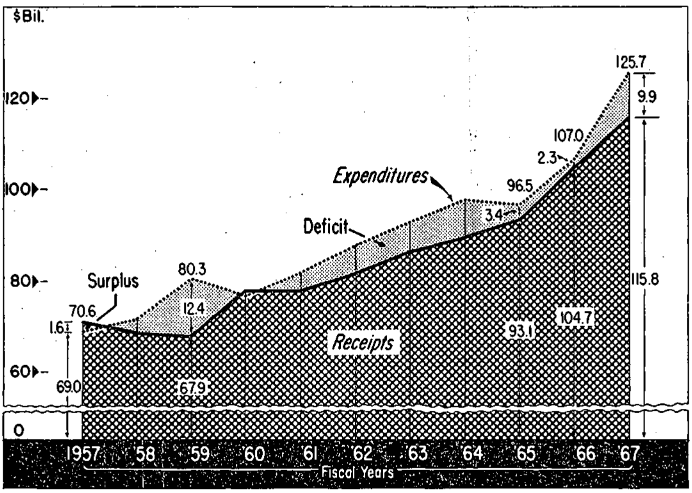
Administrative Budget Receipts and Expenditures

Chart 2

The Administrative Budget



Receipts

The increase of $11.1 billion in net administrative budget receipts during fiscal 1967 brought the total to $115.8 billion, thus marking the sixth successive year in which new peaks have been established. The overall rise occurred despite the delayed impact of reduced income tax rates under the Revenue Act of 1964 and reduced excises under the Excise Tax Reduction Act of 1965. The bulk of the income tax reduction went into effect early in the calendar year 1964 and the remainder on January 1, 1965. Excise tax repeals on a broad scale went into effect on June 22, 1965, and January 1, 1966. On the other hand, receipts were bolstered in both fiscal years 1966 and 1967 by the revenue raising provisions of the Tax Adjustment Act of 1966.

Economic activity continued to expand throughout the fiscal year 1967 and tax receipts accompanied this general rise.

A comparison of net administrative budget receipts by major sources for the fiscal years 1966 and 1967 is shown below.

Source	1966	1967	Increase, or decrease (—)
	In millions of dollars		
Internal revenue:			
Individual income taxes	55, 446	61, 526	6, 080
Corporation income taxes	30, 073	33, 971	3, 898
Excise taxes	9, 145	9, 278	133
Estate and gift taxes	3, 066	2, 978	—88
Total internal revenue	97, 730	107, 753	10, 023
Customs duties	1, 767	1, 901	134
Miscellaneous receipts	5, 231	6, 195	964
Net administrative budget receipts	104, 727	115, 849	11, 122

Individual income taxes.—Receipts from individual income taxes amounted to $61.5 billion in fiscal 1967, accounting for 53 percent of total budget revenues and 55 percent of the year's increase. The net gain of $6.1 billion reflected generally rising incomes. Receipts were bolstered in 1966 and 1967 by the graduated withholding system which went into effect on May 1, 1966. A change in the method of depositing withheld taxes beginning in June 1966 increased receipts for the transition year 1966.

Corporation income taxes.—Corporation income tax receipts rose to $34.0 billion in fiscal 1967, $3.9 billion above the previous year.

Collections from corporation income taxes depend primarily on the amount of corporation profits earned during the calendar year which ends within the fiscal year. However, with the acceleration of corporate payments required by the Revenue Act of 1964 and the further acceleration imposed by the Tax Adjustment Act of 1966, profits in the current year have become increasingly important. Corporation profits rose $7.2 billion on a national account basis from calendar year 1965 to 1966. Tax receipts in fiscal 1967 were further bolstered by the speedups in estimated payments required under the two acts. Accelerated payments add to Government receipts in the fiscal years involved but do not affect the tax liabilities computed under the present rates.

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

Source	1966	1967	Increase, or decrease (−)
	In millions of dollars		
Alcohol taxes	3,814	4,076	262
Tobacco taxes	2,074	2,080	6
Taxes on documents, other instruments, and playing cards	146	68	−78
Manufacturers excise taxes	5,614	5,478	−136
Retailers excise taxes	108	4	−104
Miscellaneous excise taxes	1,603	1,732	129
Undistributed depositary receipts and unapplied collections	38	676	638
Gross excise taxes	13,398	14,114	716
Less:			
Refunds of receipts	337	395	58
Transfers to highway trust fund	3,917	4,441	524
Net excise taxes	9,145	9,278	133

Excise tax receipts rose from $9,145 million in fiscal 1966 to $9,278 million in fiscal 1967. The full-year effect in 1967 of the Excise Tax Reduction Act of 1965 as compared with the part-year effect in 1966 decreased receipts but a speedup in collections of most of the manufacturers and miscellaneous excise taxes augmented revenues.

Estate and gift taxes.—Estate tax collections advanced for the eighth consecutive year reaching $2.7 billion in fiscal 1967, $82 million larger than fiscal 1966. This was more than offset by a decline in gift tax collections in fiscal 1967. Receipts from this source are very erratic.

Customs.—Customs duties increased $134 million during 1967 reaching a total of $1.9 billion. This rise reflected a substantial increase in taxable imports accompanying the general rise in economic activity.

Miscellaneous receipts.—Miscellaneous receipts are the total of receipts by the Government of varied forms of income other than taxes. The total of $6.2 billion received in the fiscal year 1967 was $1.0 billion or 18 percent larger than in 1966. The net overall rise is a composite of divergent movements in the various forms of nontax receipts.

Rent on Outer Continental Shelf lands, realization upon loans and investments, and seigniorage showed strong advances. Other increases in interest receipts, dividends and other earnings, and recoveries and refunds were offset by declines in receipts from royalties and sales of Government property and products.

Expenditures

Net administrative budget expenditures for fiscal 1967, by major functions, are compared to 1966 in the following table. For more detailed information see table 16.

[Dollar amounts in millions]

Function	1966		1967		Increase, or decrease (—)
	Amount	Percent of total	Amount	Percent of total	
National defense	$57,718	54.0	$70,783	56.3	$13,065
Interest	12,132	11.3	13,524	10.8	1,392
Health, labor, and welfare	7,574	7.1	10,288	8.2	2,714
Space research and technology	5,933	5.5	5,426	4.3	—507
Veterans' benefits and services	5,023	4.7	6,187	4.9	1,164
International affairs and finance	4,191	3.9	3,401	2.7	—790
Agriculture and agricultural resources	3,307	3.1	3,393	2.7	86
Natural resources	3,120	2.9	3,322	2.6	202
Education [1]	2,834	2.6	3,360	2.7	526
Commerce and transportation	2,969	2.8	3,305	2.6	336
Other [2]	[r] 2,811	[r] 2.6	3,411	2.7	600
Less interfund transactions	635	.6	682	.5	47
Total	106,978	100.0	125,718	100.0	18,740

[r] Revised.
[1] Previously included in "other."
[2] Includes housing and community development and general government.

Trust Receipts and Expenditures

Receipts

Trust receipts rose $9.8 billion over 1966 to $44.6 billion in fiscal 1967, due primarily to increased employment tax receipts. Net trust receipts for 1967, by certain major sources, are compared with 1966 in the following table. For more details see table 5.

Source	1966	1967	Increase, or decrease (−)
	In millions of dollars		
Employment taxes	20,022	26,670	6,648
Unemployment tax deposits by States	3,067	2,917	−150
Excise taxes	3,917	4,441	524
Interest on trust funds	1,908	2,287	379
Other [1]	6,707	9,567	2,860
Less interfund transactions	770	1,242	472
Net trust receipts	34,853	44,640	9,787

[1] Includes Federal employee and agency payments to retirement funds, veterans' life insurance premiums, and other miscellaneous trust receipts.

Expenditures

Net trust expenditures, including $0.9 billion net purchases of participation certificates by trust accounts, were $34.5 billion in fiscal 1967, $0.4 billion less than 1966. There follows a summary of trust expenditures, by major functions, comparing 1967 and 1966. For details see table 5.

[Dollar amounts in millions]

Function	1966 Amount	1966 Percent of total	1967 Amount	1967 Percent of total	Increase, or decrease (−)
Health, labor, and welfare	$26,384	75.7	$31,078	90.1	$4,694
Commerce and transportation	3,751	10.8	3,728	10.8	−23
Housing and community development	3,202	9.2	−2,269	−6.6	−5,471
Agriculture and agricultural resources	1,151	3.3	1,148	3.3	−3
National defense	760	2.2	1,091	3.2	331
Veterans' benefits and services	565	1.6	815	2.4	250
Other [1]	−177	−.5	161	.5	338
Less interfund transactions	770	2.2	1,242	3.6	472
Net trust expenditures	34,864	100.0	34,510	100.0	−354

[1] Includes functions relating to natural resources, international affairs and finance, education, and general government; also includes net transactions in deposit funds; 1967 includes participation certificate transactions.

Budget Estimates

There follows a summary of estimates for the fiscal years 1968 and 1969, as they appeared in the President's budget for 1969, along with actual amounts for 1967. These estimates are on the basis of the budget concepts adopted pursuant to the recommendations of the President's Commission on Budget Concepts. They are not comparable with actual data appearing throughout this report on the basis of budget concepts prevailing during fiscal 1967. An explanation of the new concepts as well as details of actual receipts and expenditures on the new basis will appear in the annual report for the fiscal year 1968.

Summary of receipts, expenditures, and lending

[In millions of dollars]

	1967 actual	1968 estimate	1969 estimate
Receipt-expenditure account:			
Receipts	149, 591	155, 830	178, 108
Expenditures (excluding net lending)	153, 238	169, 856	182, 797
Expenditure account deficit (−)	−3, 437	−14, 026	−4, 689
Plus loan account:			
Loan disbursements	17, 787	20, 869	20, 372
Loan repayments	12, 611	15, 091	17, 106
Net lending	5, 176	5, 779	3, 265
Equals budget:			
Receipts	149, 591	155, 830	178, 108
Expenditures and net lending	158, 414	175, 635	186, 062
Budget deficit (−)	−8, 823	−19, 805	−7, 954

Source.—1969 budget document released Jan. 29, 1968.

Corporations and Other Business-Type Activities of the Federal Government

The business-type programs which Government corporations and agencies administer are financed by various means: appropriations, sales of capital stock, borrowings from either the U.S. Treasury or the public, or by revenues derived from their own operations.

Corporations or agencies having legislative authority to borrow from the Treasury issue their formal securities to the Secretary of the Treasury. Amounts borrowed are reported in the periodic financial statements of the Government corporations and agencies as part of the Government's net investment in the enterprise. In fiscal 1967, borrowings from the Treasury, exclusive of refinancing transactions, totaled $9,390 million, repayments were $11,743 million, and outstanding loans on June 30, 1967, totaled $24,611 million.

Those agencies having legislative authority to borrow from the public must either consult with the Secretary of the Treasury regarding the proposed offering, or have the terms of the securities to be offered approved by the Secretary.

During fiscal 1967, Congress granted new authority to borrow from the Treasury in the total amount of $1,094 million, and reduced existing authority by $215 million, resulting in a net increase of $879 million. The status of borrowing authority and the amount of corporation and agency securities outstanding as of June 30, 1967, are shown in table 110.

Unless otherwise specifically fixed by law, the Treasury each month determines interest rates on its loans to agencies by considering the Government's cost for its borrowings in the current market, as reflected by prevailing market yields on Government securities which have maturities equal to the Treasury loans to the agencies. A description of the Federal agencies' securities held by the Treasury on June 30, 1967, is shown in table 111.

During fiscal 1967, the Treasury received from agencies a total of $915 million in interest, dividends, and similar payments. (See table 114.)

Quarterly statements of financial condition, income and expense, and source and application of funds are submitted to the Treasury by Government corporations and agencies. Annual statements of commitments and contingencies are also submitted. These statements serve as the basis for the combined financial statements compiled by the Treasury which, together with the individual statements, are published periodically in the "Treasury Bulletin." Summary statements of the financial condition of Government corporations and other business-type activities, as of June 30, 1967, are shown in table 112.

Account of the Treasurer of the United States

The three major categories of the account of the Treasurer of the United States are gold, silver, and the general account. On June 30, 1967, gold held was valued at $13,110 million, held principally at the Fort Knox Depository, with lesser amounts at mints and assay offices. Gold liabilities totaled $12,998 million, covering gold certificates issued (series 1934), the reservation for the gold certificate fund of the Federal Reserve System, International Monetary Fund gold deposits, and reserves against Federal Reserve notes and U.S. notes, leaving a gold balance of $112 million.

Assets of the silver account, consisting of silver bullion and silver dollars, had a value of $572 million as of June 30, 1967. Liabilities against the silver account (currency issued against silver assets) amounted to $398 million, leaving a silver balance totaling $175 million.

The assets of the general account of the Treasurer at yearend included the gold and silver balances, cash in the form of currency and coin, unclassified collections, and funds on deposit with Federal Reserve banks and other depositaries. During the year the balance in the general account decreased by $4,648 million. The net change is accounted for as follows:

Transactions affecting the account of the Treasurer of the United States, fiscal 1967

[In millions of dollars]

Balance June 30, 1966			12,407
Excess of deposits, or withdrawals (−), budget, trust, and other accounts:			
Deposits		163,036	
Withdrawals (−)		164,591	−1,555
Excess of deposits, or withdrawals (−), public debt accounts:			
Increase in gross public debt		6,314	
Deduct:			
Excess of Government agencies' investments in public debt issues	8,589		
Accrual of discount on savings bonds and bills (included in increase in gross public debt above)	4,706		
Less certain public debt redemptions (included above in withdrawals, budget, trust, and other accounts)	5,020		
Net deductions		8,275	−1,961
Excess of redemptions of Government agencies' securities in the market			−1,787
Net transactions in clearing accounts (documents not received or classified by the Office of the Treasurer)			654
Balance June 30, 1967			7,759

Government-wide Financial Management

On March 23, 1967, the Under Secretary met with the Comptroller General, the Director of the Bureau of the Budget, and the Chairman of the Civil Service Commission to review progress under the Joint Financial Management Improvement Program and to plan further improvement efforts. Revised Terms of Reference for the Joint Program were issued during the year outlining the responsibilities of members, organization of the program, and methods of operation. The revised Terms provide for:

—Participation by the Chairman of the Civil Service Commission as a Joint Program Principal to assist in the personnel administration aspects of financial management.

—Rotation of the Steering Committee chairmanship on an annual basis.

—Regular meetings of the Joint Program Principals with the Steering Committee and annual submission of long- and short-range plans by the Committee.

As part of the broad effort set in motion last year to accelerate the pace of the Joint Financial Management Improvement Program, a policy paper was approved by the heads of the Joint Program. It contains seven recommendations designed to provide a policy framework for long-range development efforts in Government-wide financial reporting, geared largely to concurrent developments in agency accounting systems.

In addition to the Treasury Department's participation in Government-wide financial management matters through the Joint Program, the Department made considerable progress in fiscal management areas for which it has responsibility and which have an impact on the total Federal Government fiscal operations. A revision of Department Circular No. 1075 was issued on February 13, 1967. This circular covers disbursement practices for all advances under Federal grant and other programs whether by letter of credit or Treasury check. Instructions implementing the revised circular have been published in the Treasury Fiscal Requirements Manual for agency use. Under revised regulations, the use of letters of credit is now limited to advances aggregating $250,000 or more to a single recipient in 1 year. This policy has helped eliminate manual processing of letters of credit and payment vouchers for relatively small amounts. Internal agency regulations submitted to Treasury for approval are being reviewed by the Bureau of Accounts on behalf of the Fiscal Assistant Secretary. Procedural changes were also made strengthening fiscal controls and improving the timeliness of expenditure reports submitted to Treasury by program agencies. Disbursements are reported based on payment vouchers received from grantees and such reports are reconciled monthly with withdrawals from the account of the Treasurer of the United States.

During fiscal 1967 the Secretary of the Treasury approved a plan to modify and extend the depositary receipt system used for collection of withheld Federal income and FICA taxes, railroad retirement taxes, and certain Federal excise taxes. The plan, a joint effort of the Fiscal Service and the Internal Revenue Service, is aimed at increasing the availability of cash in the Treasury and further reducing the cost of collecting such taxes. The modified system (now referred to as the Federal Tax Deposit System) was used this year to collect 1967 corporate income taxes. When fully operative in 1968, employers' withholding, railroad retirement, and certain excise taxes (presently collected through use of depositary receipts) will also be collected under the new procedures.

The new Federal Tax Deposit System will substantially reduce present costs. Briefly, deposit forms will no longer be validated by Federal Reserve banks and tax returns will no longer have validated receipts attached. Credits for Federal tax deposits processed by the Federal Reserve banks will be recorded in the taxpayer accounts of the Internal Revenue Service and such accounts will be the basis for audit of the tax returns claiming the credits. In addition, postage costs will be reduced substantially by a large reduction in mail workload since quarterly supplies of Federal Tax Deposit forms will be mailed instead of individual blank forms with each validated depositary receipt formerly required. The new system involves an integrated utilization of Treasury-wide computer resources, including (1) the Bureau of Accounts, in preparing and mailing the Federal Tax Deposit forms; (2) the Federal Reserve banks, in processing the deposits made; (3) the Office of the Treasurer of the United States, in assembling the systemwide deposits and developing magnetic tape input for the Internal Revenue Service; and (4) the Internal Revenue Service, in maintaining the individual taxpayer accounts.

Instructions on other Government-wide matters were also released during the year as part of the Treasury Fiscal Requirements Manual, including (1) withholding of Federal income tax from allowances or reimbursements to new and transferred employees; (2) allotments for purchase of U.S. savings notes in combination with U.S. savings bonds; and (3) increased withholding of State of Maryland income tax in accordance with the 1967 amended Maryland income tax law. The manual is intended ultimately to cover all Treasury regulations on central accounting, reporting, disbursing, and other fiscal matters, including certain procedures and forms to be eliminated from the "General Accounting Office Policy and Procedures Manual."

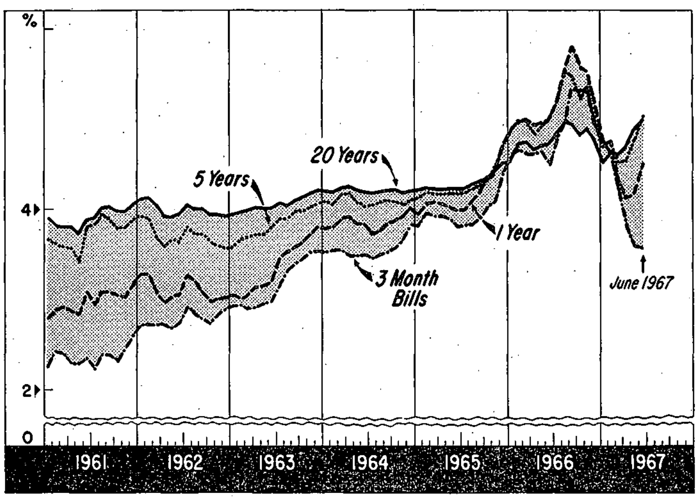
Public Debt Management and Ownership

The primary function of public debt management is to raise the funds needed to meet expenditures not covered by revenues and to refund maturing debt obligations. This primary function needs to be carried out in a manner contributing to noninflationary growth in the domestic economy and achievement of balance in our international accounts. Secondary objectives are establishing and maintaining a well-balanced debt structure, providing debt instruments commensurate with the needs and requirements of an orderly Government securities market, coordinating the growing volume of Government agency debt operations with Treasury debt policy, and minimizing the interest cost of Treasury and Federal agency borrowing.

Early in fiscal 1967 the domestic economy was experiencing an almost unparalleled tightness in money markets. Contributing factors were excessive demands for credit from elements of the private sector, increases in the demands for goods and services by the Federal Government as a result of the expansion of the U.S. commitment in Vietnam, and growing State and local government capital needs. Interest rates had again been rising in the fourth quarter of fiscal 1966 and there was a prospect for substantial Treasury financing in the first half of fiscal 1967. With market interest rates having remained above the 4¼ percent statutory interest rate ceiling for Government securities with maturities exceeding 5 years, Treasury financing in the previous year had been confined entirely to short and intermediate term issues. Consequently, while the marketable debt had increased by only about a half a billion dollars in fiscal 1966, the under 5-year debt had grown by $6¼ billion and the average maturity of the marketable public debt had shortened from 5 years 4 months to 4 years 11 months. In fiscal 1967 the Treasury faced the same impediments to maintaining a balanced debt structure. During the year, however, the Treasury was able to offer securities of the maximum 5-year length in three out of four of the major quarterly financings for a total issuance of $9 billion. In spite of these debt lengthening steps, however, the passage of time and the need for new cash borrowing in the short-term area resulted in a shortening of the average maturity of the marketable Treasury debt by 4 months to 4 years 7 months on June 30, 1967.

CHART 3

Market Yields At Constant Maturities[1] 1961–'67



[1] Estimated yields of U.S. Government securities at 1, 5, and 20 years; bank discount rates on bills monthly averages of end of week figures.

Near the end of the fiscal year, in conjunction with a request for an increase in the debt limit, the Treasury asked for two modifications in the 4¼ percent statutory interest ceiling—first, that the maximum maturity on Treasury notes, to which the rate ceiling does not apply, be extended from 5 years to 10 years and, second, that authority be given to sell up to $2 billion of longer bonds without regard to the 4¼ percent ceiling. In his statement before the House Ways and Means

Committee on May 15, 1967,[1] Secretary Fowler commented as follows:

"This shortening tendency is unwelcome. It presents a problem that should be dealt with in an orderly and systematic way, so that we do not face an excessive pileup of maturing debt. Such a pileup, if it came at a time of tight money and high rates, would mean that the Treasury had to compete for investment funds on most unfavorable terms—bidding against itself and against other borrowers for the favor of investors. It is this kind of frantic competition that could send short-term rates up sharply and push long-term rates much higher, too, with disruptive effects throughout the capital markets."

The Congress granted an extension in the maturity of Treasury notes from 5 years to 7 years which would make available moderate means of debt extension beginning with the financings of fiscal 1968.

In another step to improve the debt structure the Treasury launched the largest savings bond campaign since World War II. To encourage additional savings and reduce the amount of marketable debt financing required, a new U.S. Savings Note[2] known as a "Freedom Share" was announced on February 21 and placed on sale on May 1, 1967. The new savings note, which must be held for 1 year before it can be cashed, earns approximately 4.74 percent when held to maturity of 4½ years. It is available for purchase by individuals and only with the simultaneous purchase of series E bonds under the payroll savings or bond-a-month plans.

In fiscal 1967, the Treasury relied mainly on additional sales of Treasury bills to meet its new cash needs. About one-fourth of the new cash was raised through sales of the new monthend 9-month bill cycle which began in September 1966. Most of the remainder was provided by the sale of $10.0 billion of tax anticipation bills.

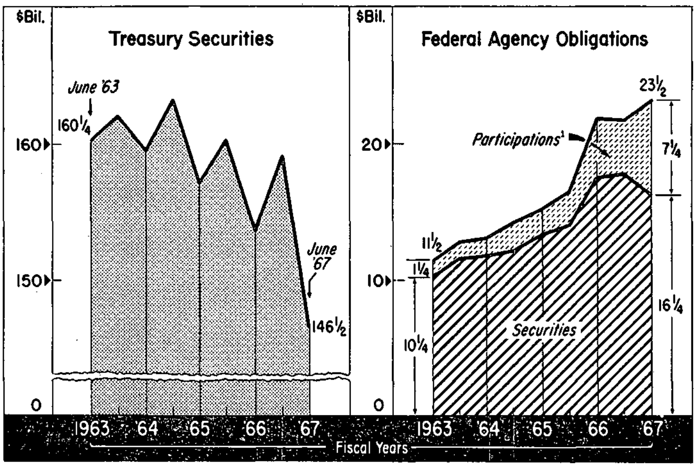
Federal credit agency financing in fiscal 1967 was even more closely coordinated with Treasury borrowing in order to minimize the impact of Federal debt operations on financial markets. During the last half of fiscal 1966 there had been a particularly heavy concentration of agency debt and participation certificates issued and the outlook was for continuation of this trend in fiscal 1967. On September 8, 1966, the President announced a program designed to ease the developing inflationary pressures and imbalances within the economy and to ease existing pressures in the financial markets. This was followed by an announcement by the Secretary of the Treasury[3] postponing the sale of participation certificates for the remainder of the calendar year or until market conditions improved and limiting Federal agency security sales in the market to amounts required to replace maturing

[1] See exhibit 26.
[2] See exhibit 12.
[3] See exhibit 23.

issues. Any new money needed would be raised by sales of agency securities to the Government investment accounts.

CHART 4

Public Holdings of Marketable Treasury and Federal Agency Obligations



¹ CCC, Export-Import and FNMA participations.

The result of these steps was to reduce Federal credit demands on the private sector (net of purchases by the Government investment accounts and the Federal Reserve System) by $5.8 billion. This decline in public holdings of Treasury and Federal agency securities consisted of a $2.7 billion increase in holdings of participation certificates which was more than offset by declines of $7.3 billion in direct Treasury issues and $1.3 billion in Federal agency issues. By contrast in fiscal 1966 Federal credit demands on the private sector had increased $2.8 billion.

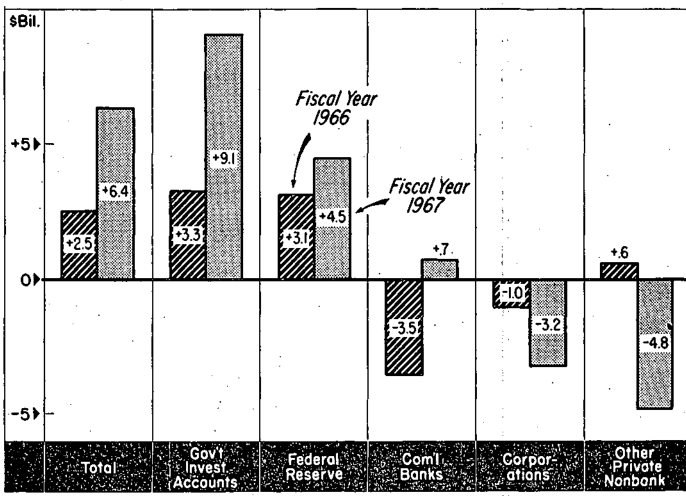
The $7.3 billion decline in private holdings of direct Treasury securities in fiscal 1967 was the largest such reduction since 1951 as Federal Reserve banks and Government investment accounts acquired $13.6 billion of governments. The total Treasury debt outstanding increased by $6.4 billion.

As illustrated by chart 5, commercial bank holdings of Government securities registered a net increase during the fiscal year. This was the first increase since 1962 and represented a rebuilding of liquidity after the particularly sharp drop in the previous year. Corporations, on the other hand, stepped up their liquidation of governments in fiscal 1967, with holdings reaching a postwar low of $11.1 billion on June 30. Other private nonbank investors liquidated a net $4.8

billion Government securities in fiscal 1967 contrasted with increases of $0.6 billion the previous year and $4.4 billion in fiscal 1965.

CHART 5

Changes in Public Debt Holdings by Investor Classes



FINANCING OPERATIONS

The Treasury began fiscal 1967 with an operating cash balance of $10.9 billion, an amount sufficient to meet seasonal budget deficits until late in August when the first tax anticipation bills of the year were issued for cash. However, estimates of total cash needs for the July–December period were rapidly adjusted upward as defense expenditures increased and the Treasury absorbed a portion of agency financing. The new cash needed during this period totaled about $10½ billion, and the raising of this amount brought the debt very near its statutory limit, even though operating cash balances were reduced to extremely low levels in December. Maturing securities totaling $34.2 billion were to be refunded during the fiscal year. Although the amount held by private investors—$16.8 billion—was $2 billion to $6 billion larger than in the past 2 years, it was well within manageable proportions.

Two prerefundings were offered during the year—the first in August to lighten the concentration of privately held November maturities and the second in May 1967, when there was an opportunity to reach out for the August 1967 maturities.

The first major borrowing operation of the fiscal year was announced late in July: to refund $9.1 billion Treasury securities maturing in mid-August and to prerefund $5.8 billion of November maturities. Holders of the two maturing August issues were offered both a

1 year 5¼ percent certificate and a 4¾ year 5¼ percent note. The holders of the three November maturities were offered only the longer 5¼ percent note. Private investors held $3.1 billion of the maturing August securities and exchanged nearly 80 percent of their holdings into the two new issues. In the prerefunding, 34 percent of the $4.9 billion privately held November maturities were exchanged for the 5¼ percent notes. Although the attrition on the August maturities was slightly higher than normal, the amount of the prerefunding exceeded expectations and reduced the November maturities to a routine level.

During August yields on Treasury notes and bonds rose steadily to their highest levels since the twenties. Yields on corporate and tax-exempt bonds reached 30-year highs. Treasury bill market rates continued to climb and reached their peaks in the third week of September.

On August 11 the Treasury announced an auction of $3 billion of tax anticipation bills as its first cash borrowing of the fiscal year: $2 billion to mature in March 1967 and $1 billion in April 1967. Although bidding was effectively confined to commercial banks by permitting full payment through credits to Treasury tax and loan accounts, the banks anticipated some difficulty in distributing the tax bills in the secondary market and were cautious in their bidding. The average issue rate of 5.34 percent for the March bill and 5.43 percent for the April maturity were historic highs for such securities.

The market atmosphere remained cautious into early September, but improved following the announcement of the Administration's program to deal with the problems of inflation and credit stringency.

On September 21, 1966, the Treasury announced a program to auction 9-month bills in conjunction with the regular 12-month bill auction, to raise needed new cash and to enhance the marketability of the 12-month bills. The 9-month bills were to be reopenings of the outstanding 12-month bills and were to be issued in amounts of $500 million. At the same time newly issued 12-month bills were reduced from $1 billion to $900 million, resulting in net new cash of $400 million in each of the coming months. In November a $1.2 billion strip of Treasury bills consisting of an additional $400 million each of the outstanding 12-month bills maturing March 31, April 30, and May 31, 1967, was auctioned to raise additional new cash. The sale of these bills had the effect of integrating the March, April, and May monthend bill issues more speedily into the new cycle of monthly sales of 12-month and 9-month Treasury bills. The net effect of the new 9-month cycle was to raise $2.8 billion of new cash in the July–December half of the fiscal year and $0.8 billion in the January–June half.

The second offering of tax anticipation bills was made on October 5 when the Treasury announced a $1.5 billion addition to the April 21, 1967, tax bills (originally issued in the amount of $1.0 billion in August 1966) and $2.0 billion of a new June 22, 1967, issue. The announcement was favorably received in a market that had been showing consistent improvement since the third week in September. Commercial banks were allowed to make full payment for the new bills by crediting their Treasury tax and loan accounts, consequently the auction bidding was generally confined to the banks. Average issue rates were 5.48 percent for the April maturity and 5.59 percent for the June maturity.

In the November financing the total of the three maturing issues outstanding was $4.1 billion, reduced from $5.8 billion at the beginning of the fiscal year as a result of the August prerefunding. Four-fifths or $3.2 billion was held by private investors with commercial banks holding about 50 percent of the total. To provide for this financing the Treasury announced on October 27 that it would issue for cash $2.5 billion of 5⅝ percent, 15-month Treasury notes to mature on February 15, 1968, and $1.6 billion of 5⅜ percent 5-year notes to mature on November 15, 1971. The announcement provided for full allotments to State, political subdivisions, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign states, Government investment accounts and the Federal Reserve banks. All other investors were assured of full allotments on subscriptions up to $100,000. The Treasury announcement was well received in the market and prices on coupon issues, which had been moving lower, quickly improved. Both issues were heavily oversubscribed and the Treasury announced allotment rates of 30 percent on the 5⅝ percent 15-month note and 10 percent on the 5⅜ percent 5-year note. The cash offering not only avoided attrition on the November maturities but enabled the Treasury to raise $298 million of new cash through a moderate overallotment.

The final step in the July–December cash borrowing program was announced on November 30 with an offering of $0.8 billion additional June 1967 tax anticipation bills. After declining sharply in the last half of November, Treasury bill rates had leveled off in early December but on balance market participants remained fairly optimistic and bidding for the new tax bills was quite aggressive. The average issue rate established by the auction was 5.25 percent.

As the second half of the fiscal year began Treasury coupon issues continued the rising price trend that had prevailed in December and there was a feeling among market participants that with a relaxation of monetary policy the outlook for lower rates would continue to improve. Other influences on the Treasury financing outlook were a relatively low operating cash balance of $4.6 billion on December 31, a debt subject to limit of $329.5 billion (about one-half billion below the statutory limit of $330 billion), and an estimated budget surplus in the second half of the fiscal year of about $5.0 billion. The estimated new cash need under these conditions, assuming normal attrition in the February and May financings, was a little under $4 billion, a portion of which would be provided by the already instituted 9-month bill cycle.

The two maturing issues in the February financing totaled $7.5 billion of which $3.9 billion was held by private investors. The ownership of the privately held debt was about evenly divided between commercial banks and nonbank investors and the bank holdings were normally distributed between the large and small banks. Under these circumstances, to avoid the attrition of a rights exchange, a cash offering of $5.5 billion of 15-month notes and $2 billion 5-year notes was announced on January 25, 1967. Both issues carried 4¾ percent coupons with the 15-month issue priced to yield 4.85 percent and the 5-year issue priced to yield 4.84 percent. The market responded enthusiastically to the cash offering and was further buoyed by a cut in the British central bank rate and the reduction in the prime lending rate by most of the commercial banks in the United States. Total public subscriptions totaled $20 billion for the 15-month note and $22 billion for the 5-year note. Subscriptions up to $100,000 for the shorter note were allotted in full with larger subscriptions allotted on a 10-percent basis.

For the longer note subscriptions up to $50,000 were allotted in full with larger subscriptions allotted on a 7-percent basis. Subscriptions from official and other governmental accounts were allotted in full. Debt limit restrictions prevented the raising of substantial additional cash at this time, even though the heavy subscriptions would indicate market willingness to accept a normal overallotment. The amount allotted, therefore, was only sufficient to cover the maturing issues and provide a little less than $100 million of new cash.

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On March 2 legislation was enacted [1] temporarily increasing the debt limit to $336 billion through June 30, 1967. On March 1 the Treasury had announced that it would auction an additional $2.7 billion of the June 1967 tax anticipation bills. This was to furnish the balance of the new cash needs for the fiscal year. The auction was set for March 7 and the commercial banks were allowed to pay up to 50 percent of the amount of their accepted tenders by credit to Treasury tax and loan accounts. The bidding was aggressive and the average auction rate was set at 4.30 percent.

In the May financing the Treasury again took an opportunity to extend the debt and also lighten the heavy August 1967 maturities by offering a prerefunding package containing a 5-year note. Holders of the maturing $9.7 billion May note and the $1.4 billion June 15, 2½ percent bond were offered a 15-month 4¼ percent note and a 5-year 4¾ percent note at par. The holders of the three August maturities totaling $11.0 billion were offered only the 5-year note. Private investors exchanged 82 percent of their $4.2 billion holdings of the May and June maturities and in the prerefunding more than 26 percent of their $4.8 billion holdings of August maturities. Including exchanges by official accounts, total exchanges for the two new issues came to $6.4 billion for the 4¼ percent note and $5.3 billion for the 5-year note.

The two accompanying tables summarize the Treasury's major financing operations during the fiscal year and table 43 provides data on allotments by investor classes. The exhibits on public debt operations provide further information on public offerings and allotments by issues in tables and representative circulars. For details on participation certificate sales, retirements, and those outstanding see table 115.

[1] See exhibit 14.

Public offerings of marketable Treasury securities excluding refinancing of regular bills, fiscal year 1967

[In millions of dollars]

Date	Description	Cash offerings: For new money	Cash offerings: For refunding	Exchange offerings: For maturing issues	Exchange offerings: In advance refunding	Total
	CERTIFICATES AND NOTES					
1966						
Apr. 1	1½% exchange note—Apr. 1, 1971 [1]	------	------	[2] 21	------	21
Aug. 15	5¼% certificate—Aug. 15, 1967	------	------	5,919	------	5,919
Aug. 15	5¼% note—May 15, 1971	------	------	2,578	1,687	4,265
Oct. 1	1½% exchange note—Oct. 1, 1971 [1]	------	------	35	------	35
Nov. 15	5⅝% note—Feb. 15, 1968 at 99.88 [3]	298	4,071	--------	------	2,635
Nov. 15	5⅜% note—Nov. 15, 1971 at 99.62 [3]			--------	------	1,734
1967						
Feb. 15	4¾% note—May 15, 1968 [3]	85	7,508	--------	------	5,587
Feb. 15	4¾% note—Feb. 15, 1972 [3]			--------	------	2,006
May 15	4¼% note—Aug. 15, 1968 at 99.95	------	------	[4] 6,444	------	6,444
May 15	4¾% note—May 15, 1972	------	------	[4] 3,952	1,358	5,310
	Total certificates and notes	383	11,579	18,949	3,045	33,956
	BILLS [5] (MATURITY VALUE)					
	Increase in outstanding 1-year bill offerings:					
1966	July through September	400	------	------	------	400
	October through December	2,400	------	------	------	2,400
1967	January through March	800	------	------	------	800
	April through June	------	------	------	------	------
	Total increase	3,600	------	------	------	3,600
1966	Other bill offerings:					
Aug. 26	5.338% 208-day (tax anticipation) Mar. 22, 1967	2,006	------	------	------	2,006
Aug. 26	5.433% 238-day (tax anticipation) Apr. 21, 1967	1,003	------	------	------	1,003
Oct. 16	5.483% 185-day (tax anticipation) Apr. 21, 1967, additional	1,507	------	------	------	1,507
Oct. 16	5.586% 247-day (tax anticipation) June 22, 1967	2,007	------	------	------	2,007
Dec. 12	5.245% 192-day (tax anticipation) June 22, 1967, additional	801	------	------	------	801
1967						
Mar. 13	4.295% 101-day (tax anticipation) June 22, 1967, additional	2,707	------	------	------	2,707
	Total bills	13,631	------	------	------	13,631
	Total public offerings	14,014	11,579	18,949	3,045	47,587

[1] Issued only on demand in exchange for 2¾ percent Treasury bonds, Investment Series B-1975-80.
[2] Issued subsequent to June 30, 1966.
[3] A cash offering (all subscriptions subject to allotment) was made for the purpose of paying off the matured securities in cash. Holders of the maturing securities were permitted to present them in payment in lieu of cash to the extent subscriptions were allotted. For further detail see exhibit 2.
[4] The 2½ percent June 1962-67 bonds are included in the May 1967 refunding.
[5] 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.

Disposition of marketable Treasury securities excluding regular bills, fiscal year 1967

[In millions of dollars]

Date of refunding or retirement	Securities: Description and maturity date	Securities: Issue date	Redeemed for cash or carried to matured debt	Exchanged for new issue: At maturity	Exchanged for new issue: In advance refunding	Total
	BONDS, NOTES, AND CERTIFICATES					
1966						
Aug. 15	4% note—Aug. 15, 1966	Feb. 15, 1962	501	7,935	-----	8,436
Aug. 15	3% bond—Aug. 15, 1966	Feb. 28, 1958	138	562	-----	700
Aug. 15	4¾% certificate—Nov. 15, 1966	Jan. 19, 1966	------	------	517	517
Aug. 15	4% note—Nov. 15, 1966	Feb. 15, 1965	------	------	584	584
Aug. 15	3⅜% bond—Nov. 15, 1966	Mar. 15, 1961	------	------	586	586
Oct. 1	1½% exchange note—Oct. 1, 1966	Oct. 1, 1961	357	------	-----	357
Nov. 15	3⅜% bond—Nov. 15, 1966	Mar. 15, 1961	966	[1] 298	-----	1,264
Nov. 15	4% note—Nov. 15, 1966	Feb. 15, 1965	1,035	[1] 637	-----	1,672
Nov. 15	4¾% certificate—Nov. 15, 1966	Jan. 19, 1966	1,071	[1] 63	-----	1,135
1967						
Feb. 15	3⅝% note—Feb. 15, 1967	Mar. 15, 1963	1,907	[1] 450	-----	2,358
Feb. 15	4% note—Feb. 15, 1967	Aug. 13, 1965	1,737	[1] 3,414	-----	5,151
Apr. 1	1½% exchange note—Apr. 1, 1967	Apr. 1, 1962	270	------	-----	270
May 15	4¼% note—May 15, 1967	Nov. 15, 1965	438	9,310	-----	9,748
May 15	2½% bond—June 15, 1967 [2]	May 5, 1942	344	1,086	-----	1,429
May 15	5¼% certificate—Aug. 15, 1967	Aug. 15, 1966	------	------	308	308
May 15	3¾% note—Aug. 15, 1967	Sept. 15, 1962	------	------	837	837
May 15	4⅞% note—Aug. 15, 1967	Feb. 15, 1966	------	------	213	213
	Total bonds and notes		8,764	23,755	3,045	35,565
	BILLS					
1967						
Mar. 22	5.338% (tax anticipation)	Aug. 26, 1966	[3] 2,006	------	-----	2,006
Apr. 21	5.433% (tax anticipation)	Aug. 26, 1966	[3] 1,003	------	-----	1,003
Apr. 21	5.483% (tax anticipation)	Aug. 26, 1966	[3] 1,507	------	-----	1,507
June 22	5.586% (tax anticipation)	Aug. 26, 1966	[3] 2,007	------	-----	2,007
June 22	5.245% (tax anticipation)	Aug. 26, 1966	[3] 801	------	-----	801
June 22	4.295% (tax anticipation)	Aug. 26, 1966	[3] 2,707	------	-----	2,707
	Total bills		10,031	------	-----	10,031
	Total securities		18,795	23,755	3,045	45,596

[1] Accepted in payment in lieu of cash.
[2] Included in the May 1967 refunding.
[3] Including tax anticipation issues returned for taxes.

Public debt changes

Outstanding public and guaranteed debt increased $6.4 billion in fiscal 1967 from $320.4 billion on June 30, 1966, to $326.7 billion on June 30, 1967. In the marketable sector the Treasury issued $47.6 billion of new securities during the fiscal year exclusive of regular bill rollovers. Securities issued for new cash totaled $14.0 billion, including $10.0 billion of tax anticipation bills issued and redeemed within the fiscal year. Maturities and cash redemptions, including the tax anticipation bills and Treasury bonds redeemed for estate tax purposes, were $46.1 billion. The marketable public debt outstanding increased by $1.5 billion. Marketable debt maturing within 1 year rose $0.5 billion in fiscal 1967, while debt maturing in 1 to 5 years increased by $10.5 billion and debt maturing beyond 5 years declined by $9.5 billion. The increase in intermediate term debt and the drop in longer maturities reflected the continued inability of the Treasury to offer bonds, because of the statutory 4¼ percent interest ceiling.

Public nonmarketable debt increased $0.3 billion in fiscal year 1967. Outstanding series E and H savings bonds increased by $1.1 billion. Redemptions of other savings bonds, investment series bonds, and securities issued directly to foreign official agencies declined $0.8 billion. The series E and H bond sales during the fiscal year were the highest since fiscal 1956, totaling nearly $5.0 billion, an increase of $0.3 billion over fiscal 1966. Sales of series E bonds alone amounted to $4.6 billion, the best since fiscal 1946. Redemptions of series E and H bonds totaled $5.4 billion. Monthly detail of savings bond activity in fiscal year 1967 is shown in tables 46 and 47.

Class of debt	June 30, 1966	June 30, 1967	Increase, or decrease (—)
	In billions of dollars		
Public debt:			
Marketable public issues, maturing:			
Within 1 year	89.1	89.6	0.5
1 to 5 years	60.9	71.4	10.5
5 to 20 years	42.0	32.8	—9.2
Over 20 years	17.0	16.8	—.2
Total marketable issues	209.1	210.7	1.5
Nonmarketable public issues:			
Savings bonds:			
Series E and H	49.7	50.8	1.1
Other series	.9	.4	—.5
Investment series bonds	2.7	2.6	—.1
Foreign series securities	.8	.6	—.2
Foreign currency securities	1.0	.9	—.1
Other nonmarketable debt	.2	.2	(*)
Total nonmarketable issues	55.2	55.5	.3
Special issues to Government investment accounts	51.1	56.2	5.0
Noninterest-bearing debt	4.5	3.9	—.5
Total public debt	319.9	326.2	6.3
Guaranteed debt not owned by Treasury	.5	.5	.1
Total gross public debt and guaranteed debt	320.4	326.7	6.4

*Less than $50 million.

Special securities issued directly to Government trust funds and accounts rose $5.0 billion during fiscal year 1967 to $56.2 billion on June 30, 1967. A surplus in the accounts of the Federal old age and survivors insurance trust fund and the unemployment trust fund was largely responsible for the rise in trust fund holdings of special issues. The fiscal year 1967 income, expenditure, and investment activities of the major trust funds and the accounts are shown in tables 64–84 and discussed on page 28.

Guaranteed debt not owned by Treasury consists of $20 million District of Columbia stadium bonds and $492 million Federal Housing Administration debentures issued under the Housing Act of 1934. The $0.1 billion increase in this category during the fiscal year 1967 was the result of additions during the year to FHA debentures outstanding.

OWNERSHIP OF TREASURY SECURITIES

Of the $326.7 billion of gross public and guaranteed debt outstanding at the end of fiscal year 1967, $122.5 billion, slightly over one-third, was held by Government investment accounts and Federal Reserve banks. Just over one-sixth, $55.5 billion, was held by commercial banks. Private nonbank investors held the remaining $148.7 billion, or just under half of the total. This latter 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. The ownership distribution is shown graphically in chart 6.

Major changes.—Although the total Federal debt increased by $6.4 billion during the fiscal year, Federal Reserve banks and Government investment accounts absorbed $13.6 billion, leaving a net liquidation of Federal securities of $7.2 billion by private investors. While commercial banks increased their holdings by about $0.7 billion, corporations continued their pattern of liquidation and reduced holdings by $3.2 billion. Holdings of individuals declined by $2.2 billion and holdings of all other investors as a group were down by nearly $2.6 billion. Ownership by investor categories on selected dates and changes in ownership during the fiscal year 1967 are shown in the accompanying table. Data on ownership of interest-bearing governmental securities are shown in table 54.

Ownership of Federal securities [1] *on selected dates, 1957–67*

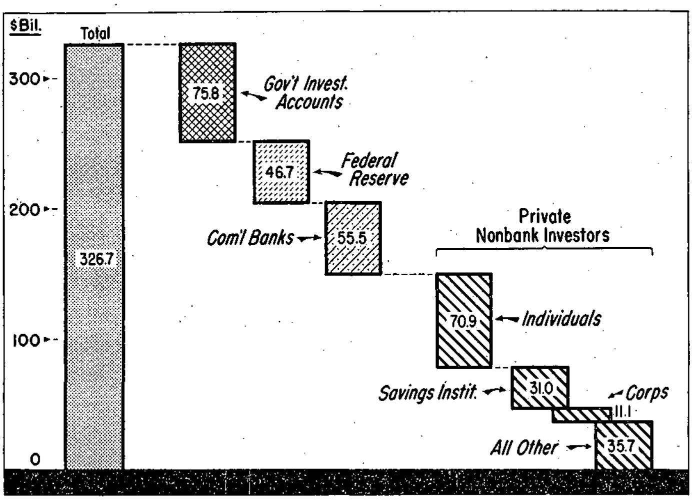
[Dollar amounts in billions]

	June 30, 1957	June 30, 1965	June 30, 1966	June 30, 1967	Change during fiscal year 1967
Estimated ownership by:					
Private nonbank investors:					
Individuals: [2]					
Series E and H savings bonds	$41.5	$48.3	$49.2	$50.4	$1.1
Other securities	24.8	r 22.6	r 23.9	20.5	−3.3
Total individuals	66.3	r 70.9	r 73.1	70.9	−2.2
Insurance companies	12.7	10.6	9.7	8.7	−1.0
Mutual savings banks	7.9	5.8	5.1	4.2	−.9
Savings and loan associations	3.1	7.2	7.3	8.0	.6
State and local governments	16.8	24.1	24.5	25.0	.5
Foreign and international	7.6	15.7	15.4	14.7	−.7
Corporations	16.1	r 15.3	r 14.2	11.1	−3.2
Miscellaneous investors [3]	5.4	7.6	r 7.2	6.1	−1.1
Total private nonbank investors	135.9	157.1	r 156.7	148.7	−8.0
Commercial banks	56.2	58.3	r 54.8	55.5	.7
Federal Reserve banks	23.0	39.1	42.2	46.7	4.5
Federal Government investment accounts	55.6	63.4	66.7	75.8	9.1
Total gross debt outstanding	270.6	317.9	320.4	326.7	6.4
	Percent				
Percent owned by:					
Individuals	24	r 22	23	22	-----
Other private nonbank investors	25	r 28	26	24	-----
Commercial banks	21	18	17	17	-----
Federal Reserve banks	9	12	13	14	-----
Federal Government investment accounts	21	20	21	23	-----
Total gross debt outstanding	100	100	100	100	-----

r Revised.
1 Gross public debt and guaranteed obligations held outside the Treasury.
2 Includes partnerships and personal trust accounts.
3 Includes nonprofit institutions, corporate pension trust funds, and nonbank Government security dealers.

CHART 6

Ownership of the Federal Debt, June 30, 1967



Individuals.—During fiscal 1967, for the first time since 1961, Government security holdings of individuals declined. This group, which holds more of the Federal debt than any of the other private investor categories, reduced its holdings by $2.2 billion from $73.1 billion on June 30, 1966, to $70.9 billion on June 30, 1967. Individuals increased their holdings of series E and H savings bonds by $1.1 billion, but this was more than offset by a reduction of $0.4 billion in the older series savings bonds, which are no longer issued, and $2.9 billion of other Federal securities, primarily marketable issues. Holdings by individuals of agency securities decreased by $0.7 billion during the year.

Insurance companies.—Holdings of Government securities by insurance companies declined $1.0 billion during fiscal 1967. Life companies reduced their holdings $0.3 billion to a postwar low of $4.4 billion. Fire, casualty and marine companies liquidated $0.7 billion to reduce their portfolios to $4.4 billion. Life insurance companies continued to hold a large proportion of their portfolios in long-term securities, but the average maturity of their marketable governments declined by 7 months from the previous June to 19 years 4 months. The average maturity of the marketable governments held by fire, casualty and marine companies showed little change from the year before, falling slightly from 7 years 1 month at the beginning of the year to 7 years on June 30, 1967. Holdings of agency securities by insurance companies increased by $0.2 billion during the year.

Mutual savings banks.—Mutual savings banks continued to liquidate their Government securities, disposing of $0.9 billion during the fiscal year. The structure of the mutual savings bank portfolio of Government securities remained relatively stable during the year with only a 2-month drop in average length to 9 years 11 months. Mutual savings bank holdings of Federal agency securities increased by $0.2 billion and holdings of corporate securities increased by $1.9 billion.

Savings and loan associations.—Government security holdings of savings and loan associations have increased during each of the past 13 fiscal years from a level of less than $2 billion on June 30, 1954, to $8.0 billion at the end of fiscal 1967. Unlike last year, when the industry experienced a pronounced slackening in deposit growth and the increase in Federal security holdings dropped to $0.1 billion, fiscal 1967 was a year of improved deposit growth and investment in Federal securities increased by $0.6 billion. Savings and loan associations generally purchase short to intermediate-term maturities. Approximately 80 percent of their Government portfolio matures within 10 years with the heaviest concentration of holdings in bonds with from 5 to 10 years to maturity. The average length of the marketable Federal security holdings of these institutions is 7 years 1 month.

State and local governments.—On June 30, 1967, State and municipal governments held $25.0 billion of Federal securities—$0.5 billion more than at the end of fiscal year 1966. Holdings of State and municipal employee pension funds increased $0.1 billion during the fiscal year, while nonretirement funds increased their holdings by $0.3 billion. The bulk of pension fund investment in governments is long-term, as evidenced by the 19 year 9 month average maturity of their holdings. The general purpose funds of States and municipalities are invested in governments for relatively short periods of time, with Treasury bills in especially heavy demand for this purpose. In fiscal 1967 State and local governments liquidated $0.1 billion Federal agency securities.

Foreign and international.—Foreign holdings of U.S. Government securities totaling $10.1 billion were little changed during the year while holdings by international and regional institutions decreased $0.7 billion—to a yearend level of $4.6 billion.

Special nonmarketable securities issued directly to foreign monetary authorities declined $0.3 billion but this was offset by an increase in their holdings of marketable securities. Major changes during the year in total holdings by individual country were liquidations of $0.4 billion by Canada and $0.3 billion by France. German holdings increased by $0.5 billion.

The decline in holdings by international and regional institutions reflected a $0.2 billion drop in marketable securities held mainly by the International Bank for Reconstruction and Development and a $0.5 billion decrease in special noninterest-bearing notes issued to the International Monetary Fund, the International Development Association, and the Inter-American Development Bank. The reduction in IMF holdings reflected a change in the accounting for U.S. contributions which have not yet been called. On June 30, 1967, international and regional accounts held $3.3 billion noninterest-bearing special notes and $1.3 billion marketable issues.

In fiscal 1967 the foreign and international investor group continued to acquire Federal agency securities and increased their holdings of these securities by $0.3 billion.

Nonfinancial corporations.—Liquidation of U.S. Government securities by nonfinancial corporations continued during the fiscal year, but at a much faster pace than in fiscal 1966—$3.2 billion in fiscal 1967 compared to $1.0 billion in fiscal 1966. This reduced corporate holdings of governments to $11.1 billion at the end of fiscal 1967, the lowest level of the postwar period. In fiscal 1967 corporate holdings of negotiable certificates of deposits fell $1.0 billion and holdings of Federal agency securities also declined $1.0 billion.

Other private nonbank investors.—Nonprofit institutions, nonbank dealers, corporate pension funds, and miscellaneous smaller institutions reduced their holdings of Government securities by $1.1 billion in fiscal 1967 compared to $0.3 billion in fiscal 1966. Corporate pension fund holdings dropped $0.3 billion, while dealers and nonprofit and other smaller institutions' holdings of Federal securities fell $0.8 billion.

Commercial banks.—In fiscal year 1967 commercial banks were net purchasers of $0.7 billion Federal securities after reducing their holdings in the 4 previous fiscal years.

In the first half of the fiscal year commercial banks acquired $2.7 billion but during the last half of the year holdings declined $2.0 billion. Government securities held by the larger reserve city banks increased $0.8 billion while smaller banks on balance liquidated $0.1 billion. The year-to-year increase in bank holdings of State and local government securities was up sharply—$5.3 billion in fiscal 1967 compared to $3.7 billion in fiscal 1966—and holdings of Federal agency securities increased $0.2 billion.

Federal Reserve System.—The Federal Reserve System acquired a net $4.5 billion of Government securities during fiscal 1967 as the System continued to provide for growth in member bank reserves and to offset reserve drains caused by sales of gold. The growth was $1.5 billion greater than in fiscal 1966. Treasury bills accounted for $3.7 billion of the increase and coupon securities accounted for $0.9 billion. As of June 30, 1967, the System Open Market Account held $46.7 billion of Federal securities with an average maturity of 17 months.

Government investment accounts.—The holdings of Government investment accounts rose $9.1 billion in fiscal year 1967—$5.7 billion more than in fiscal 1966. Special issues accounted for $5.0 billion of the increase while the remaining $4.1 billion was in marketable securities. The major increases occurred in the accounts of the Federal old age and survivors insurance trust fund—$3.4 billion; the civil service retirement fund—$0.7 billion; and the unemployment trust fund—$0.8 billion.

At the end of fiscal 1967 the Government investment accounts held $75.8 billion of Federal securities. Nearly three-fourths or $56.2 billion of the total was in the form of special issues held only by these accounts. The remaining one-fourth included $2.1 billion of nonmarketable investment series B bonds and $17.5 billion of other issues, mostly intermediate and longer term marketable securities.

Taxation Developments

The most significant taxation developments in fiscal 1967 dealt with legislation to influence the short-term performance of the economy. These included measures to suspend and restore the investment tax credit and proposals for an income tax surcharge and other revenue increasing measures.

Suspension and restoration of the investment credit and the allowance of accelerated depreciation on certain real property

Public Law 89-800, approved by President Johnson on November 8, 1966, suspended the investment credit and the allowance of accelerated depreciation on certain real property with respect to property ordered or acquired between October 10, 1966, and December 31, 1967, and provided as well for some relaxation on the limitations on the investment credit, to take effect in 1968. Public Law 90-26, approved June 13, 1967, provided that the investment credit and accelerated depreciation be restored as of March 10, 1967.

On September 8, 1966, the President sent a message to the Congress dealing with the problem of inflation and tight money. The message noted fiscal actions taken in the early part of 1966 to take excess purchasing power out of the economy. He indicated that there were nevertheless "signs of developing imbalance in the economy," including price increases and "an exaggerated boom in business investment." He recommended a four-point program, which included, as well as the suspension recommendations, reduction in Federal expenditure and cooperative action between the President, the Congress, and the Federal Reserve Board "to lower interest rates and to ease the inequitable burden of tight money."

The President recommended that the investment credit not apply to orders placed on or after September 1, 1966, and before January 1, 1968, regardless of the date of delivery. He drew particular attention to the fact that for the past 3 years business investment in plant and equipment had been growing more than twice as fast as GNP, that backlogs of orders for machinery and equipment were growing, and that capital markets were clogged with excessive demand for funds to finance investment.

With regard to accelerated depreciation the President recommended that the Congress suspend until January 1, 1968, the use of accelerated depreciation on all buildings and structures started or transferred on or after September 1, 1966. He emphasized the recent rapid growth of commercial and industrial building and the consequent pressure on building costs and interest rates.

The Ways and Means Committee held hearings on the President's recommendations on September 12-16, 1966.[1] A bill substantially carrying out the President's program was passed by the House on September 30. Public hearings were held by the Senate Finance Committee on October 3, 5, and 6, 1966. The bill with the amendments was passed by the Senate on October 14. The report of the Senate-

[1] See exhibit 33.

House Conference was filed on October 18 and accepted by the House on October 20 and by the Senate on October 21. The bill (Public Law 89-800) was signed on November 8, 1966.

The suspension legislation contained several amendments to the President's recommendation. The suspension was made effective October 10, 1966, rather than September 1. Two small business exceptions were provided. The suspension of the investment credit did not apply to $20,000 of investment by each taxpayer during the suspension period. The suspension of accelerated depreciation did not apply to $50,000 of construction begun during the suspension period by each taxpayer, but the suspension applied to all construction which cost $50,000 or more. The suspension of accelerated depreciation on buildings as recommended by the President would have required a cutback to straight line, but the legislation required only a cutback to 150 percent declining balance. The suspensions were made inapplicable to certain facilities for water and air pollution control.

Public Law 89-800 also contained a number of rules clarifying and somewhat extending the President's recommendation that the suspension not apply to assets acquired under a binding contract entered into prior to the suspension date. For example, the suspension was also made inapplicable to acquisitions in completion of facilities over 50 percent of which were on order on the suspension date. Analogous rules were written for certain facilities acquired under lease and for construction of plant facilities and equipped buildings.

The final legislation contained two amendments to the basic investment credit provision that were to take effect after December 31, 1967, the termination of the suspension period. The limitation on the amount of the investment credit which may be claimed in any taxable year was raised to the amount of the tax liability up to $25,000 plus 50 percent (rather than 25 percent) of the remaining liability. The period for which unused credits may be carried over was extended from 5 years to 7 years.

The legislation contained two provisions not related to the investment credit. One authorized the issuance of a new type of retirement and savings bonds. The other dealt with professional football leagues.

On March 9, 1967, the President addressed a message to the Congress indicating his belief that the objectives of the suspension legislation had been accomplished. He recommended "immediate and prompt reinstatement of the investment tax credit and accelerated depreciation." Hearings were held by the Ways and Means Committee on March 14 and the legislation was passed by the House on March 16. Hearings were held by the Senate Finance Committee on

March 20 and 21.[1] The bill was reported with amendments by the Finance Committee on March 23. Although the bill was debated at great length in the Senate, the debate related almost entirely to proposed amendments to the Presidential Election Campaign Fund Act of 1966. Final passage in the Senate took place on May 9. The President signed the legislation, Public Law 90-26, on June 13, 1967.

The legislation differed from the President's recommendation in that it provided that where orders were placed during the suspension period (between October 10, 1966, and March 9, 1967) the credit, or accelerated depreciation, would apply to property acquired after May 23, 1967, and it would apply to the portion of construction, reconstruction, or erection which occurs after May 23, 1967. The final bill also made the new 50 percent of tax provision in the investment credit limitation effective March 10, 1967, rather than December 31, 1967.

The act also extended the investment credit to aircraft used outside of the United States but under contract with the United States. The act also delayed the tax checkoff and distribution of funds under the Presidential Election Campaign Fund Act until after the adoption by law of guidelines governing the distribution of those funds.

The act is expected to reduce receipts as follows:

Fiscal year	*Decrease in receipts (−) (millions)*
1967	−$320
1968	−820
1969	−475
1970	−95
Total	−1,710

Income tax surcharges, speedup of corporate tax payments, and delay in reduction of certain excise taxes

A temporary 6-percent surcharge on individual and corporate income tax was recommended by the President in his state of the Union message of January 10, 1967, in response to continuing and rising Vietnam obligations and to increasing domestic needs. As revised budget estimates showed a larger deficit to be likely, the President, in his message of August 3, 1967, on the state of the budget and the economy, asked that the tax surcharge be increased to 10 percent. The temporary tax on corporations was to become effective July 1, 1967, and on individuals October 1, 1967. It was also recommended that the pending reduction of automobile and telephone excise taxes be postponed beyond the dates specified in the Tax Adjustment Act of 1966 (Public Law 89-368). Definitive action on these measures was not taken until well into the fiscal year 1968. Details will be contained in the 1968 annual report.

[1] See exhibit 34.

Tax treatment of the aged

The President in his Aid for the Aged Message to Congress on January 23, 1967, recommended in addition to social security amendments and other changes that the "tax structure for senior citizens be completely overhauled, simplified, and made fairer," and the "existing tax discrimination against the older Americans who are willing and able to work be eliminated." These objectives were motivated by three weaknesses in present law: It grants more relief to those with retirement income than to those who continue working past the age of 65; it is of more value to the elderly with higher incomes; and it is exceedingly complex.

The details of the recommendations were presented on March 1, 1967, to the Ways and Means Committee by Assistant Secretary of the Treasury Surrey.[1] The proposed tax changes were included in title V of H.R. 5710 which was introduced on March 1, 1967.

Under the provisions of H.R. 5710, the exclusion of social security and railroad retirement benefits from income subject to tax, the retirement income credit against income tax liability, and the extra $600 aged exemption would have been eliminated and replaced by a special exemption of $2,300 for single taxpayers over 65 and one of $4,000 for married couples. The $2,300 special exemption was designed to be the numerical equivalent of the maximum primary social security benefit (before subsequent legislation, $1,600 rounded) and the extra $600 personal exemption and its related $100 minimum standard deduction. To arrive at the $4,000 married couple's exemption there was added $800 representing the wife's social security benefit and $700 representing her extra $600 personal exemption and related $100 minimum standard deduction, with the total rounded to $4,000. The special exemptions would have been reduced dollar-for-dollar for the amount of income, including social security and railroad retirement benefits, received during the taxable year in excess of $5,600 in the case of a single individual and in excess of $11,200 in the case of a married couple. To reflect contributions to retirement the amount of the exemption would in no case have been reduced below one-third of the amount of these benefits included for income tax purposes.

Other particulars of the proposal were the following: (1) Disability benefits, lump-sum death benefits, and children's benefits would remain excludable from income; (2) the provision which, under certain conditions, permits a taxpayer to claim an exemption for an elderly parent he is supporting would have been revised to allow the parent to receive up to $1,200—rather than the present $600—of gross income before the exemption was disallowed. This change would reflect the fact that social security and railroad retirement benefits would have

[1] See exhibit 38.

then been included in applying the income test; (3) the minimum income limits for filing a return in the case of individuals over 65 would have been raised from $1,200 to $2,800. For married couples, the $2,800 would have been in terms of their combined income in recognition that their joint income was considered in applying the phase-out rules for the new special exemption.

The President's proposal, including an increase in social security benefits, was a balanced revenue program on which action was pending at the fiscal yearend.

Social security amendments

In his Aid for the Aged Message of January 23, 1967, the President stressed the inadequacy of present social security benefits—2½ million individuals receiving benefits of the minimum $44 a month; an average monthly benefit of $84; more than 5 million still living in poverty.

The President recommended an increase in social security payments (embodied in H.R. 5710, Social Security Amendments of 1967, introduced on February 20, 1967).

The President also recommended elimination of certain inequities in relation to farmworkers, Federal employees, and severely disabled widows. Certain actuarial adjustments in social security financing were also recommended.

The maximum amount of earnings taxable and creditable toward social security benefits was to have been increased under H.R. 5710 from $6,600 to $7,800 for the years 1968 through 1970, to $9,000 for 1971 through 1973, and to $10,800 after 1973. The amount an individual would have been permitted to earn without suffering a deduction in his social security benefits was increased from $1,500 to $1,680, and the amount a beneficiary could earn in a month and still get his benefit for that month, regardless of his annual earnings, was increased from $125 to $140.

Under H.R. 5710 the tax rate schedule was to have been revised to provide: (1) the tax rate for the self-employed for 1969 to 1972 would be 6.8 percent (instead of 6.6 percent); (2) the employee-employer rate would be 9 percent in 1969 to 1972 (instead of 8.8 percent) and 10 percent (instead of 9.7 percent) after 1972.

The social security provisions of H.R. 5710 were reformulated in H.R. 12080, Social Security Amendments of 1967, which was reported out by the Ways and Means Committee on August 7, 1967. Final action on these measures was not taken until later in fiscal 1968.

Excise taxes

Transportation user charges.—President Johnson in his January 1967 budget message repeated his recommendation of 1966 for new and revised user charges related to Federal aid to highways and Federal expenditures for the waterways and airways systems. The recommended rates and coverage for highway and waterways user charges were the same as those proposed by the President in 1966. In the case of airways user charges, the detailed proposals were the same as the amended recommendations of August 1966. For details, see 1966 annual report, pages 43–44.

The President also recommended in his budget message the transfer from the general fund of the Treasury of revenues equal to 2 percentage points of the excise tax on passenger automobiles to a new highway beauty-safety trust fund. A draft of proposed legislation was sent to the President of the Senate and the Speaker of the House of Representatives on February 23, 1967, by the Secretary of Transportation.

No Congressional action was taken in fiscal 1967 on the President's 1967 transportation user charge recommendations.

Time of payment of excises.—Payment of most major excise taxes, other than those on alcoholic beverages and tobacco products, was changed by regulations from a monthly basis to a semimonthly basis for liability beginning with the first half of February 1967. Payment of taxes on alcoholic beverages and tobacco products was already on a semimonthly basis. Under prior procedure, amounts due for any month (if in excess of $100) had to be deposited by the end of the following month. The revised rule, applicable to taxpayers whose liability for any month in the preceding calendar quarter exceeded $2,000, requires liabilities for each semimonthly period to be deposited by the end of the next semimonthly period. Special provisions are applicable to the transportation and communications taxes because liability for the taxes is on the customers and not the firms furnishing the services. The change in the payment system was estimated to increase administrative budget receipts in the fiscal year 1967 by $275 million.

Excise legislation.—Public Law 89–523, approved August 1, 1966, provided that manufacturers or importers of tires and tubes shall be liable for excise taxes at the time of delivery to their retail stores of tires and tubes produced or imported by them.

Public Law 89–809, approved November 13, 1966, included a provision making manufacturers sales of ambulances, hearses, or combination ambulance-hearses subject to the 7-percent excise tax on passenger automobiles. Previously, by administrative interpretation, ambulances were classified as passenger automobiles for excise tax purposes, while hearses and combination ambulance-hearses were classified as trucks and subject to a 10-percent rate of tax.

Public Law 90–73, approved August 27, 1967, provided that wine can be withdrawn free of tax when rendered unfit for beverage use.

Other legislation enacted

Changes in tax treatment covering a variety of Code provisions were contained in the Foreign Investors Tax Act, Public Law 89–809, signed by the President on November 13, 1966:

(1) Certain special limitations with respect to the deductibility of contributions to pension plans by self-employed individuals were removed. First, the limitation of the deduction to 50 percent of the contribution was eliminated, but the provision restricting the contribution to the lesser of 10 percent of earned income or $2,500 was retained. Second, it allowed a self-employed individual to include in earned income all of his net profits when his income is earned from a business in which both the performance of personal services and capital are material income-producing factors.

(2) Present law relating to the retirement plans of authors, inventors, and others was altered so that gain on the sale of property created by their own effort could be included in the earned income base for the purpose of computing deductions for contributions to such plans.

(3) The taxation of straddles was modified to treat any gain on the lapse of an option, granted to the taxpayer as part of the straddle, as short-term capital gain (instead of ordinary income). This permits it to be netted against any capital loss which may result from the exercise of the other option granted in the straddle, while retaining ordinary income treatment for any excess of net short-term capital gain over net long-term capital loss.

(4) To obtain public support of Presidential election campaign financing each individual was allowed to designate $1 of his income tax liability to be paid into the Presidential Election Campaign Fund. (The operation of this provision was suspended in subsequent legislation, Public Law 90–26, discussed earlier.)

(5) The percentage depletion allowance for certain extractive products was liberalized.

(6) Tax-free exchanges of securities by means of swap funds were restricted to plans filed with the Securities Exchange Commission by January 1, 1967, and completed before July 1, 1967.

(7) The 7-percent investment credit is extended to property located in U.S. possessions which is placed in service after December 31, 1965, so long as the property is owned by a U.S. taxpayer subject to Federal income tax on income from the possession and such property would otherwise be qualified for the investment credit.

(8) Changes were made in treatment of basis of property received on liquidation of a subsidiary corporation.

(9) For purposes of the personal holding company tax, rents received from the leasing of tangible personal property manufactured

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by a taxpayer will be treated as active income, rather than personal holding company income, if the taxpayer during the year engaged in substantial manufacturing of the same type of property.

(10) The provision relating to the taxation of cooperatives and their patrons was changed to provide tax treatment with respect to per unit retain certificates which parallels, in general, the tax treatment applicable to patronage dividends.

Public Law 89–496, approved July 5, 1966, amended the Bankruptcy Act with respect to the priority and dischargeability of taxes in bankruptcy. Generally, Federal, State, and local tax liabilities which became legally due and owing more than 3 years preceding bankruptcy are discharged, and the priority accorded tax claims is also generally denied to such liabilities.

Public Law 89–570, approved September 12, 1966, added section 617 to the Internal Revenue Code. Under section 617, a taxpayer may elect to deduct an unlimited amount of mineral exploration expenditures. Under prior law, which remains in effect for taxpayers who do not elect the benefits of section 617, the total amount deducted as exploration expenditures may not exceed $400,000. The amount deducted under section 617 is recaptured when a mine reaches the producing stage. At that time, the taxpayer may include in income his prior exploration deductions or may forgo depletion from the mine until the depletion deductions forgone equal the exploration expenditures previously deducted. Prior exploration deduction provisions do not contain any recapture requirements. New section 617 applies to mines but not to oil or gas wells.

Public Law 89–713, approved November 2, 1966, amended the Internal Revenue Code of 1954 in relation to the place for filing returns to promote savings under the Internal Revenue Service's automatic data processing system.

Public Law 89–721, approved November 2, 1966, stipulates that no interest is due on income tax refunds made within 45 days after the filing of the tax return.

Public Law 89–719, approved November 2, 1966, conforms the tax lien provisions in the Code to present commercial practices and makes a number of modifications that clarify existing technical problems. The legislation constitutes the first comprehensive revision and modernization of Code provisions concerned with the Federal tax lien and its priority over the interests of other creditors of a delinquent taxpayer.

Public Law 89–722, approved November 2, 1966, amended the Code to allow a deduction for additions to a reserve for certain guaranteed debt obligations.

Public Law 89-739, approved November 2, 1966, amended the Code to increase from $200 to $500 the monthly combat pay exclusion for commissioned officers serving in combat zones.

Public Law 90-78, approved August 31, 1967, amended the Code to provide rules relating to the deduction for personal exemptions for children of parents who are divorced or separated.

Administration, interpretation, and clarification of tax laws

During the fiscal year 1967, the Treasury Department issued 28 final regulations, three temporary regulations, five Executive orders, and 22 notices of proposed rulemaking, relating to matters other than alcohol and tobacco taxes. In addition, the Department issued five final regulations and one notice of proposed rulemaking on alcohol and tobacco tax matters.

Treasury decisions published during the fiscal year included those relating to the semimonthly deposit of certain excise and employment taxes and the filing of certain excise and employment tax returns directly with service centers, the deposit of corporation income and estimated income tax with Government depositaries, the filing of consolidated returns by affiliated corporations, and the deductibility of educational expenses.

Among the subjects dealt with in notices of proposed rulemaking published during the fiscal year and still pending at the end of the year were the allocation of income and deductions among related businesses, the treatment of income from unrelated trade or business activity of exempt organizations, the percentage depletion rate for certain clays and the treatment processes considered as mining for computing percentage depletion in the case of minerals and ores, and the allocation of Federal income tax liability among members of an affiliated group filing a consolidated return, for the purpose of determining their respective earnings and profits.

International tax matters

The Foreign Investors Tax Act (Public Law 89-809) was signed by the President on November 13, 1966.[1] The act, which represents the first comprehensive revision of the U.S. tax treatment of nonresident aliens and foreign corporations, is based on the recommendations of the "Report of the Fowler Task Force" of 1964. The act facilitates foreign investment in the United States by reducing the U.S. estate tax burden on estates of nonresidents and by differentiating between investment income and business income of nonresidents and applying ordinary progressive rates only to the business income.

In addition, the act changed several provisions relating to tax treatment of U.S. investment abroad:

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[1] See 1966 annual report, p. 49.

(1) The exclusion from the interest equalization tax for certain loans to insure raw material sources is extended where the U.S. person who acquires the obligation does not do so with an intent to sell it to other U.S. persons.

(2) The exclusion from the interest equalization tax for reserve asset pools of U.S. insurance companies is extended to allow establishment of reserve asset pools where a U.S. insurance company commences activities in a developed country or where a less-developed country is designated as a developed country.

(3) The President is given authority to exempt from the interest equalization tax, U.S. dollar loans of more than 1 year made by foreign branches of U.S. banks.

The Interest Equalization Tax Extension Act of 1967 (Public Law 90-59) was signed into law on July 31, 1967. The new act empowers the President to vary the rate from zero to 22.5 percent for long maturities (100 percent of the maximum rate under the original law). The President raised the rates in August 1967 under Executive Order 11368. The new act also includes new measures to reduce the possibility of evasion.

Proposed regulations were issued in August 1966, under sections 482 (allocation of income between related companies) and 861 (source rules) of the Internal Revenue Code. Taxpayer comments on these proposed regulations were being reviewed at the end of the fiscal year in preparing the final regulations. Proposed amendments to the regulations under section 954(e), dealing with service income of foreign base companies, were issued in February 1967. Final regulations were issued under three sections concerning the Foreign Investors Tax Act, sections 1441, 1442, and 1461, regulating the collection of U.S. withholding taxes on nonresident aliens and foreign corporations.

Conventions to avoid double taxation of income were signed with Brazil, Canada, and Trinidad and Tobago and submitted to the Senate for ratification. The convention with Brazil is a new and full-scale agreement extending the 7-percent investment credit to investment in Brazil, and if ratified, will be the first such U.S. convention with a developing country. The agreement with Canada is a supplementary convention further modifying the convention of 1942; it deals with a particular aspect of that treaty which was conducive to tax evasion. The convention with Trinidad and Tobago is also limited in scope. The United Kingdom treaty applied to Trinidad and Tobago on its independence, that treaty has been terminated by Trinidad and Tobago as no longer suitable and the treaty with the United States, signed in December 1966, is an interim agreement until a complete new treaty can be negotiated.

In accordance with the terms provided in the treaty between Honduras and the United States, Honduras gave notice of its intention to terminate the treaty which consequently ceased to have effect as of December 31, 1966. Similar notice was given by Cyprus in June 1967 that that treaty will be terminated effective in 1968.

Treaty negotiations were initiated during the year with Jamaica, Korea, and Singapore and preliminary discussions were held with Argentina. Discussions with Portugal were continued during the year as were discussions with France which resulted in the signing of a convention with France shortly after the close of the fiscal year.

Treasury representatives participated in the work of the Fiscal Committee of the Organization for Economic Cooperation and Development. Among the topics considered were border tax adjustments (adjustments of indirect taxes on goods crossing international borders), a review of bilateral treaties concluded since adoption of the OECD *Draft Double Taxation Convention* in terms of how closely they conform to that model, and continued discussions of the provisions of the draft convention with a view to revising it in the future.

International Financial Affairs

The U.S. balance of payments

The overall balance.—After remaining unchanged during the calendar year 1966 at the previous year's level of about $1,350 million, the payments deficit on the liquidity basis increased again during the first half of 1967—to a half-year total of $1,050 million, seasonally adjusted.

The balance measured on the official reserve transactions basis[1] swung from a calendar year 1965 deficit almost identical with that on the liquidity basis to a surplus in 1966, as dollar holdings of foreign central banks fell substantially and high interest rates attracted increased private dollar holdings. In the January–June half of 1967, this deficit again increased substantially.

A statistical presentation of U.S. balance-of-payments transactions on these two bases for the calendar years 1964–66 and January–June 1967 is contained in table 100.[2]

Major developments.—During the first half of 1967 the balance-of-payments deficit was higher (at a seasonally adjusted annual rate) than in 1965–66.

The trade surplus increased only slightly from its depressed level of 1966. Imports leveled off with the slackening in aggregate demand in

[1] The official settlements balance counts changes in dollar claims of foreign official monetary authorities—but not private holdings—in addition to reserve losses of the U.S. The liquidity balance counts changes in the liquid dollar holdings of all foreigners—private and public—as well as losses in reserves.

[2] Beginning with this annual report, the section on foreign holdings of gold and dollars and the table on which it was based (1966 annual report, table 96) are discontinued. The presentation of world reserves in the "International Liquidity" section of the International Monetary Fund publication, *International Financial Statistics*, now meets the need to which the Treasury table was originally directed.

the U.S. economy in the first half of the year. However, exports also leveled off after the first quarter, partly because economic activity in Western Europe was not expanding much.

There was a further increase in U.S. military expenditures in Vietnam; and a sizable increase in outflows of U.S. private capital other than for direct investment, particularly through bank lending abroad and through purchases of foreign and international securities exempt from the interest equalization tax. The larger capital outflow was in part a normal reflection of easier monetary conditions in the United States as compared with 1966. The improved liquidity of commercial banks helps to explain not only the increase in bank loans to foreign borrowers but also the repayment during this half year of debt of head offices of U.S. banks to their branches abroad. The result of this reflow shows up in the very large deficit on the official settlements basis in the first half of the year.

Balance-of-payments program.—During fiscal 1967 the administration's program to improve the balance of payments was further strengthened and, particularly during the latter part of the period, the Cabinet Committee on the Balance of Payments, of which the Secretary of the Treasury is chairman, conducted a further intensive review of the program.[1]

The voluntary cooperation program to restrain capital outflows, administered by the Commerce Department for business corporations and by the Federal Reserve Board for financial institutions, was continued, and suggested targets for calendar year 1967 were tightened.

The Congress, acting on the recommendation of the President, voted to extend the life of the interest equalization tax for 2 years (to July 31, 1969) and, in addition, changed the law so as to make it a more flexible policy instrument.[2]

This change gave the President discretionary authority to vary the rate of tax so as to make the extra cost to a foreigner of borrowing in the United States equivalent to between zero and one and one-half percent per annum. After being raised temporarily to the 1½ percent level during the period of congressional consideration, the tax was reduced on August 30, 1967, to 1¼ percent.

This lowering of the tax rate by Presidential Executive Order reemphasized the fact that the purpose of the interest equalization tax is to equalize the interest cost of borrowing between U.S. and foreign capital markets.

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[1] On Jan. 1, 1968, the President announced a balance-of-payments action program designed to bring about a decisive improvement in the balance of payments during calendar 1968. The 1968 program includes mandatory limitations on direct investment abroad, tighter restraints on foreign lending by financial institutions, measures to improve the travel deficit and reduce Government expenditures overseas, and long-term measures to improve our trade position and increase foreign investment and travel in the United States.

[2] Public Law 90-59, July 31, 1967.

The interest equalization tax is not designed to halt completely the outflow of portfolio capital from the United States, but rather, by equalizing borrowing costs, to moderate the rate of outflow to a level which is dependent upon factors other than substantial basic interest rate differentials. The new flexibility to vary the rate of the tax will assure that as the U.S. balance-of-payments position improves, it will be possible to reduce restraining policies gradually without fear that excessive outflows of capital will suddenly arise.

In addition to changing the rate of the tax, the Congress also strengthened the procedure for establishing American ownership of a foreign security in order to permit tax-free transactions among American owners. It is now necessary for an American seller of a foreign security to show by means of a validation certificate either that he paid the tax when the shares were originally acquired or that these shares were exempt from the tax.

Treasury and Federal Reserve exchange operations [1]

Pressure on the pound sterling was the dominant feature of foreign exchange markets during the fiscal year 1967. To counteract this pressure the Bank of England increased its discount rate and doubled the deposit requirements of the commercial banks. In July 1966 additional measures to reduce domestic demand and strengthen the British external position were put into effect.

The Federal Reserve System increased its swap line with the Bank of England to support sterling. To deal with dollar flows to various countries the Federal Reserve increased the total of swap lines from $2.8 billion to $4.8 billion at the fiscal yearend. The movement of funds was also related to the Middle East conflict in June 1967.

Because of the unsettled nature of foreign exchange markets and the associated transfers of funds but also because of seasonal patterns in certain important instances, there was a tendency for some national monetary authorities to find their dollar resources rising to higher than customary levels. In these circumstances, the United States again used the Federal Reserve swap lines. Although the aggregate amount outstanding during the year was fairly substantial (due in part to activations on behalf of the United Kingdom), by the early spring these positions had either been reversed in the markets or repaid through longer term financing, e.g., a U.S. drawing on the International Monetary Fund.

Transactions under these swap arrangements during the fiscal year are shown in the accompanying tables.

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[1] These operations are fully reported in the "Treasury and Federal Reserve Foreign Exchange Operations." See exhibits 58 and 59.

Drawings and repayments by Federal Reserve System under reciprocal currency arrangements, July 1, 1966—June 30, 1967

[In millions of dollars]

Bank	Drawings	Repayments	Outstanding
National Bank of Belgium	67.5	40.0	27.5
German Federal Bank	140.0	140.0	-----------
Bank of Italy	325.0	325.0	-----------
Netherlands Bank	65.0	65.0	-----------
Swiss National Bank	260.0	103.0	157.0
Bank for International Settlements	260.0	75.0	185.0
Total all banks	1,117.5	748.0	369.5

Drawings and repayments by foreign central banks under reciprocal currency arrangements, July 1, 1966—June 30, 1967

[In millions of dollars]

Bank	Drawings	Repayments	Outstanding
Bank of Canada	17.6	17.6	-----------
Bank of England	675.0	625.0	225.0
Bank for International Settlements	510.0	367.0	143.0
Total all banks	1,202.6	1,009.6	368.0

During the fiscal year the Treasury issued securities to some foreign central banks to liquidate currency swaps, and retired other issues at maturity. On June 30, 1967, Treasury obligations denominated in foreign currencies stood at $890.4 million equivalent, in comparison with $957.2 on June 30, 1966.

During the fiscal year gold sales by the United States to foreign countries totaled $232 million compared with sales of $378 million in fiscal year 1966. (See table 96.) The substantial further reduction in the volume of gold sales continued the improved trend noted in the 1966 annual report. France was again the principal buyer, purchasing $277 million, during the first fiscal quarter. The main offsets to this loss were receipts of gold from the United Kingdom and Canada totaling $175 million.

Treasury exchange and stabilization agreements

During the fiscal year 1967 exchange agreements were in effect with Argentina, Colombia, Mexico, and Venezuela. The 1-year $12.5 million exchange agreement with Colombia expired on March 31, 1967. On May 2, 1967, the Treasury entered into a 1-year $75 million exchange agreement with Argentina. The 2-year $75 million exchange agreement entered into with Mexico on December 30, 1965, was amended on June 24, 1967, to increase the amount to $100 million. (See exhibits 68 and 69 and table 101.)

International monetary negotiations

The negotiations on an agreement for strengthening the international monetary system, through the creation of a new asset as and when needed to supplement existing reserves, were broadened and advanced significantly during the fiscal year. This work was carried out by the Group of Ten industrial countries (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States), in the International Monetary Fund, and for the first time, in joint meetings between the Executive Directors of the Fund and the Deputies of the Group of Ten. The Ten, meeting at Ministerial level in the Hague in July 1966, reached agreement on basic principles, as developed over the preceding months by their Deputies, and, with the exception of one delegation, recommended the joint meetings in order to provide a wider framework in which to consider the questions that affect the world economy as a whole. The U.S. delegation at the Hague meeting was headed by the Secretary of the Treasury. In September, the Governors of the International Monetary Fund, in their remarks at the Fund's Annual Meeting, indicated a clear desire to proceed with the Joint Meetings. This position was strongly recommended by the Secretary of the Treasury as U.S. Governor.[1]

Four Joint Meetings were held, at the International Monetary Fund in Washington, in November 1966 and April 1967, in London in January 1967, and in Paris in June 1967.[2]

The First Joint Meeting successfully established a firm foundation for the productive negotiations of the major problems of meeting the world's future needs for reserves by collective action. These needs were discussed, as were technical problems relating to the nature and form of a deliberately created reserve asset, its distribution and provisions for its holding and use. The Second Joint Meeting pursued these matters and such questions as the conditions under which the asset might initially be created and procedures for taking the necessary decisions to create the new reserves. While still at an exploratory stage, progress was made toward establishing the basis for eventual agreement. Progress was also made toward the goal of completing the outline of a concrete plan for presentation at the September annual meeting of the IMF. The Third Joint Meeting dealt with subjects introduced earlier, especially criteria for assessing the need for additional reserves and its urgency, and consideration was begun of specific plans for the creation of reserve assets. The Fourth Joint Meeting resulted in a draft outline for a new facility within the framework of the International Monetary Fund, incorporating the general principles and elements

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[1] See exhibit 44.

[2] At each Joint Meeting, the United States was represented by Under Secretary of the Treasury for Monetary Affairs Frederick L. Deming and Federal Reserve Board Governor J. Dewey Daane, as U.S. Deputies of the Group of Ten, and by the U.S. Executive Director and Alternate Executive Director of the IMF, William B. Dale and John S. Hooker, respectively. The meetings were also attended by Mr. George H. Willis, Deputy to the Assistant Secretary of the Treasury for International Monetary Affairs, and Mr. Robert Solomon, Adviser to the Board of Governors of the Federal Reserve System.

upon which agreement had been reached and setting forth various alternative suggestions for dealing with the remaining open questions.

Recognizing that the principal questions which could not be resolved in the Joint Meetings would require resolution at Ministerial level, it was agreed that the various alternatives would be considered by the Ministers and Governors of the Ten, at their London meeting in July 1967. The most important of these involved the manner in which decisions would be taken after the plan was in effect, regarding the timing and the amounts of the new asset to be created, and certain provisions with respect to the holding and transfer of the asset and the reconstitution of holdings of the new asset after use. With the resolution of these questions it would then be possible to reach agreement on the outline of a comprehensive plan for consideration by the Governors of the International Monetary Fund.

In addition to participating in the Joint Meetings, the Executive Directors of the Fund and the Deputies of the Group of Ten met independently at frequent intervals to discuss all aspects of the negotiations. In coordinating and guiding the U.S. negotiating position throughout the year, strong reliance was placed on the Secretary's Advisory Committee on International Monetary Arrangements [1] and on an Inter-Departmental Group chaired by Under Secretary for Monetary Affairs Deming. Members of the Congress especially interested in this subject were kept informed of the course of the negotiations, in particular members of the Subcommittee on International Exchange and Payments of the Joint Economic Committee. This committee at an early stage had made significant contributions to understanding the urgency and dimensions of the problem of meeting world liquidity needs.

The basis of the U.S. negotiating position was that the uncertainties surrounding future world reserve growth were so great that unless agreement were soon reached on a plan for the creation of a supplementary reserve asset, the growth of the world economy, affecting all countries, could be seriously impaired. The stability of the international monetary system could be threatened unless there were assurance that the world's growing needs for reserves would be adequately met. Moreover, through collective action to create a new asset as and when needed to supplement existing reserve forms—primarily gold and dollars—the international monetary system could be strengthened for the years ahead. The Secretary discussed the need for sharing the common responsibility for an effective world monetary system in a public statement on March 17, 1967.[2]

[1] See exhibit 73.
[2] See exhibit 48.

International Monetary Fund [1]

The need for greater international liquidity through the creation of a new reserve asset to supplement gold and dollars in the reserves of the member countries was the principal topic of discussion at the 1966 meeting of the Board of Governors. Secretary Fowler,[2] after commenting on the world balance-of-payments situation, noted that the United States was taking measures to move toward equilibrium as fast as the unusual exchange drain resulting from the Vietnam conflict would permit. Cooperation among surplus and deficit countries is essential for world equilibrium and he hoped that a specific plan for reserve creation that would be internationally acceptable could be prepared for action at the 1967 meeting.

In concluding the discussions the Managing Director of the Fund, Mr. Schweitzer, noted that there was general agreement that action to improve the international monetary system was needed, that the Fund should play the central role in any arrangements that might be adopted, and that the plan should be for the benefit of all Fund members. He noted the progress being made in the discussions between the Fund Executive Board and the Deputies of the Group of Ten and looked forward to the formulation of an acceptable program.[3]

During the fiscal year the Fund's currency sales (drawings) aggregated the equivalent of $1.1 billion, of which $139.5 million was in dollars. Repurchases during the year aggregated $759.6 million all in currencies other than the dollar. From the beginning of operations to June 30, 1967, total drawings have aggregated the equivalent of $13.4 billion, of which $5.1 billion was in dollars. Cumulative repurchases to June 30, 1967, were equivalent to $7.1 billion, of which $3.6 billion was in dollars. The principal other currencies used in both purchase and repurchase were those of Canada and the continental European countries.

During the fiscal year the United States purchased with dollars the equivalent of $460 million, to bring the total of gross drawings to $1,640 million. As the result of purchases of dollars by other countries the net drawing on the Fund by the United States was $851.4 million at the fiscal yearend. The largest number of U.S. drawings have been made to facilitate repurchases by other countries (technical drawings whereby the United States drew currencies from the Fund to enable third countries to purchase with dollars amounts needed in other currencies in repurchase transactions). In 1967, however, the United

[1] Fuller discussions of the activities of the IMF and other international financial organizations are given in the National Advisory Council's Annual Report for the fiscal year 1967 (90th Cong., 2d sess. H. Doc. 200).

[2] See exhibit 44. The U.S. delegation included Under Secretary of State Ball (Alternate Governor), Treasury Under Secretary Barr, Under Secretary for Monetary Affairs Deming, Assistant Secretary Knowlton, U.S. Executive Director of the Bank Merchant, and U.S. Executive Director of the Fund Dale as Temporary Alternate Governors. The members of the NAC and congressional committee members served as advisors.

[3] These joint meetings resulted in a proposal for the creation of special drawing rights in the Fund, which was approved in principle by the Governors at their meeting in September 1967.

States drew Italian lire in the equivalent of $250 million to purchase dollars which Italy had acquired as the result of its payments surplus. Since the Fund's holdings of lire were low, it borrowed the amount required from Italy.

Further progress was made during the year in the liberalization of exchange restrictions, reduction of bilateral agreements, and the acceptance of the convertibility obligations of the Fund agreement. The Fund continued its valuable consultations with both article XIV (inconvertible currency) and article VIII (convertible currency) countries and intensified its technical assistance activities, particularly in the area of taxation and public finance policies.

International financing of economic development [1]

The International Bank group.—The International Bank for Reconstruction and Development and its affiliates (International Development Association (IDA) and International Finance Corporation (IFC)) committed $1.3 billion during the fiscal year for financing various economic development projects in the member countries.

The World Bank made new loans of $876.8 million, principally for electric power, roads, and railways. Aside from a few small loans to European countries with low incomes, the loans went to less-developed countries in Asia, Latin America, and, in smaller amount, to Africa. The Bank also committed $100 million to the IFC, as permitted by amendments to the Articles of Agreement adopted in 1965. IDA credits of $353.5 million financed industrial import programs in India and Pakistan ($240 million combined) and work in education, agriculture, roads, and minor projects.

The IFC investments, which are not guaranteed by governments, were made in private companies on a loan and equity basis for fertilizer plants, a private public utility, a paper and pulpmill, and some smaller items.

The loan operations of the World Bank are financed by capital subscriptions, borrowing on financial markets, sales of participations in loans, repayments of loans, and earnings on loans and investments. During the year the Bank issued $390.2 million in new bonds, refunded maturing issues and delivered bonds on issues previously sold on a delayed delivery basis. New borrowings consisted of an issue of $250 million in the U.S. market (of which $159.9 million was for delayed delivery), $100 million in U.S. dollar 2-year bonds sold abroad, and smaller issues of Canadian dollar and Swiss franc securities. The Bank has invested the proceeds of the U.S. market issues in longer term Treasury obligations pending disbursement to reduce any adverse effects on the balance of payments. The Bank has continued its efforts to finance its work by issues in other markets.

[1] The activities of the year in this field have been more fully reported in the NAC report noted above.

At the close of the fiscal year the International Bank's funded debt stood at $3,075 million, of which $2,308 million was dollar denominated, and the balance in Canadian dollars, Deutsche marks, Swiss francs, lire, guilders, sterling, and Belgian francs. It is estimated that more than half of the Bank's securities is held abroad.

IDA credits are funded by member subscriptions and contributions, grants from the net earnings of the World Bank, repayments of credits, and earnings. Of IDA's usable resources, cumulative to the end of the fiscal year, a total of $1,781 million, the Part I (developed) countries have contributed $1,524 million; IBRD grants, $200 million; and earnings and contributions of Part II countries, the balance. At the fiscal yearend only $86.8 million was not committed, though the entire amount had been earmarked for projects and programs.

President Johnson has indicated the willingness of the United States, subject to congressional approval, to participate with other countries in providing additional resources to IDA. In March 1967, Secretary Fowler was authorized to support an IDA replenishment at an increased level, provided that consideration was given to the balance-of-payments problems of deficit donor countries when IDA's new resources would be made available. Replenishment measures were under discussion at the end of the fiscal year.

The Convention for the Settlement of Investment Disputes between States and Nationals of Other States, proposed by the Bank, became effective on October 14, 1966, with the deposit of the requisite accessions. The Convention establishes procedures for voluntary conciliation and arbitration of disputes between investors and national governments. The Convention is to be administered by the International Centre for Settlement of Investment Disputes, affiliated with the World Bank. The Administrative Council of the Centre held an inaugural meeting in February 1967 and adopted provisional rules of procedure. It elected the first Secretary-General (Mr. Aron Broches, General Counsel of the Bank) and took other organizational steps. No cases had been brought to the Centre's attention by the end of the fiscal year.

Inter-American Development Bank.—The Eighth Annual Meeting of the Board of Governors of the Inter-American Development Bank [1] was held in Washington, D.C., from April 24–28, 1967.[2] At this meeting the Board of Governors agreed to recommend to their governments a $1.2 billion equivalent increase in the resources of the Bank's

[1] For background on the establishment and operations of the Inter-American Development Bank, see 1965 annual report, pp. 58–60.

[2] The U.S. Governor of the Bank, Secretary Fowler, headed the U.S. delegation to the meeting. The delegation also included Under Secretary of the Treasury Joseph W. Barr and Assistant Secretary of the Treasury Winthrop Knowlton (both of whom acted as temporary alternate governors) together with members of the Congress and representatives of the U.S. Government agencies constituting the National Advisory Council on International Monetary and Financial Policies.

Fund for Special Operations (of which the U.S. share would be $900 million) and a $1.0 billion increase in the Bank's Ordinary Capital callable stock (of which the U.S. share would be $411.8 million). The Governors also requested the Board of Executive Directors to study and make recommendations with respect to the mobilization of additional resources from nonmember capital exporting countries of Western Europe and other areas.[1]

To obtain resources for Ordinary Capital lending the IDB increased its short- and long-term borrowings by $69.4 million during the fiscal year, comprising an $11.4 million equivalent Swiss franc issue in August 1966, a $50 million issue in the United States in January 1967, and a $30 million short-term dollar bond issue (of which $25 million replaced maturing short-term bonds of 1966) placed outside the United States in April 1967. In addition, the Bank utilized $3.0 million equivalent of the 1966 direct borrowing of Japanese yen. As of June 30, 1967, the Bank's cumulative total borrowings amounted to $442.9 million equivalent, of which $275 million had been raised in the U.S. market and the balance in foreign capital markets.

The subscribed resources of the Bank's Fund for Special Operations totaled $1,119.5 million as of June 30, 1967. In December 1966, the United States made its third and final $250 million payment to the Bank pursuant to the increase in the resources of the Bank's Fund for Special Operations approved in fiscal year 1965 of which the U.S. contributing share was $750 million, payable in three equal installments.

As of June 30, 1967, the Inter-American Development Bank had authorized 405 loans amounting to the equivalent of $2,088.4 million, comprising: 144 loans amounting to $831.1 million equivalent from its ordinary capital resources; 144 loans amounting to $756.1 million from the resources of the Fund for Special Operations; and 117 loans from the Social Progress Trust Fund amounting to $501.2 million. In addition, the Bank had authorized 9 loans amounting to $15.6 million equivalent from the Canadian Fund which it administers on behalf of the Government of Canada.[2] Cumulative total disbursements from all sources of the Bank's funds amounted to $916.6 million as of June 30, 1967.

During August 1966, the Subcommittee on International Finance of the Committee on Banking and Currency of the House of Repre-

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[1] In October 1967, consequent to this request by the Board of Governors, the Bank adopted measures to condition procurement financed with Bank loans in economically advanced nonmember countries on an appropriate contribution of resources to the Bank by the respective country by way of bond sales, funds entrusted to the Bank for administration, participation in Bank loans, and parallel financing operations.

[2] This Canadian Fund was, through two agreements with the Bank, expanded by Canadian$20 million during fiscal year 1967 to a total of Canadian$30 million.

In December 1966, the Bank and the Government of Sweden also agreed to establish a Swedish Development Fund for Latin America with an initial Swedish contribution of $5 million. Loans from this Fund are to be used jointly with loans from the Bank's Ordinary Capital resources and will generally be on the same terms as the Swedish Government applies to development credits.

sentatives held hearings on the role of the Inter-American Development Bank in Latin American agricultural development. In a letter dated September 9, 1966, to Representative Henry S. Reuss, Chairman of this Subcommittee, Secretary Fowler observed that while the Bank was already playing an important role in this area, it should assume a still more important role in the future.

The Asian Development Bank.—The Asian Development Bank came into existence on August 22, 1966, upon the ratification of its Articles of Agreement by the United States [1] and 14 other countries. The Board of Governors of the Bank held its inaugural meeting in Tokyo November 24–26, 1966, at which Takeshi Watanabe of Japan was elected the Bank's first President. At that meeting the Governors increased the authorized capital from $1 billion to $1.1 billion. The meeting was attended by Secretary of the Treasury Fowler and AID Administrator William S. Gaud, U.S. Governor and Alternate Governor, respectively. The Bank's first board of directors was also elected at that meeting. Mr. Bernard Zagorin, who had previously been appointed by the President after Senate confirmation, was elected a Director of the Bank by the vote of the U.S. Governor. In December 1966, the Directors held their first formal meeting and declared the Bank open for business.

The Bank, which has its headquarters in Manila, now has a membership of 31 countries, 19 of which are regional countries, and 12 of which, including the United States, are developed nonregional countries. Of the Bank's $1.1 billion authorized capital, $965 million has been subscribed by the present membership, $615 million by the regional members, including $200 million by Japan, and $350 million by the nonregional members, including $200 million by the United States. One-half of each member country's subscription consists of paid-in capital, payable in five equal annual installments. The remaining half is callable capital to provide backing for future borrowings of the Bank. The first of the United States' five $20 million installments of paid-in capital was paid in August 1966,[2] and consisted of $10 million in cash and $10 million in the form of a noninterest-bearing letter of credit which may be drawn on in future years when required by the Bank for disbursement.

In addition to its normal operations in development financing on conventional terms along the lines of the International Bank for Reconstruction and Development, the Asian Development Bank is authorized to accept the administration of special funds designed to serve purposes consistent with those of the Bank. In April 1967 the Asian Development Bank agreed in principle to manage a multilateral

[1] On Aug. 16, 1966, the United States deposited its instrument of ratification of the Asian Development Bank at the United Nations.
[2] The second installment was paid in August 1967.

special fund for agricultural development proposed by the Ministerial Conference on Southeast Asian Development. In July 1967, the Bank commissioned an Asian agricultural survey to be conducted by an international team of experts in preparation for the operation of the proposed special fund for agricultural development.

In his state of the Union message in January 1967, President Johnson announced his intention to seek authorization of $200 million to be appropriated over a period of years as the U.S. share of multilateral special funds to be administered by the Asian Development Bank.[1]

Organization for Economic Cooperation and Development

The sixth Ministerial Council meeting of the Organization for Economic Cooperation and Development (OECD) met in Paris on November 24–25, 1966. Deputy Assistant Secretary John Petty served as a member of the U.S. delegation. The Council of Ministers found growth prospects for the remainder of the 1960–70 decade favorable but cautioned member countries to contain inflationary tendencies and insure increase of productive resources while making optimum use of available manpower. The Ministers agreed to continue the Organization's efforts to improve the functioning of capital market mechanisms for mobilizing savings and financing investments as well as to continue enquiry into the economic consequences of differences in scientific and technological levels among countries. The Council also stressed the need for increased assistance to the developing countries and improvement in its terms and conditions with a greater emphasis on agricultural assistance. It was agreed that consideration should be given to the possibilities of widening the area of East–West economic relations.

The Economic Policy Committee (EPC) of the OECD met three times during the year to discuss the overall economic situation of member countries in the course of which attention was drawn to the slowdown in growth of demand and output in the OECD area as a whole. Under Secretary of the Treasury for Monetary Affairs Deming was a member of the U.S. delegation.

The EPC's Working Party on Policies for Promotion of Better Payments Equilibrium (Working Party 3) met six times during the year with Under Secretary Deming as chairman of the U.S. delegation. Following the publication of its major report "Balance of Payments Adjustment Process," in August 1966 the group continued its efforts to apply the principles delineated in the report with a view to achieving better adjustment of payments imbalances. Treasury

[1] In a special message to the Congress on Sept. 26, 1967, the President proposed that the Congress authorize the appropriation of a U.S. contribution of $200 million to multilateral special funds of the Asian Development Bank. S. 2479 was introduced on Sept. 27, 1967.

continued to participate in Working Party 2, whose report on economic growth in the sixties was released in 1966. Treasury also participated in the work of a group which periodically examines short-term economic prospects.

The Committee for Invisible Transactions neared completion of the major study of members' capital markets it had undertaken at the request of the Ministerial Council in December 1964. (Part of this study was published in September 1967.) The study identifies problems in the functioning of capital markets and points to ways to improve their operations.

The Group on Export Credit and Credit Guarantees, with Treasury Assistant Secretary Winthrop Knowlton leading the U.S. delegation, continued its discussions of mutual problems in the area of export credit and guarantees.

In February 1967, the Council of the OECD established on a 2-year experimental basis a notification and consultation procedure on trade and payments effects of changes in border tax adjustments. Such changes may occur when a country alters its indirect tax system—for example, shifting from a cascade turnover tax system to a value added tax system.[1]

The Development Assistance Committee (DAC) met at the Ministerial level in July 1967 to review trends in assistance to developing countries. Disappointment was expressed that after two years of substantial expansion, the net flow of resources, public and private, from DAC Members to developing countries declined in 1966. Assistant Secretary Knowlton served as a member of the U.S. delegation.

The Economic Development and Review Committee of the OECD which reviews the economies of member countries and publishes a public report, met at regular intervals throughout the year. The Treasury participated in the Committee's formal examination of the United States in November 1966.

A Treasury observer regularly attended the meetings of the Managing Board of the European Monetary Agreement. Treasury representatives also continued to participate actively in the work of the Fiscal Committee.[2]

The General Agreement on Tariffs and Trade

The sixth round of trade negotiations, generally known as the Kennedy Round, was successfully concluded in Geneva on June 30, 1967. In terms of the number of participating nations, the amount of trade involved, and the scope and depth of trade liberalization, the Kennedy Round was the most substantial achievement in the series

[1] In October and November 1967 an ad hoc committee met to consider the trade and payments effects of border tax changes associated with Germany's Jan. 1, 1968, shift to a tax on value added.
[2] For a description of the activities of the Fiscal Committee, see page 39.

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of negotiations in the 20-year history of the General Agreement on Tariffs and Trade (GATT). In addition to a broad range of tariff concessions to be placed in effect on a most-favored-nation basis, a major accomplishment in the field of nontariff barriers was the conclusion of an antidumping code which supplements provisions of article VI of the GATT with rules of procedure to be followed in antidumping actions.

The Treasury Department actively participated in the development of trade policy for the Kennedy Round negotiations through its membership on the Trade Expansion Advisory Committee, the Trade Executive Committee, the Trade Staff Committee, and the Trade Information Committee.

A Treasury representative was also a member of U.S. delegations to various GATT committees and working parties.

Report of foreign loans and credits of the United States

The Treasury Department, under the general direction of the National Advisory Council on International Monetary and Financial Policies (of which the Secretary of the Treasury is Chairman), has organized a comprehensive system for reporting by the agencies of the U.S. Government of all loans and credits extended, and certain loans guaranteed by them, in accordance with their respective powers and policies.

The Congress in 1966 amended the Foreign Assistance Act of 1961, as previously amended, by adding section 634(f), which provides:

"The Secretary of the Treasury shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate semiannual reports showing as of June 30 and December 31 of each year the repayment status of each loan theretofore made under authority of this Act any part of the principal or interest of which remains unpaid on the date of the report."

The International Bank for Reconstruction and Development and the Organization for Economic Cooperation and Development have also established a joint plan for the reporting of loan and credit transactions by the 17 principal creditor countries.

The Council has agreed to cooperate with the two international bodies and, with the concurrence of the Budget Bureau, has authorized the Treasury to collect and compile the information.

The procedures for reporting by the Government agencies will combine in one set of reports data which have been supplied previously under various arrangements. As part of its work on the balance of payments, the Office of Business Economics of the Department of Commerce has regularly collected data on grants, loans and credits made by U.S. agencies and since 1965 has issued a detailed report, "Foreign Credits" in response to a request by the Senate Foreign Relations Committee. The Treasury Report to Congress will replace this Department of Commerce publication. The data submitted to the Treasury Department will also be used by the Office of Business Economics in its balance-of-payments work relating to governmental transactions, so that duplication of effort will be avoided.

The OECD, through its Development Assistance Committee, has also been receiving on a transactions basis information on individual loans, credits, and grants extended by public institutions of its member countries, while the International Bank for some years has been collecting data on the amount of public credits outstanding, though on a more limited basis, by voluntary arrangements with some of its member countries.

The collection of data by the Treasury Department will serve these various needs through a single comprehensive set of reports. It is anticipated that the international agencies will collate the information received from the participating countries and make available to participating governments summaries and analyses of the combined data.

A summary of the U.S. data for June 30, 1967, is given in table 106.

Treasury foreign exchange reporting system

Automatic data processing of the Treasury foreign exchange reports covering capital movements between the United States and foreign countries was instituted during the year. Preparations were also underway for automatic processing of the data for analytical use.

As part of the program for improving the reporting system, staff members visited several of the Federal Reserve banks, which act as agents of the Treasury in collecting the reports, to discuss reporting problems. The reporting system was improved during the year by enlarging the coverage of reporting by mutual funds of securities transactions with foreigners; clarifying the treatment of certain types of acceptance financing; reclassifying overseas military banking facilities from foreign to domestic for reporting purposes; and conducting a study of the distribution of foreign-currency liabilities by type of foreign creditor.

The "International Financial Statistics" section of the monthly "Treasury Bulletin" was revised to provide more meaningful data on U.S. reserve assets and liabilities and other statistics related to the U.S. balance of payments and international financial position.

ADMINISTRATIVE REPORTS

Administrative Management

Management improvement program

Actions taken during fiscal year 1967 to improve management or reduce costs had a computed value of $145.6 million; $80 million resulted from changes in fiscal operations, while $65.6 million and 2,600 man-years of the total stemmed from increased economies in internal Treasury operations. This computed value is more than triple the previous record savings of $44.5 million achieved in fiscal 1966.

The larger portion resulted from a policy decision to accelerate the payment and deposit of revenue due the Government. These accelerations, the graduated withholding of income taxes, and the semimonthly deposit of certain tax liabilities by business firms, made $2.46 billion available earlier than would have been the case under previous regulations. This earlier availability of funds had a computed annual value of about $80 million. The remainder of the savings were the result of improvements made in performing the regular operating functions of the Department. The more significant of these improvements are highlighted in the administrative reports of the individual offices and bureaus which follow. For the most part, savings realized in one area were used to absorb increased pay costs or to meet unbudgeted workloads in other areas.

Special studies and projects

A number of studies were performed during the year to evaluate the effectiveness of operations and to develop recommendations for promoting greater efficiency and economy within the Department. At the request of the Bureau of the Budget, a study was completed on the implementation of recommendations made in several studies of the U.S. Secret Service following the Warren Commission Report. A study of the feasibility of merging the Bureau of Engraving and Printing and Bureau of the Mint was also completed. Staff assistance was provided the Bureau of Narcotics in formulating and implementing a plan for the reorganization of its headquarters. In coordination with representatives from the bureaus, a study of the overall cost reduction/management improvement program was completed and recommendations developed for strengthening the program.

There was a modest increase in the volume and scope of Treasury participation in the foreign technical cooperation programs of the Agency for International Development during fiscal 1967. The number of participants from developing nations receiving instruction and training in Treasury operating methods continued to increase. The number of countries to which Treasury rendered assistance leading toward self-help in developing better ways and means of organizing, operating, and regulating their financial institutions also increased. The geographic areas in which Treasury representation is greatest continued to be Latin American countries under the Alliance for Progress and a number of Asian nations including India, Vietnam, Thailand, and the Philippines.

Emergency preparedness

The emergency readiness of the Department was improved by both technical and administrative measures. Intensive study of Federal credit programs and emergency tax proposals resulted in the development of additional information useful in emergency planning. Briefing seminars were held in some field locations to train Treasury officials who are members of the emergency regional organization. Revised directives for participation in the emergency preparedness program were issued. Twenty-six persons were trained for assignments as emergency communications operators.

Planning and program evaluation

Planning and program evaluation aids in improving the allocation of the Department's resources by developing the relative costs and benefits of alternative courses of action and by providing staff leadership, coordination, and direction of the Department's planning-programing-budgeting system.

The principal activities in this area during fiscal 1967 were: (1) preparing, in cooperation with the bureaus, the second Treasury program and financial plan and supporting program memoranda; (2) initiating and cooperating in developing improved output and related cost data systems in the Bureau of Customs, Secret Service, and Bureau of Narcotics; (3) organizing with the bureaus the development of special studies relating to improvements in resource use; and (4) carrying out special studies for the Secretary on the supply and requirements for coinage.

Financial management [1]

Budgeting.—A working capital fund was sought for certain common services functions performed by the Office of the Secretary for Treasury bureaus, and congressional approval was pending at the fiscal yearend. An operating fund to finance the activities of the Bureau of the Mint was recommended to improve flexibility to meet changes in coin demand and to present a more complete financial picture of Mint operations, but the appropriations committees of the Congress rejected this plan. The 1969 budget preview was prepared for the second year in program category terms "cross-walked" to funds requirements stated in appropriation terms. Controls were exercised over expenditures, number of personnel employed, size of motor vehicle fleets, overtime pay costs, travel costs, and numbers of personnel in upper-level positions. Uniformity and clarity of budget presentations were enhanced by issuance of new instructions. Supplemental appropriation needs were reduced by interbureau transfers of unobligated balances between appropriations.

Automated payroll operations.—The payrolls for Coast Guard district offices not previously converted to the IRS computer system were converted during the year. Assistance was provided the IRS Data Center, Detroit, Mich., to improve procedures to shorten the delivery time of documents regarding employee separations to the Civil Service Commission. The Department undertook a complete review of Treasury payrolling.

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

Accounting systems.—The Bureau of Customs was assisted in developing procedures manuals in connection with the revision of its accounting system and conversion to ADP equipment. The coding structures used in certain bureaus were refined to improve reporting. The Internal Revenue Service and the Secret Service were assisted in developing the principles and standards portion of their administrative accounting manuals.

Management of automatic data processing.—Significant benefits obtained through the use and management of the Department's 52 computers and other ADP equipment were reported to the President, including, for the period March 1965–June 1967, $80 million in net additional revenue, $1 million in one-time savings, and $4 million and 435 man-years in annual recurring savings. The Department has saved by purchasing rather than leasing 90 percent of its computers and by integrating data processing systems. It has actively fostered the sharing of ADP equipment and related resources.

Internal auditing.—Under a decentralized system of internal auditing, a departmental internal audit staff periodically reviews and appraises auditing activities conducted by the various Treasury bureaus and offices. The accomplishment of the internal audit review in the Bureau of Customs during fiscal 1967 marked the completion of the initial review of all such audit activities throughout the Department. The departmental staff also audited payroll and related activities in the Office of the Secretary.

Personnel management

In the fiscal year 1967 emphasis was continued on improving all areas of personnel management, with particular attention to special programs of interest to the President.

Positive actions to broaden equal opportunity during the year included conferences of key personnel in 18 major cities, a nationwide seminar program for supervisors, and issuance of revised comprehensive policy and program guidelines.

The Department exceeded by some 50 percent the President's goals for summer employment of youth. Department leadership continued in employment of the handicapped. In cooperation with HEW and IRS, a new breakthrough was made in employment of the blind as taxpayer assistors in four IRS districts. Plans were made to employ the blind in a variety of other positions, including personnel technicians, programers, and typists.

Excellent cooperation continued with the Civil Service Commission in its inspection activities, and action on their recommendations was systematically coordinated. At the fiscal yearend the Commission assessed Treasury personnel management as effective, and noted commendable progress.

Controls were applied over wage schedule adjustments to contain increases within the wage-price guidelines. Wage board employees of the Mint institutions in Philadelphia, Denver, and New York were converted to a new wage-fixing system more in line with other Treasury systems and the prevailing market.

Employee training increased substantially. Man-hours of classroom training rose to approximately 3 million man-hours, an increase of about 14 percent from fiscal 1966. The Treasury Law Enforcement

School was revamped, a permanent director and basic faculty were appointed, and steps were taken to upgrade and modernize the training and curriculum.

Estimated first-year benefits from employee suggestions rose 25 percent. Performance awards increased 32 percent, with total estimated first-year benefits of $1,515,000. Forty-three percent more high quality pay increases were granted in fiscal 1967 than in fiscal 1966.

The orderly transfer of functions and personnel of the Coast Guard to the Department of Transportation was accomplished on April 1, 1967,[1] pursuant to Public Law 89–670, approved October 15, 1966.

Administrative services

Personal property.—During the fiscal year Treasury declared as excess to its needs property having an original acquisition cost of $8,855,000, while excess property valued at $469,000 was reassigned within the Department. Personal property transferred to other Federal agencies totaled about $3,409,000. In turn, Treasury received about $3,945,000 of excess personal property from other Federal agencies without reimbursement. Personal property valued at $5,337,000 was determined surplus. Property worth $1,685,000 was released for donation through GSA and DHEW clearances. Proceeds from sales of surplus, including scrap, amounting to $94,700 were deposited to the general fund of the Treasury.

Real property.—During the fiscal year 1967 Treasury activities in 20 locations in 9 cities were consolidated in single locations in each city.

Treasury relocated from leased to Government-owned buildings in 37 locations. This resulted in Treasury curtailing reimbursable rents to GSA. In addition, the Treasury closed 68 offices accommodated in leased and Government-owned space which resulted in rental curtailments of approximately $75,000.

Treasury reviewed and transmitted to GSA title and descriptive data on 22 excess Coast Guard properties, involving 407 acres of land with improvements, valued at a total acquisition cost of $8,320,000.

Safety.—Treasury's disabling injury frequency rate for calendar year 1966 showed significant improvement over the previous year, and remained well below the rate for all Federal departments and agencies. This is the most commonly accepted criterion for measuring safety program effectiveness.

Security activities

During fiscal year 1967, physical security inspections were conducted in the offices of the Office of the Secretary, bureau headquarters offices, and 45 Treasury bureau field offices.

Under the revised security program, requiring reinvestigations every 5 years of incumbents of critical-sensitive positions, which became effective late in fiscal 1966, 1,152 cases were reviewed, resulting in 788 reinvestigations and 364 cases in which no reinvestigation was necessary.

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[1] See also administrative report of U.S. Coast Guard.

Office of the Comptroller of the Currency

The Comptroller of the Currency, as the Administrator of the National Banking System, is charged with the responsibility of maintaining the public's confidence in the System by sustaining the banks' solvency and liquidity. An equally important public objective is to fashion the controls over banking so that banks may have the discretionary power to adapt their operations sensitively and efficiently to the needs of a growing economy.

Office operations

During the fiscal year three Deputy Comptrollers and the Chief National Bank Examiner were each assigned the personal supervision of three or four national bank regions. This reorganization yields more immediate communication with regional administrators and provides the Washington Office with more detailed knowledge on the actual status of banking in all regions. Four assistant chief national bank examiners were appointed to assist these officials in the review of examination reports and other banking data.

During fiscal 1967 a policy of increased emphasis on the bank examining function was announced. A strong theme of all Office operations is the modernization and general improvement of bank examination procedures and policies so as to make the examination more significant and efficient. Bank examination procedures were augmented by the inauguration of a direct verification program, under which national bank examiners may, in certain circumstances, directly verify the balances of depositors and borrowers.

A stepped-up program of active cooperation with other Federal bank regulatory agencies was also announced. A study by a committee composed of staff members of the three banking agencies developed an improved liquidity formula. This new formula allows regulators to form a more precise idea of the status of each bank and of the banking industry generally. The three agencies also succeeded in developing a single report of condition form which meets the particular needs of each agency. This unified report form reduces the reporting burden on banks and also makes possible the gathering of more significant information.

Personnel

Recently established personnel programs gathered momentum during the fiscal year. This Office maintains strong programs for recruitment, employee development, and employee participation in the management function.

The recruitment program was more firmly established in each of the 14 national bank regions. Improved procedures were adopted to keep Washington informed of the status of each region's program. Regional recruitment coordinators were brought to Washington for two conferences to exchange ideas and to confer with top level headquarters personnel on recruitment procedures and the national equal employment program.

Training procedures for all new personnel were improved under the employee development program. In addition, the International Operations Division conducted a seminar for its international bank examiners and the Trust Division conducted its annual 2-week school for trust examiners. Selected regional management personnel were brought to Washington to participate in the second advanced training program. Certain experienced personnel were enrolled in the Office's advanced education program whereby they are encouraged to seek a master's degree in banking or financial fields.

During the year the incentive awards program was revived. The interest demonstrated on the part of field personnel is encouraging and has resulted in worthwhile modifications of procedures.

Fiscal management

As a result of a top level review of expenditure practices early in the fiscal year, many changes were introduced to reduce the total cost per product unit. Toward the end of the year initial steps were taken to establish a stronger fiscal management program including new staff appointments and the reorganization of one division.

Information services program

The purpose of this program is to make the policies and procedures of the Office of the Comptroller of the Currency better known and to facilitate communications within it and between the Office and the banking industry. Four basic manuals are available to employees, banks, and other interested parties: "Comptroller's Manual for National Banks," "Comptroller's Manual for Representatives in Trusts," "Comptroller's Policy Guidelines for National Bank Directors," and "Instructions, Procedures, Forms for National Bank Examiners." The booklet "Duties and Liabilities of Directors of National Banks" maintained its position as one of the most popular issuances of this Office. The "Annual Report of the Comptroller of the Currency" continued in the format begun with the 1963 report. It continues to contain a general statement of policy, descriptions of the state of the National Banking System, of Office operations, and reprints of selected Office documents relating to crucial public issues in banking.

Status of national banks

At the end of fiscal 1967, there were 4,780 operating national banks, compared with 4,811 a year earlier. Of these, 1,436 were operating 9,710 branches, making a total of 14,490 offices. This was an increase of 605 offices during the year. Twenty-two national bank charters were issued for newly organized banks, while 13 charters were issued for the conversion of State banks to national banks. During fiscal 1967, 691 branches opened for business as national bank branches, including 550 de novo branches and 141 branches of either converted banks or banks acquired through merger. During the same period, 53 branches were discontinued or consolidated, for a net increase of 638 branches.

Total assets of national banks grew to $242.0 billion at the end of fiscal 1967. This increase of $16.6 billion, or 7.4 percent, included a $6.9 billion increase in loans. Holdings of securities advanced from $56.8 billion to $62.6 billion during the same period. The proportion of loans and discounts to total assets dropped from 54.6 percent to

53.7 percent during the fiscal year; in contrast the ratio of securities to total assets increased from 25.2 percent to 25.9 percent. Net after-tax income of national banks increased from $1.4 billion for calendar year 1965 to $1.6 billion in 1966, a 14.1 percent increase. Total cash dividends declared increased from $683 million to $738 million, and net income after dividends increased 20 percent, from $704 million to $845 million.

Number of national banks and banking offices, by States, June 30, 1967

	National banks			Number of branches	Number of offices
	Total	Unit	With branches		
United States	4,780	3,344	1,436	9,710	14,490
Alabama	87	54	33	145	232
Alaska	5	0	5	41	46
Arizona	4	1	3	184	188
Arkansas	67	37	30	65	132
California	86	39	47	1,853	1,939
Colorado	118	118	0	----------	118
Connecticut	30	8	22	184	214
Delaware	5	3	2	4	9
District of Columbia	9	1	8	54	63
Florida	200	200	0	----------	200
Georgia	60	34	26	134	194
Hawaii	2	----------	2	41	43
Idaho	9	3	6	101	110
Illinois	423	421	2	1	424
Indiana	123	56	67	274	397
Iowa	102	67	35	38	140
Kansas	171	146	25	25	196
Kentucky	80	39	41	121	201
Louisiana	47	15	32	147	194
Maine	21	6	15	73	94
Maryland	48	18	30	203	251
Massachusetts	90	23	67	364	454
Michigan	98	31	67	477	575
Minnesota	195	193	2	6	201
Mississippi	36	7	29	105	141
Missouri	98	79	19	19	117
Montana	49	49	0	0	49
Nebraska	127	108	19	19	146
Nevada	3	1	2	36	39
New Hampshire	52	32	20	27	79
New Jersey	146	42	104	484	630
New Mexico	34	15	19	58	92
New York	186	86	100	1,049	1,235
North Carolina	24	5	19	281	305
North Dakota	42	34	8	9	51
Ohio	224	91	133	582	806
Oklahoma	220	193	27	27	247
Oregon	12	6	6	220	232
Pennsylvania	343	187	156	865	1,208
Rhode Island	4	0	4	55	59
South Carolina	26	5	21	198	224
South Dakota	34	25	9	44	78
Tennessee	77	21	56	234	311
Texas	546	546	0	0	546
Utah	13	9	4	55	68
Vermont	27	14	13	37	64
Virginia	114	41	73	383	497
Washington	28	13	15	361	389
West Virginia	80	80	0	0	80
Wisconsin	114	102	12	24	138
Wyoming	40	40	0	0	40
Virgin Islands	1	0	1	3	4
District of Columbia—all [1]	14	1	13	90	104

[1] Includes national and nonnational banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

Report of condition of all national banks, selected dates

[In millions of dollars]

Item	June 30, 1966 (4,811 banks)	Dec. 31, 1966 (4,799 banks)	June 30, 1967 (4,780 banks)
ASSETS			
Cash, balances with other banks, and cash items in process of collection	36,769	41,690	39,462
U.S. Government securities, direct and guaranteed	28,891	30,355	29,544
Obligations of States and political subdivisions	23,975	23,778	27,660
Securities of Federal agencies and corporations not guaranteed by the United States	3,473	3,026	4,037
Other bonds, notes, and debentures	478	509	1,372
Total securities	56,817	57,668	62,613
Federal funds sold and securities purchased under agreements to resell	r 1,530	2,301	2,643
Direct lease financing	293	331	360
Loans and discounts, net	123,192	126,881	130,082
Fixed assets	3,298	3,451	3,644
Customers' liability on acceptances outstanding	1,013	1,077	1,181
Other assets	r 2,529	2,597	2,054
Total assets	225,441	235,996	242,039
LIABILITIES			
Demand deposits of individuals, partnerships, and corporations	76,460	84,434	80,208
Time and savings deposits of individuals, partnerships, and corporations	81,161	83,025	90,488
Deposits of U.S. Government	6,939	3,212	3,367
Deposits of States and political subdivisions	16,413	16,839	18,466
Deposits of foreign governments and official institutions, central banks, and international institutions	2,855	2,944	3,344
Deposits of commercial banks	10,690	12,595	11,470
Certified and officers' checks, etc	3,274	3,407	3,755
Total deposits	197,792	206,456	211,098
Demand deposits	105,990	112,37	107,595
Time and savings deposits	91,802	94,079	103,503
Federal funds purchased and liabilities for securities sold under agreements to repurchase	r 2,183	2,802	3,140
Liabilities for borrowed money	180	174	279
Acceptances executed by or for account of reporting banks and outstanding	1,031	1,105	1,206
Other liabilities	r 6,234	7,000	7,218
Total liabilities	207,420	217,537	222,941
CAPITAL ACCOUNTS			
Capital notes and debentures	1,167	1,161	1,227
Preferred stock	29	29	30
Common stock	5,062	5,109	5,252
Surplus	8,119	8,246	8,465
Undivided profits	3,128	3,350	3,539
Reserves	516	564	585
Total capital accounts	18,021	18,459	19,098
Total liabilities and capital accounts	225,441	235,996	242,039

r Revised.

Résumé

The Office of the Comptroller of the Currency continues to change and grow with the national economy and the banking industry. Internal operations and administration are undergoing constant refinement and improvement in order to serve the public better.

Bureau of Customs

The responsibility of the Bureau of Customs is to administer the tariff and related laws affecting international trade and traffic. It collects import duties and taxes; regulates carriers, persons, and merchandise entering or departing the country; detects and prevents smuggling and frauds on the revenue; and regulates vessels in the coastwise and fishing trades. The Service also conducts a widespread program to inform and encourage voluntary compliance by the export-import public with the laws, regulations, and controls established by Customs and numerous other Federal agencies.

Management improvement program

During fiscal 1967 the cost reduction-management improvement program resulted in the highest annual savings realized in over a decade, approximately $1,782,000. This included $152,000 under the incentive awards program; $40,000 from the annual records disposal program; $150,000 cost avoidance through the elimination of paperwork and the customs forms projects. Additional savings of $158,000 in simplification of vessel documentation and admeasurement procedures were achieved prior to February 1967 when these functions were transferred to the U.S. Coast Guard by Treasury Department Order No. 167-81, dated January 30, 1967.[1]

Most of these savings were utilized within the Customs Service to assist in the absorption of an overall workload increase in excess of 10 percent, without a substantial increase in staff or expenditures.

Reduction of paperwork.—Great strides were made in curtailing and eliminating Customs paperwork, which has simplified the movement of the nation's imports and exports. A total of 536 Customs forms were analyzed; 89 of these were eliminated and recommendations for the discontinuance of an additional 167 forms were accepted. It is expected that the continuing paperwork reduction or forms consolidation program will result in an estimated recurring cost avoidance of around $441,000 for Customs, with an additional $138,000 for importers and exporters.

A servicewide forms elimination and consolidation contest produced estimated savings of $198,000, the result of 44 suggestions submitted by 33 employees.

Automatic data processing.—The Data Processing Center at Silver Spring, Md., became operative during fiscal 1967. Approximately 1.7 million mail entry collection transactions were processed by the Customs computer, replacing the former manual accounting system. Furthermore, the computer processed these as a small part of its workload at the rate of 400 a minute. Man-hours previously required for collection and accounting for mail entries were reduced at more than 50 ports. The Post Office also benefited by the Bureau's simplification of its mail system from all ports of entry to two locations—the Data Center and the New York collection center for mail.

At the fiscal yearend the ADP Center was completing the installation of the revenue and appropriations accounting systems, designed to control the growing number of customs transactions confronting the Bureau each year. The Baltimore, Boston, and Miami regions

[1] See exhibit 72.

began conversion to the ADP accounting system during the fiscal year.

Accounting procedure manuals were prepared at headquarters to guide field personnel in the use of peripheral computer equipment and the new forms required by the ADP system. In addition, a series of talks was given in leading east coast ports to explain the automated system to carriers, importers, brokers, and members of the importing-exporting public. A 3-day training session for regional financial management officers also was conducted.

Mail operations.—The initial phase of the mail examination consolidation program was completed. Studies were conducted on the volume, type, and direction of flow of foreign mail arriving in several mail divisions, keeping in mind Customs goal of processing all foreign mail at the port of first arrival. As a result, it was possible to phase out 20 small Customs mail examination units and to improve the efficiency of the 25 remaining units.

Organizational changes.—The Office of Planning and Research was established in April 1967 to provide Customs with a research and long-range planning capability and to direct Customs participation in the planning-programing-budgeting system.

Plans have been completed for a Customs-wide information system, which when installed will provide workload statistics, cost and man-hour data for about 40 Customs functions on a monthly basis. This information will enable Customs to implement its Treasury-approved program structure and will be the basis for the planning-programing-budgeting system.

Among the studies underway are a special one to determine the best way of systematically sampling formal entries at various stages of handling, a study of the feasibility of automating the formal entry process, and a study to determine the optimum level of Customs mail examination.

A new division was established in the Office of Administration to manage the Bureau portion of the Customs-Immigration border construction program; to direct and advise on the procurement of furniture and equipment; and to administer Customs space requirements and utilization programs in all Customs-occupied buildings.

Customs Information Exchange.—A survey to improve the Customs Information Exchange function resulted in the transfer of the printing and forms distribution responsibility from Bureau headquarters to the New York regional office.

Bureau operations

Collections.—Revenue collected by Customs during fiscal 1967 reached an alltime high of $2.7 billion, an 8.5 percent rise over 1966. This included customs duty collections, excise taxes on imported merchandise collected for the Internal Revenue Service, and certain miscellaneous collections. Collections and payments by customs regions and districts are shown in table 22. The major classes of all collections made by the Customs Bureau are shown in table 23. The cost of collecting each $100 was $3.27, compared with $3.55 in fiscal 1966.

Carriers and persons entering.—More than 202 million persons were subject to customs inspection during fiscal 1967, a 5.2 percent increase in persons arriving and a 5.4 percent increase in carriers over fiscal 1966, as shown in tables 88 and 89.

Entries of merchandise.—Both the volume and value of imports continued to climb, with the value reaching $26.5 billion in fiscal 1967 compared with $23.3 billion last year, an increase of 13.3 percent. The volume and type of entries handled during the last 2 fiscal years are shown in table 86.

A total of 37.8 percent of all imports entering the United States during the year were duty free and included commodities imported free for Government stockpile purposes or authorized for free entry by special acts of Congress. The remaining 62.2 percent were subject to duty.

Invoices.—The number of invoices filed totaled 3,580,159, an increase of 10.5 percent over the previous year. The backlog of unappraised invoices on hand with the commodity teams of around 318,000 on June 30, 1967, represented a decrease of 27.8 percent from the end of fiscal 1966.

Audits.—Under the internal audit program covering the 50 States, the Virgin Islands, and Puerto Rico, 107 internal reports, 44 wool company audits, and 257 reports covering customhouse brokers were made. Thirty-six statistical reports on verification of formal entry liquidations were made available to regional commissioners each quarter.

Liquidations.—The backlog of unliquidated entries, including those awaiting reliquidation, was reduced from 1,380,950 to 981,876 during fiscal 1967. The largest reductions occurred in Regions I (Boston), II (New York), III (Baltimore), and IX (Chicago).

Protests.—Protests filed by importers against the rate and amount of duty assessed and appeals for reappraisement filed by importers who did not agree with the customs officers on the value of merchandise are shown in the following table.

Protests and appeals	1966	1967	Percentage increase, or decrease (−)
Protests:			
Filed with collectors by importers (formal)	55,500	68,260	23.0
Filed with collectors by importers (informal)	69,070	78,189	13.2
Appeals for reappraisement filed with collectors	28,908	23,907	−17.3

Drawback.—The total drawback allowance paid during fiscal 1967 amounted to $42,626,641, as reflected in table 87. Drawback allowance on the exportation of merchandise manufactured from imported materials amounts to 99 percent of the customs duties paid at the time goods are entered.

On the basis of a study made during the year action was taken to expedite the administration of drawback claims. Drastic improvements are expected in the Customs paperwork due to the elimination of 16 forms and the combining of 13 forms into four.

Export control.—The following table compares export control during the last 2 years.

Activity	1966	1967	Percentage increase, or decrease (−)
Export declarations authenticated	5,555,312	5,247,490	−5.6
Shipments examined	417,254	386,477	−7.4
Number of seizures	339	230	−32.2
Value of seizures	$747,544	$192,703	−74.2
Export control employees	223	226	1.3

Entry, clearance, and use of vessels.—The following table compares entrances and clearances of vessels for fiscal years 1966 and 1967.

Vessel movements	1966	1967	Percentage increase
Entrances:			
Direct from foreign ports	50,159	51,189	2.1
Via other domestic ports	40,797	42,880	5.1
Total	90,956	94,069	3.4
Clearances:			
Direct to foreign ports	47,734	49,737	4.2
Via other domestic ports	36,795	43,476	18.2
Total	84,529	93,213	10.3

Wool imports.—Supervision of wool arrivals was continued with 9,620 reports of wool importations reviewed to assure uniformity in the identification, grade, condition, and yield of the wool. An additional 685 samples of wool wastes, man-made fibers and wastes, and cotton wastes also were examined.

Quotas.—Last year 102 absolute and tariff-rate quotas on 20 different commodities were imposed under specific Presidential proclamations and legislation, plus 5 quotas imposed under the Philippine Trade Agreement Revision Act of 1955.

A total of 227 import quotas on cotton textiles and cotton textile products manufactured or produced in various countries also were administered.

Coffee imported from nonmember countries of the International Coffee Agreement became subject to quota on November 15, 1966. This required the administration of 7 absolute quotas, as the quotas were allocated to 6 specific nonmember countries, plus a "basket" quota.

Penalties.—Decisions were made on 1,105 penalty cases in 1967. A total of $99,036 was paid to 55 informers for a recovery of more than $903,000 to the Government.

The amount of penalties assessed for violations of customs and related laws more than doubled the 1966 figure.

Penalty cases, fiscal year 1967

Type of case	Number	Full statutory liability of violators
Penalty and forfeiture	942	$67,443,445
Liquidated damages	163	3,683,015
Total	1,105	71,126,460

Net liability imposed by penalty decisions, 1966 and 1967

Type of case	1966	1967
Penalty and forfeiture cases	$1,482,140	$3,800,798
Liquidated damages	90,618	201,349
Total	1,572,758	4,002,147

Prohibited and restricted importations.—A total of 239 trademarks, trade names, copyrights, and assignments were recorded and 21 patent surveys were initiated or renewed. Approximately 260,000 pieces of screened mail contained lottery tickets, while 65,000 mail parcels were detained as obscene.

There were several judicial developments during the year on the obscenity statute. There were successful prosecutions at the district level for a variety of picture magazines involving nudity. However, a number of U.S. Supreme Court decisions reversed previous convictions in sex-oriented paperbacks, "stag" type films, and magazines featuring nudity.

Dumping and countervailing duty cases.—Nine dumping cases were received and 13 closed. A total of 17 cases remained on hand at the end of the year. One finding of dumping was issued.

A countervailing duty order was issued covering transmission towers from Italy.

Tariff classification.—Over 8,700 written replies to inquiries on tariff classification of merchandise were made. Of these, 775 were of sufficient importance to be published as summaries of Bureau rulings in the "Customs Bulletin." The time required to process and issue classification rulings was shortened during the year. Regulations also were issued covering the free entry of educational, scientific, and cultural materials under Public Law 89–651, approved October 14, 1966, which implemented the Florence Agreement. Applications for free entry of 159 scientific instruments and apparatus were processed.

Marine.—The functions pertaining to the admeasurement of vessels, documentation of vessels, publication of master vessel registers, registration of stack insignia, and shoreside port security were transferred from the Commissioner of Customs to the Commandant, U.S. Coast Guard, effective February 24, 1967, by Treasury Department Order No. 167–81.[1]

Algeria, Rumania, Singapore, and Syria were added to the list of countries whose vessels are exempt from the payment of special tonnage taxes and light money.

Foreign Customs assistance.—Eight customs employees began intensive training as Foreign Customs Reservists for placement overseas as Customs advisors. During fiscal 1967 one Customs advisor was assigned to Panama, six were stationed in Colombia, and a three-man team was in Chile. Four men were assigned to Argentina, two to Costa Rica, three to Liberia, and two to Afghanistan. The largest concentration was in Vietnam where 25 men were stationed.

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[1] See exhibit 72.

In addition, general customs surveys were conducted in Ethiopia, the Philippines, Korea, El Salvador, and Vietnam. Customs laboratory surveys were completed in Panama and in five Central American countries. A total of 104 participants from 29 countries observed U.S. Customs operations and participated in orientation programs at Bureau headquarters and various ports of entry throughout the country.

Laboratory.—Chemists of the Division of Technical Services analyzed 143,577 samples during 1967. Although most of the laboratory work covered import samples, 11,125 samples were tested from customs seizures, mostly narcotic drugs. Claims for drawback of duty on exported goods required comparisons or verification in 150 instances; and 1,163 testings were made of preshipment items to develop facts on which to base tariff classification of new goods intended for shipment to this country. A total of 7,854 items were tested for other Government agencies.

During the year chemists spent 2,318 man-hours in court as witnesses in narcotic and tariff classification cases of an exacting and complex nature.

New Orleans handled an increase of 7,500 samples over last year and lowered their average cost per sample from $5.43 in 1966 to $4.54. An alltime record of 5,059 samples were received in June. Ores and minerals samples processed at New Orleans increased by 2,600. The tests established that many thousands of tons of fluorspar were dutiable at the rate of $8.40 per ton instead of $2.10 per ton.

The reassignment of work for the El Paso and New Mexico ports from the Los Angeles laboratory to the one in New Orleans helped eliminate the ore-sampling backlog in the California laboratory.

Work was underway at the fiscal yearend on a method to analyze multicomponent blends of textile fibers, a rapidly developing problem in the classification of textile materials. Another task in progress is the rewriting and modernizing of customs laboratory methods of analyses in light of new commodity breakdowns contained in the Tariff Schedules of the United States.

Several new techniques were developed in Baltimore for analyzing imports with specific problems, such as chrome ore, zinc concentrates, and the field testing of marihuana. A new improved field test kit for LSD was to be ready for inspectors during the fall of 1967.

Laboratory personnel participated in training courses, LSD seminars, and an infrared spectroscopy course arranged by a U.S. corporation. An article prepared in Baltimore on the analysis of LSD, the controversial hallucinogenic agent, was accepted for publication in the Bulletin on Narcotics, United Nations, vol. XIX, No. 3, July–September 1967.

Construction projects.—The joint Customs and Immigration border construction program for the year included the completion of nine residences and three stations, with an additional seven residences under construction. Contracts were awarded for two border stations, three residences, and one underground storage tank.

Cooperative projects between Customs and the General Services Administration included the completion of the Los Angeles-Long Beach customhouse and the Grand Portage, Minn., border station.

Three Texas border stations were about half completed at the fiscal yearend.

Personnel.—Regional personnel offices became fully operative during the year as they acquired experienced position classifiers and training officers. Specific program objectives were established and personnel management actions are being systematically reviewed during regional surveys.

The headquarters personnel staff was strengthened to permit development of better recruiting techniques needed to fulfill field needs.

Progress was made throughout the Service in revising a majority of the position descriptions to accommodate reorganizational changes. The import specialist occupation was approved by civil service to replace the former entry officer, liquidator, and examiner positions.

There was an increase in requests for recognition by unions. Several elections were administered and the Bureau's first basic and supplemental contract providing for exclusive recognition was negotiated.

Incentive awards.—The Servicewide program reflected increased participation by Customs employees everywhere. There were 1,968 suggestions submitted, 398 of which were adopted, representing an increase of 192 percent in adopted suggestions over fiscal 1966. Two Customs employees were nominated as "Economy Champions" by the Civil Service Commission for their combined suggestion which resulted in savings totaling $63,780.

Equal employment opportunity.—The Bureau continued its efforts to provide equal opportunity for women, minority groups, and the handicapped, as opportunities arose from the reorganization and program innovations. A centralized information reporting and evaluation system was organized throughout the country. The establishment of more community relationships by field offices down to the port level also promoted the program.

Training.—The training program was given increased emphasis both at headquarters and in the field. The Bureau's executive training plan was approved. A special on-the-job-training course for inspectors of imported merchandise was developed and furnished to regional offices.

Four classroom courses were completed for customs port investigators and 60 employees finished courses for import specialists.

The management intern program made six interns available for positions in the Service; special training was given many employees on the planning-programing-budgeting system; and the Youth Opportunity Corps was expanded for the summer.

The following training guides were developed cooperatively between the Training and Career Development Section of the Bureau and regional field offices: "Fundamentals of Duty Assessment," exploring all aspects of import specialization; "Instructors Guide," using the "Fundamentals of Duty Assessment" as a basis, was developed; and the "Instruction Guide for Examination," prepared in Houston as an aid in the examination of merchandise, was adopted on a nationwide basis.

Improved services to brokers, importers, and carriers.—The fiscal year 1967, the first full year of reorganized operations, brought improved service to the public. The faster clearance of merchandise and the speedier processing of customs paperwork were outstanding benefits.

The prereview of entries by the commodity teams has made it possible for many ports to process over 80 percent of their entries without further change. Differences of opinion between customs and the importer can be resolved quickly, and the number of refunds or increases in duties has dropped.

The "immediate delivery" procedure has been established wherever possible throughout the country and has speeded the release of cargo from docks and airports.

The transfer of responsibility for physical examination of merchandise from commodity teams to inspectors and samplers resulted in a decline in the cartage of examination packages to the public stores. Importers now receive faster delivery of their cargo and the Government benefits from the simplified procedures.

Express lines for vessel passengers were created in New York to expedite service to passengers able to carry their own luggage to the customs area.

Special committees were organized in each Customs region to create better understanding and closer cooperation between importers, brokers, carriers, and others engaged in the import-export business. Frequent meetings proved beneficial in the solving of mutual problems.

An ambitious program was launched in the Chicago region to improve the quality of entries presented. Training material for brokers and leading importers was based upon a careful analysis of problem areas. A kit containing the following pamphlets was assembled and distributed: "Guidelines for New Employees of Customs Brokers;" "Glossary of Terms for Foreign Trade and U.S. Customs;" "Frequent Causes of Change Entries;" "'Rejected' Entries Cost You Money;" and "How Customs Automatic Data Processing Will Affect You."

Public information and publications.—New guidelines were prepared for regional, district, and port information officers with suggestions for reaching larger audiences via exhibits, press releases, and special projects.

A major project was the concentrated program to inform U.S. residents planning to attend Expo 67 of their customs privileges and restrictions. A special 4-page leaflet of questions and answers was distributed by both Canadian and United States customs officers along the northern border; around 1,000 radio and TV spot announcements with color slides, plus local newspaper items, received wide coverage and encouraged travelers to "know before they go" by making use of our publications to speed their return through Customs.

Four new and seven revised pamphlets were issued to meet the sharp rise in travel and international trade. Six of these were printed in foreign languages. A "do's and don'ts" poster was reissued for use by airlines, steamship companies, and travel agencies.

Private aviators received assistance in making entry and clearance of their planes through Customs from a booklet "Customs Guide for Private Flyers," published by the operations staff.

The output of news releases, magazine articles, TV and radio interviews, idea sheets, and speeches showed a marked increase throughout the country to help the public understand the Customs mission.

Investigative activities

The Customs Agency Service is the primary enforcement arm of the Bureau. During the year, offices of resident agents were opened in Atlanta, Ga., and Corpus Christi, Tex. The office at Port Arthur was transferred to Beaumont, with a resident agent instead of a customs agent in charge. The offices at Pembina, N. Dak., and Great Falls, Mont., also were changed to resident agents. An additional agent was stationed in Mexico City and two agents were added at Rouses Point, N.Y.

Major improvements were made in the agency system of radio communications. Mobile units several years old were replaced with current models, while more powerful units were secured for New York and Miami. The utilization of the Federal Telecommunications System made it possible to do away with the former teletype operation in regional offices. The system for submitting and distributing suspect and violator index cards also was streamlined and improved.

Investigations completed.—The number and types of cases investigated under customs, navigation, and related laws enforced by Customs increased 9.7 percent over fiscal year 1966, as shown in table 91.

Enforcement regions.—The regions along the Mexican border continued to generate a large number of criminal cases. In the Houston region which includes Texas and New Mexico, there were 872 arrests and 320 convictions. There were 1,994 arrests and 717 convictions in the Los Angeles region which covers Arizona and California.

Arrests.—The following table shows the number of arrests and dispositions during the last 2 fiscal years.

Activity	Fiscal years 1966	Fiscal years 1967	Percentage increase, or decrease (−)
Persons under or awaiting indictment at beginning of year	1,109	1,382	24.6
Arrests	2,522	3,374	33.8
Turned over to other agencies	639	1,009	57.9
Prosecutions declined	348	464	33.3
Not indicted	17	12	−29.4
Convictions	1,094	1,137	3.9
Dismissals and acquittals	126	179	42.1
Nolle prossed	25	78	212.0
Persons under or awaiting indictment at end of year	1,382	1,877	35.8

Seizures, general.—A total of 5,638 seizures, aside from narcotics and marihuana, were made during the year.

Seizures, narcotic and marihuana.—Opium was encountered in no more than token quantities throughout the year. However, cocaine in lots of 1 ounce to 6 ounces appeared along the California border more frequently than heretofore. Three large seizures also were made from travelers arriving in Miami by air.

The Mexican border provided numerous moderate-size seizures of heroin and New York several large ones. With the exception of a 17.8-ounce lot seized at Andrade, Calif., in an undercover case, all the substantial lots of heroin along the southern border were encountered in Texas, apparently coming from suppliers across the border from Eagle Pass and Roma.

The largest individual seizure of the year was made by Customs port investigators on plainclothes motor patrol on the Brooklyn waterfront where 21 pounds, 12 ounces of 97.9 percent pure heroin were taken from a seaman on a French vessel and his partner, another French seaman, who had just arrived in New York by air. Part of the contraband was found on their persons, part on the vessel, and part in a car rented by the seaman who arrived by air. One was sentenced to 15 years and the other 7 years. Two weeks later, when an English professional criminal arrived from Paris by air carrying a false British passport, a customs inspector found a hidden compartment in his suitcase containing eight packages of 97.9 percent pure heroin, weighing 11 pounds and packed in the same manner as that seized from the two French seamen. He pleaded guilty and received a 15-year sentence.

The most striking development in the customs enforcement field during the year was the increase in seizures of marihuana from 10,411 pounds in 1966 to 26,313 pounds in 1967. Not long ago a 100-pound seizure of marihuana was regarded as an event of major significance. In fiscal 1967 there were 87 seizures totaling 19,229 pounds, or an average of 211 pounds each. Seven seizures, totaling 1,657 pounds, were made in Texas, including seizures of marihuana followed from there to other places; three totaling 543 pounds in Arizona; and 27 totaling 17,029 pounds in California. Thirty-one seizures totaling 6,526 pounds were made as the result of information received; 56 totaling 12,703 pounds were made without previous information.

The following table compares narcotic and drug seizures during 1966 and 1967.

Seizures	Fiscal years		Percentage increase, or decrease (−)
	1966	1967	
Narcotic drugs (weight in grams):			
Heroin	7,959	35,323	343.8
Number of seizures	182	225	23.6
Raw opium	2,494	2,036	−18.4
Number of seizures	7	9	28.6
Smoking opium	34,936	2,400	−93.1
Number of seizures	5	7	40.0
Others	20,299	18,304	−9.8
Number of seizures	313	291	−7.0
Marihuana:			
Bulk (grams)	[1] 4,722,481	11,935,431	152.7
Number of seizures	699	1,081	54.6
Cigarettes (number)	904	1,829	102.3
Number of seizures	191	334	74.9

[1] Revised.

Seizures, merchandise.—Customs seizures of merchandise throughout the country for violations of laws enforced by the Customs Agency Service increased 20.2 percent in the number of seizures and 72.4 percent in the appraised value, compared with fiscal year 1966. Details of these seizures by number and value are shown in table 90.

Foreign trade zones

Customs duties and internal revenue taxes collected during fiscal 1967 in the nine zones in operation amounted to $10,303,304. Although a grant establishing a new zone, No. 10, at Bay County, Mich., was issued on September 12, 1966, there was no activity in that zone during the year. Zone No. 9, at Honolulu, completed its first full year of business.

Although the number of entries received in the nine zones decreased by 6.2 percent, with seven areas showing decreases, there were substantial increases in other zone business to offset this.

The following table summarizes foreign trade zone operations during fiscal 1967.

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	4,819	19,057	$41,851,064	21,059	$41,302,606	$6,618,095
New Orleans	3,249	39,480	21,410,765	27,080	19,883,212	525,836
San Francisco	8,311	3,646	6,050,598	3,024	4,467,254	418,397
San Francisco (subzone)	661	184	1,101,238	123	757,012	226,748
Seattle	566	702	1,689,143	607	1,497,742	172,960
Mayaguez	322	348	798,633	412	1,773,284	63,734
Penuelas (subzone)	17	393,383	6,529,448	231,059	11,079,804	215,589
Toledo	155	20,546	7,624,822	25,306	8,945,878	1,966,680
Honolulu	793	1,236,406	1,743,251	952,329	1,362,501	95,265

Cost of administration

Customs operating expenses amounted to $91,646,829, 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 the fiscal years 1966 and 1967.

Operation	Man-years 1966	Man-years 1967	Percentage increase
Regular customs operations:			
Nonreimbursable	8,091	8,093	
Reimbursable [1]	401	408	1.7
Total regular customs employment	8,492	8,501	.1
Export control	223	226	1.3
Additional inspection for Department of Agriculture	251	262	4.4
Total employment	8,966	8,989	.3

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

Office of Director of Practice

The Office of Director of Practice is a part of the Office of the Secretary of the Treasury and is under the immediate supervision of the General Counsel. The Director of Practice institutes and provides for the conduct of disciplinary proceedings against attorneys, certified public accountants, and enrolled agents who are alleged to have engaged in disreputable conduct or who are alleged to have violated the rules and regulations regarding practice before the Internal Revenue Service.

Pursuant to revisions to Treasury Department Circular No. 230 (31 CFR, Pt. 10), effective September 13, 1966, the function of receiving and acting upon applications for enrollment to practice before the Internal Revenue Service as taxpayers' agents was transferred from the Office of Director of Practice to the Commissioner of Internal Revenue. Prior to such transfer, during the period July 1, 1966, through September 12, 1966, the Director of Practice denied one application for enrollment. Fourteen applications awaiting review were transferred to the Commissioner of Internal Revenue in accordance with Treasury Department Order No. 175-4.[1]

On July 1, 1966, there were 164 cases under evaluation in the Office of Director of Practice, which involved derogatory information related to practice before the Internal Revenue Service by attorneys, certified public accountants, and enrolled agents. During the fiscal year, 109 new derogatory information cases were received. Disciplinary action was taken in 48 cases, either by this Office or by order of a hearing examiner. These 48 actions affected 17 attorneys, 22 certified public accountants, and nine enrolled agents. During the fiscal year, five proceedings for disbarment or suspension were initiated before a hearing examiner. Decisions were rendered in four of these cases. In addition, two cases were carried over on the examiner's docket from the previous fiscal year. In two cases involving attorneys, the examiner issued an initial order for disbarment. In two other cases, an order of suspension was imposed upon a certified public accountant and an enrolled agent. One case which had been heard by the examiner and which was awaiting decision at the end of fiscal 1966 was dismissed by the examiner. As of June 30, 1967, two cases were awaiting presentation before a hearing examiner and 76 were pending while under active review and evaluation.

Prior to the revision of Treasury Department Circular 230, the Director of Practice, pursuant to Revenue Procedure 64-47, exercised an appellate jurisdiction over determinations by district directors denying to unenrolled preparers of returns the privilege of limited practice before the Service. As of July 1, 1966, four such appeals were awaiting final decision. These were resolved prior to September 13, 1966.

Office of Domestic Gold and Silver Operations

The Office of Domestic Gold and Silver Operations, in the Office of the Under Secretary for Monetary Affairs, assists the Under Secretary in the formulation, execution, and coordination of policies and programs relating to gold and silver in both their monetary and commercial aspects. The Office administers the Treasury Department gold regulations relating to the purchase, sale, and control of industrial gold, gold coin, and gold certificates; issues licenses and other authorizations for the use, import and export of gold, and for the importation and exportation of gold coin; receives and examines reports of operations; investigates and supervises the activities of users of gold; and administers the silver coin regulations relating to the melting, treating, and export of silver coins of the United States. Investigations into possible violations of the gold regulations and the silver coin regulations are coordinated with the U.S. Secret Service, the Bureau of Customs, and other enforcement agencies.

[1] See exhibit 72.

Gold

Purchases of gold for industrial use from the Treasury.—The gross sales of gold for industrial use by the Treasury increased in the calendar year 1966 to 5,584,512 fine troy ounces, as compared with 4,691,485 fine troy ounces in calendar year 1965, 3,665,245 ounces in calendar 1964, and 3,068,345 ounces in 1963.

Gold coin licensing.—The volume of requests for the importation of gold coins and the cases involving coins acquired abroad without license by uninformed tourists, continued to be large.

End uses of gold.—End-use certificates with detailed information concerning the end-use of gold were in effect through the calendar year 1966. The estimated allocation by use for 1966 is shown in the table below.

Estimated allocation of gold by use for the calendar year 1966

	Fine troy ounces	Dollars, based on $35 per ounce	Percent
Jewelry and arts	3,758,502	131,547,570	62
Dental	424,347	14,852,145	7
Industrial, electrical, and electronics, including space and defense	1,636,767	57,286,845	27
Other industrial, including space and defense	242,484	8,486,940	4
Total	6,062,100	212,173,500	100

Silver

Commencing in 1963 when the market price of silver reached the U.S. monetary value of silver, $1.29+ per fine troy ounce, the Treasury made silver available to the market at $1.29+ per ounce through redemptions of silver certificates and sales of free silver. On May 18, 1967, such sales of silver to buyers other than domestic industrial users were discontinued.[1] Also, under the authority of the Coinage Act of 1965 prohibitions were invoked on the melting, treating, and export of silver coins.

On June 30, 1967, $150 million in silver certificates were written off pursuant to Public Law 90–29, approved June 24, 1967,[2] and approximately 116 million ounces of silver formerly held as reserves against such silver certificates were transferred to the Treasury balances of free silver.

Bureau of Engraving and Printing

The Bureau of Engraving and Printing is responsible for manufacturing U.S. paper currency, various public debt instruments, and most other evidences of a financial character issued by the Government, such as postage and internal revenue stamps, food coupons, and military payment certificates. In addition, the Bureau prints commissions, certificates of awards, permits, and a wide variety of other miscellaneous items. The Bureau also executes certain printings for various territories administered by the United States.

[1] On July 14, 1967, sales of silver at the $1.29+ price were discontinued and since that time sales of Treasury free silver have been conducted by the General Services Administration as agent for the Treasury at going market prices on a competitive sealed bid basis.

[2] See exhibit 71.

Management attainments

The Bureau has continued to expand its program of converting the printing of currency to the dry intaglio process, 32 notes to the sheet. During fiscal 1967, the four sheet-fed rotary presses acquired in 1965 were refined, with resultant increased productivity and reduced spoilage. The average cost of producing currency decreased from $8.42 per thousand notes in fiscal 1966 to $8.14 in 1967. The number of currency notes converted to printing on the high-speed 32-subject presses was increased by 78,592,000 notes, which contributed to this decrease in the unit cost. This conversion represented additional annual recurring savings of $273,500 in fiscal 1967. Complete conversion to the high-speed dry process of printing currency is anticipated by the close of fiscal 1968. The actual cost of $8.14 for fiscal 1967 represents the lowest unit cost rate for the production of currency since 1951, the year in which new impetus was given to the Bureau's modernization program.

During fiscal 1967 the Bureau realized the additional annual savings of $10,330 anticipated last year from conversion in the method of printing Puerto Rican bottle strip stamps from sheet-fed flatbed presses to high-speed rotary web-fed presses initiated in fiscal 1966. Additional annual savings of $18,000 accrued to the Bureau from utilization of its new tour facility which was opened for visitors in fiscal 1966.

During fiscal 1967 the Bureau completed its program for conversion of the printing of Treasury bills from the wet to the dry method on high-speed press equipment. Treasury bills are the largest single item requisitioned by the Bureau of the Public Debt. Recurring annual savings of $208,000 were realized in 1967 from this changeover.

The procedure for manufacturing the green ink used in printing currency backs was recently changed. The new procedure involves processing much larger quantities, using an ink pump to transfer the ink to the mills, and milling once instead of three times. Annual recurring savings of $10,000 are estimated to accrue from this action beginning with fiscal 1967.

The craft training opportunities program initiated in the 1966 fiscal year was intensified and extended to cover additional crafts in the printing, binding, and maintenance trades and crafts categories. The success of this program resulted in the advancement of the equal employment opportunity program and an atmosphere of cooperation and acceptance by all persons concerned.

During the year, the Bureau has been actively engaged in overprinting an invisible phosphor coating on postage stamps to activate the sensing mechanism of Post Office equipment designed to speed the sorting and distribution of mail. Complete conversion has been accomplished for the denominations and types of stamps designated by the Post Office Department. Much research work has gone into developing suitable phosphor ink for the postage stamps and proper press equipment for monitoring the application of this ink.

In the interest of maintaining efficient and economical operations, the Bureau has carried on intensive research, engineering, and development activities and a continuing program of production and quality control studies.

Fiscal, administrative, and production areas have been audited by the Bureau's internal auditors. There were 32 audit recommendations outstanding at the beginning of fiscal 1967. Seventy-two reports of audit, containing 61 recommendations for consideration by various levels of management, were released. During the year 56 recommendations were cleared, leaving 37 under consideration at the fiscal yearend.

Through its excess property program, the Bureau received $5,078 from the sale of obsolete equipment and excess material. Equipment and furniture valued at $32,507 were obtained at no charge, through the Federal excess property utilization program.

Efforts were continued to encourage employee participation and to maintain supervisors' enthusiasm in the employee suggestion program. The Bureau's overall rate for suggestions adopted in fiscal 1967 was 36.4 percent (as compared with the national average of 24.4 percent for the calendar year 1966), with 15.78 suggestions received for each 100 employees. Estimated annual recurring savings of $39,009 and one-time savings of $300 will accrue to the Bureau as a result of suggestions adopted in fiscal 1967. Performance awards increased in the administrative areas with three of the Bureau's top officials being granted Treasury's Meritorious Service Awards in recognition of the sustained excellence of their work. Also, one-time savings of $46,672 were realized through the sustained superior performance of employees.

During the year, 1,260 Bureau employees participated in 69 in-Bureau training programs; 35 employees attended two programs at the Department; 120 employees completed 29 interagency courses; two employees attended a conference conducted by other Government agencies; and 58 employees attended conferences, seminars, and training classes sponsored by non-Government organizations.

Through its continued special expenditure reduction efforts, in implementation of the President's memorandum to Heads of Departments and Agencies, dated April 29, 1966, the Bureau realized annual recurring savings of $21,539 and one-time savings of $88,642 in fiscal 1967.

Total estimated savings from management improvement efforts during fiscal 1967 approximate $580,378 on a recurring annual basis and $135,614 on a one-time basis. All savings realized are applied against the cost of products produced and are reflected in downward adjustments in products costs and passed on to customer agencies.

New issues of postage stamps and deliveries of finished work

New issues of postage stamps delivered by the Bureau in fiscal 1967 are shown in table 92. A comparative statement of deliveries of finished work for the fiscal years 1966 and 1967 appears in table 93.

Finances

Bureau operations are financed by reimbursements to the Bureau of Engraving and Printing fund, as authorized by law. Comparative financial statements follow.

Statement of financial condition June 30, 1966 and 1967

Assets	June 30, 1966	June 30, 1967
Current assets:		
Cash:		
On hand	$100	------------
With the Treasury	6,586,523	$5,540,167
Accounts receivable [1]	1,855,730	2,042,903
Inventories: [2]		
Finished goods	1,240,979	2,108,080
Work in process	3,554,609	3,813,874
Raw materials	931,956	1,260,832
Stores	1,120,413	1,215,127
Prepaid expenses	95,731	157,317
Total current assets	15,386,041	16,138,300
Fixed assets: [3]		
Plant machinery and equipment	24,370,485	22,400,970
Motor vehicles	156,742	160,744
Office machines	266,420	276,905
Furniture and fixtures	501,705	459,933
Dies, rolls, and plates	3,955,961	3,955,961
Building appurtenances	3,519,764	3,399,562
Fixed assets under construction	145,343	41,472
Total	32,916,420	30,695,547
Less accumulated depreciation	16,558,350	15,923,659
Total	16,358,070	14,771,888
Excess fixed assets (written down to 20 percent and 30 percent of book value, 1966 and 1967, respectively)	6,451	4,343
Total fixed assets	16,364,521	14,776,231
Deferred charges	114,417	85,523
Total assets	31,864,979	31,000,054
Liabilities and investment of the United States		
Liabilities:		
Accounts payable [4]	$2,061,571	$1,816,017
Accrued liabilities:		
Payroll	1,684,881	931,510
Accrued leave	1,864,408	1,861,391
Other	140,432	160,748
Trust and deposit liabilities	935,334	1,155,462
Other liabilities	2,259	343
Total liabilities [5]	6,688,885	5,925,471
Investment of the U.S. Government:		
Appropriation from U.S. Treasury	3,250,000	3,250,000
Donated assets, net	22,000,930	22,000,930
Total	25,250,930	25,250,930
Accumulated earnings, or deficit (−) [6]	−74,836	−176,347
Total investment of the U.S. Government	25,176,094	25,074,583
Total liabilities and investment of the U.S. Government	31,864,979	31,000,054

[1] Accounts receivable at June 30, 1966, included $134,242 representing the value of finished goods and work in-process inventories destroyed as a result of a fire as well as miscellaneous expenses incurred in connection thereto. The claim against the surety on the performance bond and the contractor engaged in the construction job involved in the fire was settled in full for $61,000 in June 1967.

[2] Finished goods and work-in-process inventories are valued at cost, including administrative and service overhead. 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.

[3] 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. The act of August 4, 1950 (31 U.S.C. 181a), which established the Bureau of Engraving and Printing fund specifically excluded land and buildings valued at about $9,000,000 from the assets of the fund. Also excluded are appropriated funds of about $6,784,000 expended or transferred to GSA for extraordinary expenses in connection with uncapitalized building repairs and air conditioning. As of June 30, 1967, fixed assets included $4,953,954 of fully depreciated items, principally plant machinery and equipment and building appurtenances. Dies, rolls, and plates were capitalized at July 1, 1951, on the basis of average unit costs of manufacture, 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.

[4] Accounts payable at June 30, 1967, include $1,211,000 representing payments withheld from contractors pending satisfactory performance of press equipment purchases.

[5] In addition, outstanding commitments with suppliers for unperformed contracts and undelivered purchase orders totaled $6,330,312 as of June 30, 1967, as compared with $5,555,669 at June 30, 1966.

[6] The act of August 4, 1950, provided that customer agencies make payment to the Bureau at prices deemed adequate to recover all costs incidental to performing work or services requisitioned. Any surplus accruing to the fund in any fiscal year is to be paid into the general fund of the Treasury as miscellaneous receipts except that any surplus is applied first to restore any impairment of capital by reason of variations between prices charged and actual costs.

Statement of income and expense, fiscal years 1966 and 1967

Income and expense	1966	1967
Operating revenue: Sales of engraving and printing	$33,012,991	$33,540,752
Operating costs:		
Cost of sales:		
Direct labor	13,385,424	13,919,731
Direct materials used	5,452,800	5,601,621
Prime cost	18,838,224	19,521,352
Overhead costs:		
Salaries and indirect labor	9,062,530	9,263,233
Factory supplies	1,291,091	1,428,698
Repair parts and supplies	321,614	316,509
Employer's share personnel benefits	1,548,016	1,666,056
Rents, communications, and utilities	546,858	579,145
Other services	342,999	455,147
Depreciation and amortization	1,905,349	1,853,258
Gains (−), or losses on disposal or retirement of fixed assets	34,306	229,384
Fire loss		73,242
Sundry expense (net)	54,615	103,050
Total overhead	15,107,378	15,967,722
Total costs [1]	33,945,602	35,489,074
Less:		
Nonproduction costs:		
Shop costs capitalized	437,965	150,381
Cost of miscellaneous services rendered other agencies	578,633	570,064
Total	1,016,598	720,445
Cost of production	32,929,004	34,768,629
Net increase (−), or decrease in finished goods and work in process inventories from operations	−143,806	−1,126,366
Cost of sales	32,785,198	33,642,263
Operating profit, or loss (−)	227,793	−101,511
Nonoperating revenue:		
Operation and maintenance of incinerator and space utilized by other agencies	487,433	496,105
Other direct charges for miscellaneous services	91,200	73,959
Total	578,633	570,064
Nonoperating costs:		
Cost of miscellaneous services rendered other agencies	578,633	570,064
Net profit, or loss (−), for the year [2]	227,793	−101,511

[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) certain costs of services performed by other agencies on behalf of the Bureau.

[2] See preceding table, footnote 6.

Statement of source and application of funds, fiscal years 1966 and 1967

Funds provided and applied	1966	1967
Funds provided:		
Sales of engraving and printing	$33,012,991	$33,540,752
Operation and maintenance of incinerator and space utilized by other agencies	487,433	496,105
Other direct charges for miscellaneous services	91,200	73,959
Total	33,591,624	34,110,816
Less cost of sales and services (excluding depreciation and other charges not requiring expenditure of funds: Fiscal year 1967, $2,082,642; fiscal year 1966, $1,939,655	31,424,176	32,129,685
Total	2,167,448	1,981,131
Sale of surplus equipment	15,891	9,508
Decrease in working capital	884,115	
Total funds provided	3,067,454	1,990,639
Funds applied:		
Acquisition of fixed assets	3,036,264	394,916
Acquisition of experimental equipment; and plant repairs and alterations to be charged to future operations	31,190	80,049
Increase in working capital		1,515,674
Total funds applied	3,067,454	1,990,639

Fiscal Service

BUREAU OF ACCOUNTS

The Bureau's functions are Governmentwide in scope and include central accounting and financial reporting; disbursing for virtually all civilian agencies; supervising the Government's depositary system; determining qualifications of insurance companies to do surety business with Government agencies; a variety of fiscal activities such as investment of trust funds, agency borrowings from the Treasury, and international claims and indebtedness; and Treasury staff representation in the joint financial management improvement program.

Management improvement

Savings of $766,585 were realized during fiscal 1967 under the cost reduction and management improvement program, attributable to further improvements in technology and systems, realinement of organization and staffing, and the benefits of continuing programs for developing people in management and other skills.

Personnel

More than 65 percent of the Bureau's field organizations were covered by surveys to evaluate personnel management goals and practices, with emphasis on achievements under the position management system, Operation MUST (Maximum Utilization Skills and Training) and the equal employment opportunity programs. These were key matters on the agenda of a conference with regional managers in the spring of 1967. With employee motivation as the conference keynote, personnel topics were presented through a variety of media including professional lecturers, case studies, workshops, and lectures by personnel specialists.

Central accounting and reporting

In fiscal 1967 computer printout was used for the first time as camera copy for the "Combined Statement of Receipts, Expenditures and Balances of the United States Government." Considerable progress has been made toward the ultimate goal of computer printout of camera copy for Government-wide financial reports.

Other financial reporting improvements during the year, to more fully disclose the operations of the Federal Government, include: tables on sales of financial assets in the "Treasury Bulletin" and "Monthly Statement of Receipts and Expenditures of the United States Government;" also, a new table on receipts from and payments to the public, seasonally adjusted and unadjusted, in the "Treasury Bulletin."

The manual for "Central Accounting for Foreign Currency Operations of the Federal Government" was submitted to the General Accounting Office for approval.

Internal auditing

During fiscal 1967 the audit staff conducted 14 financial audits. Comprehensive management surveys were also performed in three regional offices.

The regular annual audit was made on financial condition of surety companies holding Treasury Certificates of Authority as acceptable sureties (6 U.S.C. 8). Certificates are renewable each June 1 and a list of approved companies (Department Circular 570, rev.) is published annually in the "Federal Register." As of June 30, 1967, a total of 250 companies held certificates.

General coordination and staff assistance were furnished for the annual audit of the Exchange Stabilization Fund. Other audits made of departmental activities included the Office of the Comptroller of the Currency and unissued stocks of Federal Reserve notes.

Disbursing operations

During fiscal 1967 the 11 disbursing offices in the Division of Disbursement handled a combined workload of 422.4 million checks and savings bonds and serviced over 1,300 administrative agency offices. Total production for 1966 was 404.9 million items (including 17.3 million one-time retroactive social security checks). A number of foreign service posts in the Caribbean and Far East were serviced by the Washington and Manila offices, respectively. The Washington Disbursing Center also processed a large volume of payments in Canadian dollars.

Installation of new equipment and procedures and continuous management improvements increased employee productivity by 10.7 percent and reduced the average unit cost to 2.80 cents this year (compared to 2.87 cents in fiscal 1966). Major improvements included the following:

(1) Reorganization of field offices resulted in reduced strata of supervision and staffing requirements without sacrificing quantity or quality of production.

(2) Installation of a new computer system in one of the field offices and redistribution of the two replaced systems permitted the absorption of increased workloads and discontinuance of some EAM equipment.

(3) Further machine refinement and improved operating techniques made possible more savings for the Masterfax (a heat transfer process) machines which were installed in eight field offices 2 years ago.

(4) The purchase of new inserting and sealing machines with faster speeds enabled two offices to absorb increased workloads.

A number of agencies were provided special services, including mailing attendance certification cards with some 2.5 million Veterans' Educational Assistance checks; punching, printing, and mailing 1.8 million interest-earnings statements for the Bureau of the Public Debt; printing and mailing 700,000 card notices for the Railroad Retirement Board; and issuing nearly 934,000 Series E savings bonds for the Bureau of the Public Debt to General Electric Co. employees.

A computer payroll system is now in operation in all five of the computerized disbursing offices involved. Payroll services for the Denver and New York regional disbursing offices are performed by the Kansas City and Philadelphia disbursing centers, respectively. Payroll accounting service is being provided for the Bureau of the Public Debt in Chicago and for three installations of the Bureau of Prisons, Department of Justice.

A highlight of the year was the release of a majority of the periodic social security, public debt interest, VA educational assistance, and tax refund checks to the post offices in ZIP Code presorted groups.

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Some 290 million checks a year are now in the presort system; this is 75 percent of the total potential. The Post Office Department estimates savings which equate to $13 for every $1 additional expense incurred in the disbursing operations to produce the presorted groups.

The following table shows a comparison of workloads for fiscal years 1966 and 1967.

Classification	Volume 1966	Volume 1967
Operations financed by appropriated funds:		
Checks:		
Social security benefits	[1] 228,398,709	234,210,686
Veterans' benefits	68,647,928	64,764,251
Income tax refunds	45,311,179	48,991,354
Veterans' national service life insurance dividends	2,564,406	5,793,488
Other	41,156,683	48,656,410
Savings bonds	5,588,643	6,623,058
Adjustments and transfers	197,362	234,886
Total workload financed by appropriated funds	391,864,910	409,274,133
Operations financed by reimbursements:		
Railroad Retirement Board	12,163,384	12,152,596
Bureau of the Public Debt (General Electric Co. bond program)	887,192	933,775
Total workload—reimbursable items	13,050,576	13,086,371
Total workload	404,915,486	422,360,504

[1] Includes 17.3 million one-time retroactive payments.

Deposits, investments, and related activities

Federal depositary system.—The types of depositary services provided and the number of depositaries for each of the authorized services as of June 30, 1966 and 1967, are shown in the following table:

Type of service provided by depositaries	1966	1967
Receive deposits from taxpayers and purchasers of public debt securities, for credit in Treasury tax and loan accounts	12,464	12,362
Receive deposits from Government officers for credit in Treasurer's general accounts	1,101	1,373
Maintain official checking accounts of Government officers	6,101	6,863
Furnish bank drafts to Government officers in exchange for collections	1,400	1,100
Maintain State unemployment compensation benefit payments and clearing accounts	53	52
Operate limited banking facilities:		
In the United States and its outlying areas	265	248
In foreign areas	164	227

Investments.—Government trust funds are invested in special issues of U.S. securities, marketable U.S. securities, participation certificates, and Government agency securities.

During the year investments were begun for the Federal supplementary medical insurance trust fund pursuant to Public Law 89–97, approved July 30, 1965, and for the railroad retirement supplemental account pursuant to Public Law 89–699, approved October 30, 1966.

Table 63 shows the holdings of public debt and agency securities by Government agencies and accounts.

Loans by the Treasury.—The Bureau administers loan agreements with those Government corporations and agencies that have authority to borrow from the Treasury. Tables 109, 110, and 111 show the status of such loans as of June 30, 1967.

Surety bonds.—Executive agencies are required by law (6 U.S.C. 14) to obtain, at their own expense, blanket, position schedule, or other types of surety bonds covering employees required to be bonded. The legislative and judicial branches are permitted by law to follow the same procedure. A summary of this bonding activity of Government agencies follows:

Number of officers and employees covered on June 30, 1967	996, 785
Aggregate penal sums of bonds procured	$3, 614, 733, 300
Total premiums paid by the Government in fiscal 1967	$244, 621
Administrative expenses in fiscal 1967	$60, 750

Foreign indebtedness

World War I.—Legislation relating to the agreement of May 28, 1964, between the United States and Greece concerning the refinancing of a portion of the Greek debt was approved November 5, 1966 (Public Law 89–766). For status of World War I indebtedness to the United States see tables 104 and 105.

Credit to the United Kingdom.—The Government of the United Kingdom made a principal payment of $59.7 million and an interest payment of $68.2 million on December 31, 1966, under the Financial Aid Agreement of December 6, 1945, as amended March 6, 1957. The interest payment included $8.6 million representing interest on principal and interest installments previously deferred. Through June 30, 1967, cumulative payments totaled $1,523.7 million, of which $863.1 million was interest. An unmatured principal balance of $3,089.4 million remains; interest installments of $262.6 million which have been deferred by agreement also were outstanding at yearend.

Japan, postwar economic assistance.—The Government of Japan made payments of $34.8 million principal and $9.1 million interest on its indebtedness arising from postwar economic assistance. Cumulative payments through June 30, 1967, totaled $149.8 million principal and $47.7 million interest, leaving an unpaid principal balance of $340.1 million.

Germany, postwar economic assistance.—The Federal Republic of Germany made principal payments of $199.5 million and interest payments of $4.9 million which were the final payments on its indebtedness arising from post-World War II economic assistance. Cumulative payments through June 30, 1967, totaled $1,000.0 million principal and $223.4 million interest.

Payments of claims against foreign governments

The seventh installment of $2 million was received from the Polish Government under the agreement of July 16, 1960, and a pro rata payment of 4.297 percent on the unpaid balance of each award was authorized.

The Foreign Claims Settlement Commission completed its adjudications under the War Claims Act of 1948, as amended. The Treasury received an additional $5,750,000 from the proceeds of the U.S. sale of seized assets of German and Japanese nationals, including sums realized from the sale of General Aniline & Film Corp. stock. Payments in full on awards due to death and personal injury and losses of "small business" concerns were continued in fiscal 1967. Payments up to $10,000 on all other awards were authorized and made during the year.

Additional distributions were authorized from the Hungarian and Rumanian claims funds amounting to approximately 1.0367 percent and 0.28 percent, respectively, on the unpaid balance of awards. These funds were received from the Justice Department and were derived from the liquidation of certain Hungarian and Rumanian assets which were blocked and vested under the Trading with the Enemy Act, as amended.

A pro rata distribution of approximately 20.27 percent on the unpaid balances of awards made under the Yugoslav claims program was also authorized during the year. The funds for this distribution had been held in the Yugoslav claims fund pending the results of litigation involving certain awards previously made under the program. See table 95.

Defense lending

Defense Production Act.—Loans outstanding were reduced from $14.9 million to $11.7 million during fiscal 1967. Further transfers of $3.5 million were made to the account of the General Services Administration, from the net earnings accumulated since inception of the program, bringing the total of these transfers to $22.1 million.

Federal Civil Defense Act.—Outstanding loans were reduced from $475,645 to $429,706 during fiscal 1967.

Liquidation of Reconstruction Finance Corporation assets.—The Secretary of the Treasury's responsibilities in the liquidation of RFC assets relate to completing the liquidation of business loans and securities with individual balances of $250,000 or more as of June 30, 1957; and securities of and loans to railroads and financial institutions. Net income and proceeds of liquidation amounting to $54.2 million have been paid into the Treasury as miscellaneous receipts since July 1, 1957. Total unliquidated assets as of June 30, 1967, had a gross book value of $5.2 million.

Depositary receipts

The following table shows the volume of depositary receipts for the fiscal years 1960–67. The data for 1967 include the volume of Federal tax deposit forms used in the collection of corporate income taxes. A description of the depositary receipt procedure is contained on page 141 of the 1962 annual report; a general description of the modified system (now referred to as the Federal tax deposit system) is found on pages 11–12 of this report.

Fiscal year	Individual income and social security taxes	Railroad retirement taxes	Federal excise taxes	Corporate income taxes	Total
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
1963	11,161,897	9,937	619,519	....	11,791,353
1964	11,729,243	9,911	633,437	....	12,372,591
1965	12,012,385	9,859	644,753	....	12,666,997
1966	12,518,436	9,986	259,952	....	12,788,374
1967	15,007,304	10,551	236,538	22,783	15,277,176

NOTE.—Comparable data for 1944–59 will be found in the 1962 annual report, page 141.

Government losses in shipment

Claims totaling $58,352 were paid from the revolving fund established by the Government Losses in Shipment Act, as amended. Details of operations under this act are shown in table 116.

Other operations

Donations and contributions.—During the year the Bureau of Accounts received "conscience fund" contributions totaling $18,178.40 and other unconditional donations totaling $154,170.54. Other Government agencies received conscience fund contributions and unconditional donations amounting to $6,955.43 and $73,329.94, respectively. Conditional gifts to further the defense effort amounted to $822.46. Gifts of money and the proceeds of real or personal property donated in fiscal 1967 for the purpose of reducing the public debt amounted to $130,995.61, of which $130,667.33 was used to redeem public debt securities.

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.

The Bureau's principal office and headquarters is in Washington, D.C. Offices also are maintained in Chicago, Ill., and Parkersburg, W. Va., where most Bureau operations related to U.S. savings bonds and U.S. savings notes are handled. 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 19,000 in all) cooperate in the issuance of savings bonds and savings notes, and approximately 16,300 financial institutions act as paying agents for savings bonds.

Management improvement

A computer system for use in converting current income savings bonds operations to an electronic data processing system was acquired from the Federal Reserve Board and installed in the Chicago Office. The system became operational in January 1967 and the conversion is expected to be completed before the end of calendar year 1967. Activities are being converted on a phase basis in conjunction with parallel processing systems, and include the audit and classification of transactions; establishment and maintenance of accounts of owners; and preparation of tapes to furnish data to the regional disbursing office for use in issuing interest checks and to the Internal Revenue Service in connection with interest paid.

Significant progress has been made in the Bureau's continuing efforts to extend the system of having agents submit microfilm and magnetic tape, in lieu of registration stubs, to report issues of Series E savings bonds. The Birmingham Regional Disbursing Office and the Federal Reserve Bank of Cleveland converted to the system in fiscal 1967. Preliminary steps are underway to bring the Postal Data Centers, two additional Federal Reserve banks and another regional disbursing office under the system.

It was determined that substantial benefits could be realized in the Washington Office by the conversion of certain operations now performed manually and on conventional machine equipment to an electronic data processing system. These operations include public debt accounting. Proposals were solicited from vendors in March 1967 and the four proposals received were being evaluated at the fiscal yearend.

The Bureau works closely with the Bureau of Engraving and Printing to keep informed of technological advances which reduce printing costs of securities. This cooperation led to a decision to utilize the dry intaglio process method for the printing of Treasury bills. The result of this was that the cost of printing such securities averaged considerably less during fiscal year 1967 than in prior years.

The Bureau and the Federal Reserve Bank of New York explored the desirability of the latter's using clearing accounts in settling on a net daily basis with those New York City banks which have a heavy volume of certain wire transfers of Government securities. This proved feasible and the original objective was extended to include the settlement of transfers to complete the delivery of securities issued on sale, and to provide for a local clearing arrangement for the intracity transfer of Government securities. The system will be adopted in August 1967. There will be savings to the Bureau in reimbursable Federal Reserve Bank costs as the result of the reduction in the number of transfers and service to security holders will be improved through the expedited completion of transfers.

A study with the Federal Reserve banks was underway at the end of fiscal 1967 on the feasibility of applying "book entry" principles, in lieu of the issue of definitive transferable Treasury securities held in such banks for certain safekeeping and collateral accounts. It is anticipated that initial benefits will accrue primarily to the banks in nonreimbursable areas, but the Bureau should realize economies over a period of time in the cost of printing and distributing securities and in auditing related coupons, with some offsetting costs in accounting procedures. Plans call for this procedure to be adopted in fiscal 1968.

A study was completed which disclosed that it would be advantageous for the Federal Reserve banks to issue registered Treasury securities. The plan, which is expected to be put into effect by the end of calendar year 1967, will improve service to the public through accelerated delivery. The change will require some expansion in security accounts to reflect accountability of the banks for stock and transactions on a decentralized basis.

A number of minor accomplishments contributed to cost reduction and management improvement. These included refinements in automatic data processing, updating of equipment, and simplification of workflows. In the Parkersburg office, for example, the reporting of credit data on retired savings bond authorities has been simplified through more effective use of forms; as a related benefit, a reconciliation previously performed manually is now electronically processed with other retirement transactions. There were also noteworthy achievements in continuing management control programs. In the area of procurement, supply, and property management, appreciable savings were realized through participation in the Treasury's consolidated purchase plan. Full utilization was made of the excess property program to fulfill procurement needs and upgrade equipment.

Bureau operations

The extent of the change in the composition of the public debt is one measure of the Bureau's work. The debt falls into two broad categories: public issues and special issues. Public issues consist of marketable Treasury bills, certificates of indebtedness, notes, and bonds; and nonmarketable securities, chiefly U.S. savings bonds, U.S. savings notes, U.S. retirement plan 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 the year, 24,232 individual accounts covering publicly held registered securities other than savings bonds, savings notes, and retirement plan bonds were opened and 22,519 were closed. This increased the number of open accounts to 214,893 covering registered securities in the principal amount of $11,402 million. There were 418,593 interest checks with a value of $394,358,193 issued during the year.

Redeemed and canceled securities other than savings bonds, savings notes, and retirement plan bonds received for audit included 6,493,534 bearer securities and 199,262 registered securities. Coupons totaling 17,045,582 were received.

During the year 15,899 registration stubs of retirement plan bonds, 34,598 registration stubs of U.S. savings notes, and 5,713 retired retirement plan bonds were received for audit.

A summary of public debt operations handled by the Bureau appears on pages 12–24 of this report and in tables 27–53.

U.S. savings bonds.—The issuance and redemption of savings bonds results in a heavy administrative burden for the Bureau of the Public Debt, involving: maintenance of alphabetical and numerical ownership records for the 2.9 billion bonds issued since 1935; adjudication of claims for lost, stolen, and destroyed bonds (which totaled 2.2 million pieces on June 30, 1967); and the handling and recording of retired bonds.

Detailed information on sales, accrued discount, and redemptions of savings bonds will be found in tables 46 to 48, inclusive.

There were 117.0 million stubs or records on magnetic tape and microfilm representing the issuance of series E bonds received for registration, making a grand total of 2,880 million, including reissues, received through June 30, 1967.

All registration stubs of series E savings bonds and all retired series E savings bonds are microfilmed, audited, and destroyed, after required permanent record data are prepared by an EDP system in the Parkersburg office. Prior to the establishment of that office these savings bond operations were performed in several Bureau offices manually and on tabulating equipment. The following table shows the status of processing operations for savings bonds in the Parkersburg office.

Fiscal year	Received	Micro filmed	Key punched	Converted to magnetic tape	Audited and classified	Destroyed	Balance			
							Unfilmed	Not key punched	Not converted to magnetic tape	Unaudited
	Stubs of issued card type series E savings bonds (in millions of pieces)									
1958–62	413.9	411.6	408.5	408.5	407.0	366.8	2.3	5.4	5.4	6.9
1963	94.3	93.9	95.0	95.0	93.0	69.6	2.7	4.7	4.7	8.2
1964	100.1	98.2	97.6	97.6	98.4	96.2	4.6	7.2	7.2	9.9
1965	98.4	100.7	101.1	101.1	101.7	123.7	2.3	4.5	4.5	6.6
1966	101.2	101.2	100.2	99.8	100.3	100.3	2.3	5.5	5.9	7.5
1967	104.2	103.9	104.5	104.9	102.8	102.9	2.6	5.2	5.2	8.9
Total	[1] 912.1	909.5	906.9	906.9	903.2	859.5				
	Retired card type series E savings bonds (in millions of pieces)									
1958–62	240.0	238.4	237.0	236.8	235.6	208.6	1.6	3.0	3.2	4.4
1963	64.9	64.3	64.1	64.3	63.5	48.3	2.2	3.8	3.8	5.8
1964	70.1	70.0	68.9	68.9	69.1	83.4	2.3	5.0	5.0	6.8
1965	75.3	75.9	77.1	76.8	76.9	59.8	1.7	3.2	3.5	5.2
1966	81.5	81.0	79.7	80.0	80.2	91.6	2.2	5.0	5.0	6.5
1967	87.4	87.6	87.5	86.9	85.6	84.8	2.0	4.9	5.5	8.3
Total	619.2	617.2	614.3	613.7	610.9	576.5				
	Retired paper type series E savings bonds (in millions of pieces)									
1962	.8	.8	.7	.7	.7			.1	.1	.1
1963	21.8	21.2	20.8	20.8	19.9	5.1	.6	1.1	1.1	2.0
1964	22.4	22.4	22.1	22.1	22.3	23.4	.6	1.4	1.4	2.1
1965	20.4	20.5	21.0	20.9	21.2	11.0	.5	.8	.9	1.3
1966	19.3	19.4	19.1	19.2	19.3	33.9	.4	1.0	1.0	1.3
1967	16.8	16.8	17.0	17.0	16.7	16.0	.4	.8	.8	1.4
Total	101.5	101.1	100.7	100.7	100.1	89.4				

[1] Excludes records received on magnetic tape and microfilm; 5.3 million in 1965, 6.4 million in 1966, and 12.8 million in 1967.

Of the 100.0 million series A—E savings bonds redeemed and charged to the Bureau during the year 97.5 million (97.5 percent) were redeemed by authorized paying agents. For these redemptions these agents were reimbursed quarterly 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 for a total of $12,597,568 and an average of 12.91 cents per bond.

The following table shows the number of savings bonds outstanding as of June 30, 1967, by series and denomination.

Series [1]	Total	Denomination (in thousands of pieces)										
		$10	$25	$50	$75	$100	$200	$500	$1,000	$5,000	$10,000	$100,000
E	491,422	629	260,836	113,341	2,841	80,671	8,551	12,047	12,456		48	2
H	7,019							2,708	3,887	325	99	
A	2		1	(*)		1		(*)	(*)			
B	3		1	1		1		(*)	(*)			
C	7		3	1		2		(*)	1			
D	37		14	7		11		2	3			
F	36		17			11		2	5	1	(*)	
G	78					40		15	22	1	(*)	
J	180		37			69		19	42	5	8	(*)
K	138							40	78	11	9	(*)
Total	498,922	629	260,909	113,350	2,841	80,806	8,551	14,833	16,494	343	164	2

*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 [2]
	Issuing agents						
1945	24,038	15,232	3,477	2,081	[3] 9,605	(3)	54,433
1950	25,060	15,225	1,557	522	3,052	550	45,966
1955	2,476	15,692	1,555	428	2,942	588	23,681
1960	1,093	16,436	1,851	320	2,352	643	22,695
1963	1,011	13,644	1,679	269	1,857	560	19,020
1964	977	13,908	1,702	252	1,783	528	19,150
1965	943	14,095	1,702	246	1,695	510	19,191
1966	934	14,114	1,710	241	1,621	482	19,102
1967	901	14,181	1,717	231	1,541	460	19,031
	Paying agents						
1945		13,466					13,466
1950		15,623	874	137		57	16,691
1955		16,269	1,188	139		56	17,652
1960		17,127	1,797	169		60	19,153
1963		13,826	1,739	155		15	15,735
1964		14,039	1,779	158		15	15,991
1965		14,190	1,816	157		15	16,178
1966		14,247	1,857	164		15	16,283
1967		14,264	1,884	165		14	16,327

[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 Dec. 31, 1953, except in those localities where no other public facilities for their sale were available.
[2] Effective Dec. 31, 1960, a substantial reduction was made due to reclassification by Federal Reserve banks to include only the actual number of entities currently qualified. Does not include branches active in the savings bond program.
[3] "All others" included with companies operating payroll plans.

Interest checks issued on current income-type savings bonds (series H and K) during the year totaled 4,917,258 with a value of $319,848,353. New accounts established for series H bonds, the only current income-type savings bond presently on sale, totaled 140,297, while accounts closed for series H bonds totaled 144,330, a decrease of 4,033 accounts.

Applications received during the year for the issue of duplicates of savings bonds lost, stolen, or destroyed after receipt by the registered owner or his agent totaled 41,424. In 20,553 of these cases the issuance of duplicate bonds was authorized. In addition, 18,358 applications for relief were received in cases where the original bonds were reported as not being received after having been mailed to the registered owner or his agent.

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. 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. In addition, Federal Reserve banks, as depositaries and fiscal agents of the United States, perform many similar functions for the Treasurer.

Commercial banks qualifying as depositaries provide banking facilities for the Government in the United States and in foreign countries. Data on the transactions handled for the Treasurer by 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; and acts as special agent for the payment of principal and interest on certain securities of U.S. Government corporations.

The Office of the Treasurer maintains facilities at the Treasury 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 from banks in the Washington, D.C., area; and 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 "Statement of United States Currency and Coin."

Under the authority delegated by the Comptroller General of the United States, the Treasurer processes claims arising from forged endorsements and other irregularities involving checks paid by the Treasurer and passes upon claims for substitute checks to replace lost or destroyed unpaid checks.

The Treasurer of the United States is custodian of bonds held to secure public deposits in commercial banks and miscellaneous securities held for other agencies.

Management improvements

Federal Reserve notes.—Effective December 1, 1966, authority was delegated to the Federal Reserve banks to verify and destroy $5 and $10 Federal Reserve notes which had become unfit for further circulation. The Board of Governors of the Federal Reserve System also directed the banks to discontinue the sorting of these denominations by bank of issue and authorized the use of a formula in lieu thereof to apportion credit among the issuing banks for the unfit notes redeemed.

These actions taken under the provisions of Public Law 89–427, approved May 20, 1966, are expected to save the Federal Reserve banks about $675,000 annually. These savings will be reflected as increased miscellaneous receipts to the general fund of the Treasury and are in addition to other savings arising from the handling of unfit $1 Federal Reserve notes in much the same manner, as approved in fiscal 1966.[1]

ADP management.—During the fiscal year, the Treasurer's Office provided other Government agencies ADP personnel services valued at $129,000 and equipment services valued at $157,000, of which $119,000 was deposited to miscellaneous receipts of the general fund of the Treasury since it covered usage of purchased equipment.

The number of employees served by the Treasurer's computerized payroll system was increased by 700 with the addition of the Bureau of the Public Debt employees at Parkersburg, W. Va. At the fiscal yearend about 4,000 employees were being paid under the system, and it was anticipated that more would be added during fiscal 1968.

A significant improvement in the computerized payroll system initiated during the fiscal year was the reporting of annual Federal income tax data to the Internal Revenue Service on magnetic tape. The tape replaced individual paper copies of forms W–2 for the 1966 tax year and permitted direct introduction of the data into the IRS computer system.

Assets and liabilities in the Treasurer's account

A summary of the assets and liabilities in the Treasurer's account at the close of the fiscal years 1966 and 1967 is shown in table 56.

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.

Gold.—The Treasurer's gold assets declined during fiscal 1967 for the 10th consecutive year. The reduction of $323.8 million, daily Treasury statement basis, shown in table 56, represents disbursements of $836.0 million, less $512.3 million, which consisted of gold deposited by the International Monetary Fund, purchases of domestically mined gold, and of other receipts from miscellaneous sources.

Silver.—During the year the Department continued to supply silver to meet commercial needs by exchanging it for silver certificates or selling it at the monetary value of $1.29+ per ounce. This was done to keep the market price of silver down until the point could be reached in new coin production at which the supply of the older silver coins would not be a critical factor in maintaining orderly commercial transactions.

In May 1967 the Department began to confine sales at the monetary value to domestic users of silver, and invoked its legal authority to prohibit the melting, treatment, or export of silver coins.

Public Law 90–29, approved June 24, 1967,[2] provides that (*a*) silver certificates shall no longer be redeemable in silver bullion after June 24, 1968, (*b*) a stockpile of 165 million fine troy ounces of silver shall be established, and (*c*) the Secretary may reduce out-

[1] See 1966 annual report, p. 113.
[2] See exhibit 71.

standing silver certificates on Treasury books by such amounts, not exceeding $200 million, as, in his judgment, will never be presented for redemption because of having been destroyed or irretrievably lost or being held in collections. The Secretary invoked the latter provision to writeoff $150 million in outstanding silver certificates on June 30, 1967.

The following table on the daily Treasury statement basis, summarizes transactions in silver bullion of all types during fiscal 1967.

Fiscal year 1967	Silver bullion (in millions)			
	Held to secure certificates, monetary value	Held for coinage, etc.		
		Monetary value	Cost value	Uncurrent coin value
On hand July 1, 1966	$864.1	$23.9	$0.1	$0.3
Received (+), or disbursed (−), net	−44.7	−.6	+1.1	+.5
Revalued	+1.2		−1.1	
Exchanged for silver certificates	−198.4			
Released for coinage	−70.5	+70.5		
Used in coinage or in coinage metal		−76.3		−.5
On hand June 30, 1967	551.7	17.5	(*)	.3

*Less than $50,000.

Balances with depositaries.—The following table shows the number of each class of depositaries and balances on June 30, 1967.

	Number of accounts with depositaries [1]	Deposits to the credit of the Treasurer of the United States, June 30, 1967
Federal Reserve banks and branches	36	[2] $1,888,253,345
Other domestic depositaries reporting directly to the Treasurer	48	39,292,230
Depositaries reporting through Federal Reserve banks:		
General depositaries, etc	2,213	210,783,808
Special depositaries, Treasury tax and loan accounts	12,356	4,271,576,373
Foreign depositaries [3]	63	16,121,457
Total	14,716	6,426,027,213

[1] Includes only depositaries having balances with the Treasurer of the United States on June 30, 1967. Excludes depositaries 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 $576,765,178 in process of collection.

[3] Principally branches of U.S. banks and of the American Express Co., Inc.

Bureau operations

Receiving and disbursing public moneys.—Government officers deposit moneys which they have collected to the credit of the Treasurer of the United States. Such deposits may be made with the Treasurer at Washington, or at Federal Reserve banks, or at designated Government depositaries, domestic or foreign. Certain taxes are also deposited directly by the employers or manufacturers who withhold or pay them. All payments are withdrawn from the Treasurer's account, Moneys deposited and withdrawn in the fiscal years 1966 and 1967.

exclusive of certain intragovernmental transactions, are shown in the following table on the daily Treasury statement basis:

Deposits, withdrawals, and balances in the Treasurer's account	1966	1967
Balance at beginning of fiscal year	$12,610,264,635	$12,407,377,210
Cash deposits:		
Internal revenue, customs, trust fund, and other collections	141,094,572,593	163,036,203,399
Public debt receipts [1]	251,078,144,599	280,893,225,792
Less:		
Accruals on savings and retirement plan bonds and Treasury bills	−4,178,784,247	−4,705,989,274
Purchases by Government agencies	−58,216,585,080	−82,729,779,799
Sales of securities of Government agencies in market	16,056,371,956	14,481,607,776
Total deposits	345,833,719,820	370,975,267,894
Cash withdrawals:		
Budget and trust accounts, etc	142,190,039,055	164,591,006,692
Public debt redemptions [1]	248,444,955,787	274,579,375,793
Less:		
Redemptions included in budget and trust accounts	−3,648,303,300	−5,020,054,314
Redemptions by Government agencies	−55,133,946,660	−74,141,110,873
Redemptions of securities of Government agencies in market	13,108,739,075	16,268,217,025
Total withdrawals	344,961,483,956	376,277,434,323
Change in clearing accounts (checks outstanding, deposits in transit, unclassified transactions, etc.), net deposits, or withdrawals (−)	−1,075,123,290	653,783,744
Balance at close of fiscal year	12,407,377,210	7,758,994,525

[1] For details see table 39.

Issuing and redeeming paper currency.—By law the Treasurer is the agent for the issue and redemption of U.S. paper currency. The Office did not issue any gold or silver certificates during fiscal 1967. U.S. notes were issued in amounts equal to those redeemed as required by law (31 U.S.C. 404).

The Federal Reserve banks and branches, as agents of the Treasurer, redeem and destroy the major portion of U.S. currency as it becomes unfit for circulation. A small amount is handled directly by the Treasurer's Office.

Federal Reserve notes now constitute over 98 percent of the paper currency in circulation. When printed by the Bureau of Engraving and Printing these notes are delivered to the Office of the Comptroller of the Currency who holds them in joint custody with the Treasurer's Office. Shipments are made as needed to Federal Reserve agents and their representatives at Federal Reserve banks and branches. Federal Reserve banks then obtain notes for issuance to commercial banking systems by depositing equivalent amounts of collateral with their respective agents.

As the notes become unfit for further circulation they are redeemed under a detailed procedure prescribed by the Fiscal Assistant Secretary within the framework of the regulations issued by the Secretary of the Treasury, pursuant to the act of May 20, 1966 (Public Law 89–427). Notes of the $1, $5, and $10 denominations are canceled, verified, and destroyed at the Federal Reserve banks and at the Treasurer's Currency Redemption Division in Washington without being sorted by bank of issue. The Federal Reserve Board of Governors then apportions the redemption of such notes among the banks of issue on a formula basis. Notes of larger denominations are presently being sorted by bank of issue, cut in half and the lower halves forwarded to Washington, Currency Redemption Division, the banks retaining the upper halves and adjusting and destroying them after the Treasurer's verification is completed. The extent to which the formula sort will be extended to larger denominations and the function of verification and destruction further decentralized is under continuing review.

The Treasurer's Office accounts for Federal Reserve notes from the time they are delivered by the Bureau of Engraving and Printing until finally redeemed and destroyed. The accounts show the amounts for each bank of issue and each denomination of notes held in the reserve vault, held by each Federal Reserve agent, or issued and outstanding.

In addition to verifying the lower halves of the larger denomination Federal Reserve notes, the Currency Redemption Division redeems unfit paper currency of all types received locally in Washington and from Government officers abroad, as well as burned or mutilated currency from any source. During fiscal 1967 the Division examined and identified burned and mutilated currency for approximately 49,000 claimants and made payments therefor totaling $12,516,913.

A comparison of the paper currency of all classes, including Federal Reserve notes, issued, redeemed, and outstanding during the fiscal years 1966 and 1967 follows.

	Fiscal year 1966		Fiscal year 1967	
	Pieces	Amount	Pieces	Amount
Outstanding July 1	4,541,995,359	$38,664,777,668	5,264,762,001	$41,967,353,297
Issues during year	1,926,288,150	10,895,558,303	1,990,312,012	11,899,289,572
Redemptions during year	1,203,521,508	7,592,982,674	2,624,640,593	11,371,465,770
Outstanding June 30	5,264,762,001	41,967,353,297	4,630,433,420	42,495,177,099

Table 62 shows by class and denomination the value of paper currency issued and redeemed during the fiscal year 1967 and the amounts outstanding at the end of the year. Tables 58, 59, 60, and 61 give further details on the stock and circulation of money in the United States.

Paying grants through letters of credit.—Treasury Department Circular No. 1075 dated May 28, 1964, established a procedure "to preclude withdrawals from the Treasury any sooner than necessary" in cases where Federal programs are financed by grants or other payments to State or local governments or to educational or other institutions. Under this procedure Government departments and agencies issue letters of credit which permit grantees to make withdrawals from the account of the Treasurer of the United States as they need funds to accomplish the object for which a grant has been awarded.

By the close of fiscal 1967, 39 Government agency accounting stations were making disbursements through letters of credit. A total of 57,007 withdrawal transactions, aggregating $13,955.6 million, were processed during the year, compared with 29,392 transactions, totaling $7,718.3 million for the preceding year.

Checking accounts of disbursing officers and agencies.—As of June 30, 1967, the Treasurer maintained 2,104 checking accounts, compared with 2,119 the year before. The number of checks paid by categories of disbursing officers during fiscal 1966 and 1967 follow.

Disbursing officers	Number of checks paid	
	1966	1967
Treasury	393,844,454	412,134,281
Army	30,765,534	36,629,305
Navy	34,777,416	38,775,501
Air Force	33,997,508	35,415,052
Other	25,154,520	26,822,415
Total	518,539,432	549,776,554

Settling check claims.—During the fiscal year the Treasurer processed 533,331 requests for stop payment on Government checks and 138,097 requests for removal of stoppage of payments.

The Treasurer acted upon 269,474 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 36,949 claims, and $3,951,772.93 was recovered. Settlements and adjustments were made on 24,917 forgery cases totaling $3,820,416.71. Disbursements from the check forgery insurance fund, established to enable the Treasurer to expedite settlement of check claims, totaled $753,525.12. As recoveries are made, these moneys are restored to the fund. Settlements totaling $5,926,468.28 have been made from the Treasurer's check forgery insurance fund since it was established on November 21, 1941.

Claims by payees and others involving 124,891 outstanding checks were acted upon. Of these, 105,264 were certified for issuance of substitute checks valued at $41,081,727.02 to replace checks that were not received or were lost, stolen, or destroyed.

The Treasurer treated as canceled and transferred to accounts of agencies concerned for adjustment purposes the proceeds of 16,207 unavailable outstanding checks, totaling more than $5,020,632.47.

Collecting checks deposited.—Government officers deposited more than 9,440,000 commercial checks, drafts, money orders, etc., with the Treasurer's Cash Division in Washington for collection during the year.

Custody of securities.—The face value of securities held in the custody of the Treasurer as of June 30, 1966, and June 30, 1967, is shown below.

Purpose for which held	June 30 1966	June 30 1967
As collateral:		
To secure deposits of public moneys in depositary banks	$56,804,100	$59,514,600
To secure postal savings funds [1]	18,227,000	
In lieu of sureties	3,268,750	4,227,850
In custody for Government officers and others:		
For the Secretary of the Treasury [2]	34,191,682,823	33,086,328,515
For Board of Trustees, Postal Savings System [1]	188,890,000	
For the Comptroller of the Currency	17,039,500	17,964,500
For the Federal Deposit Insurance Corporation	813,870,000	842,062,000
For the Rural Electrification Administration	141,326,779	139,661,506
For the District of Columbia	164,416,863	182,667,476
For the Commissioner of Indian Affairs	66,500,400	37,728,250
Foreign obligations [3]	12,047,451,530	12,045,086,451
Other [4]	63,462,931	52,660,356
For Government security transactions: Unissued bearer securities	1,877,421,500	1,737,334,000
Total	49,650,362,176	48,205,235,504

[1] Postal Savings System was discontinued on Apr. 27, 1966, pursuant to legislation approved Mar. 28, 1966 (39 U.S.C. 5225-5229).
[2] Includes those securities listed in table 109 as in custody of the Treasury.
[3] Issued by foreign governments to the United States for indebtedness arising from World War I.
[4] Includes U.S. savings bonds in safekeeping for individuals.

Servicing securities for Government corporations and Federal agencies.—In accordance with agreements between the Secretary of the Treasury and various Government corporations and agencies, 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 1967, on the daily Treasury statement basis, were as follows:

Payment made for	Principal	Interest paid with principal	Registered interest [1]	Coupon interest
Banks for cooperatives	$1,783,705,000	$50,203,178		
District of Columbia Armory Board				$781,641
Federal home loan banks	5,565,395,000	175,582,706		165,541,253
Federal Housing Administration	106,644,750	744,859	$22,742,118	
Federal intermediate credit banks	3,756,645,000	146,476,292		
Federal land banks	1,082,109,800	13,797,446	13,916,586	156,226,274
Federal National Mortgage Association	891,289,000			120,254,871
Others	139,475			45,607
Total	13,185,928,025	386,804,482	36,658,704	442,849,645

[1] On the basis of checks issued.

Office of Foreign Assets Control

The Office of Foreign Assets Control is responsible for administering the Treasury Department's freezing controls. During fiscal 1967, the controls under the Foreign Assets Control Regulations and the Cuban Assets Control Regulations with respect to trade and financial transactions with, and assets in the United States of, Communist China, North Korea, North Vietnam, Cuba, and their nationals and the prohibitions relating to the purchase abroad and importation of

Communist Chinese, North Korean, North Vietnamese, and Cuban merchandise were continued.

The Office of Foreign Assets Control also administered without change during fiscal 1967 the Transaction Control Regulations which supplement the export controls exercised by the Department of Commerce over direct exports from the United States to Eastern Europe and the U.S.S.R. These prohibit, unless licensed, any person within the United States from purchasing or selling or arranging the purchase or sale of internationally controlled strategic commodities located outside the United States for ultimate delivery to the Soviet Bloc. As in the case of both the Foreign Assets and Cuban Assets Control Regulations, the prohibitions apply not only to domestic American companies but also to foreign firms owned or controlled by persons within the United States.

The administration of assets remaining blocked under the World War II Foreign Funds Control Regulations which was transferred to the Office of Foreign Assets Control from the Department of Justice in fiscal 1966, was also continued. These regulations apply to assets blocked under Executive Order 8389 of Hungary, Czechoslovakia, Estonia, Latvia, Lithuania, East Germany, and nationals thereof who were on January 1, 1945, in Hungary or on December 7, 1945, in Czechoslovakia, Estonia, Latvia, or Lithuania or on December 31, 1946, in East Germany.

A new set of controls was imposed during fiscal 1967. The Rhodesian Transaction Regulations were issued on March 1, 1967, under Executive Order No. 11322 of January 5, 1967, implementing the United Nations Security Council's resolution No. 232 of December 16, 1966, which imposed selective mandatory economic sanctions against Southern Rhodesia. The Rhodesian regulations prohibit unlicensed importation of the following Rhodesian products named in the United Nations resolution: asbestos, hides, skins and leather, meat and meat products, chromium, copper, iron ore, pig iron, sugar, tobacco, and certain manufactures thereof, wherever made and unlicensed dealings abroad in such products by Americans and by Rhodesian subsidiaries of U.S. firms. The regulations also prohibit the unlicensed participation by Americans in the sale or shipment to Southern Rhodesia from abroad of non-U.S. origin arms, ammunition, aircraft and vehicles and materials for their manufacture or maintenance and transfers abroad involving the manufacture or assembly of aircraft or motor vehicles in Southern Rhodesia. They also embargo participation by Americans in transactions involving the exportation from abroad to Southern Rhodesia of non-U.S.-origin oil or oil products.

Internal Revenue Service [1]

The Internal Revenue Service administers the internal revenue laws embodied in the Internal Revenue Code (title 26 U.S.C.) and 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). It is the mission of the Service to encourage and achieve

[1] Additional information will be found in the separate "Annual Report of the Commissioner of Internal Revenue."

the highest possible degree of voluntary compliance with the tax laws and regulations and to maintain the highest degree of public confidence in the integrity and efficiency of the Service.

Major management improvements

The Service continued to make significant progress in cost reduction and management improvement. During fiscal 1967 record savings of $16.5 million were reported by managers and supervisors throughout the Service. This was an increase of 14 percent over fiscal 1966 savings and exceeded by $2 million the savings goal for fiscal 1967 which was established a year ago.

Major systems and procedural changes.—The savings achieved in fiscal 1967 were the result of a large number of individual actions, ranging from changes affecting a single operation or location to Servicewide projects involving the efforts of many people. Among these were the following: (1) Many refund checks mailed to taxpayers are undeliverable because the taxpayer moved and did not notify the Post Office or the Internal Revenue Service of his change of address. These checks are returned to the Service. Prior to fiscal 1967, undeliverable checks were redeposited to the taxpayer's account pending receipt of a change of address. In March 1967 a new procedure was begun which delays the redeposit of undelivered checks. This results in savings for the Government by avoiding the costly process of reissuing checks and improves service to the taxpayers by making checks immediately available for issuance upon receipt of a change of address. (2) A new method was initiated for processing the estimated tax payments of corporations which eliminated several operations in the service centers. Under this system the taxpayer is provided with preaddressed punchcards which he completes and submits with payments to a Federal Reserve bank, or to a Federal bank depositary which then forwards it to a Federal Reserve bank. The Federal Reserve bank deposits remittances to the Treasurer's account, and forwards the punchcards to the Office of the Treasurer. The data on the card is converted to tape, which is sent to the Service's National Computer Center where the taxpayer's deposits are reconciled with the amounts claimed on returns submitted. (3) The two-part "piggyback" mailing label, used in two regions for the tax year 1965, was extended to three additional regions for the 1966 tax year. Use of the preaddressed label helps prevent errors, speeds up processing, and contributes materially to keypunch savings. (4) Before the Service authorizes a refund for an overpayment of tax, the taxpayer's account is searched, by computer, for any unpaid liabilities. If any are found, the overpayment is appropriately applied and any remainder refunded. This capability, which could not be applied economically under manual methods, has permitted the Service to amend some of its procedures for collecting past-due accounts. The minimum dollar value of a past-due account which is required before manpower is assigned to its collection has accordingly been raised, reducing the number of small accounts which require expensive collection action. It should be noted that past-due accounts will be accumulated from year to year, and once the minimum dollar value is exceeded, manpower will be assigned to the collection of taxes and interest owed. (5) Pursuant to Public Law 89–713, enacted

November 2, 1966, the Service was given authority to require taxpayers to file tax returns directly with service centers. Direct filing of individual returns claiming a refund was first tried by the Service in one region in fiscal 1965 and extended to a second in fiscal 1966. In fiscal 1967 optional direct filing of refund returns was extended nationwide except for the North Atlantic and Midwest Regions and the State of California. The filing of selected business returns with the service center was made mandatory in the Southeast Region late in fiscal 1967. Direct filing offers significant savings in processing costs, and the system will gradually be extended to cover additional types of returns. Regions will be phased in on an orderly basis.

Informing and assisting taxpayers

The Commissioner of Internal Revenue received, on behalf of the Internal Revenue Service, the commendation from the Secretary of the Treasury for excellence in improving communications and services to the public for fiscal 1967. These functions are probably the most important the Service performs, keeping the public informed of matters essential to fulfilling its tax obligations. The Service has thoroughly equipped itself to carry out its public information role and is constantly striving to respond more effectively to taxpayer inquiries and to improve dissemination of information.

Public information program.—Since it was clear that an expanded information program would be required for the 1967 filing period, planning teams began on it during the summer of 1966. By September, work was underway on much of the scheduled program, which included technical and general news releases adaptable for timely use in district offices, feature articles and photographs, TV and radio scripts, films, and tapes. The quantities involved were generally above those of any previous year. More than 90 percent of all TV broadcasting stations and 78 percent of all radio stations used spot messages provided by the Service.

During the 1967 filing period the weekly series of question-and-answer columns was regularly published by more than 800 daily and 1,300 weekly newspapers. For the first time, the question-and-answer technique was extended to meet the special needs of Americans living abroad. Five columns of such information were provided 70 newspapers and magazines circulated among these taxpayers.

Taxpayer assistance program.—As part of the program to improve Government service to the public, the Service promoted a series of trial installations in taxpayer assistance areas of district office buildings. The tests, conducted in nine cities, have proven successful in reducing waiting time, long lines, and confusion during the filing season rush. Design and layout standards developed from these tests will begin to receive Servicewide application during fiscal 1968.

Over 26 million taxpayers voluntarily sought and received assistance from the Service during fiscal 1967. More than 17 million of these were assisted over the telephone, a satisfying response to the Service's efforts to encourage taxpayers to telephone for assistance in preference to making an office visit.

A nationwide program to sample the nature and frequency of taxpayer inquiries was instituted in fiscal 1967. Information obtained through this sampling provided new insight into the problems of taxpayers in filing Federal tax returns, highlighted information gaps in forms and public-use documents, and provided a basis for improving training programs for personnel detailed or assigned to the assistance program. The 25 most frequently asked questions are summarized monthly and disseminated to Service activities concerned. Another new program provides for the rapid dissemination of urgent need-to-know-now tax information to Service employees dealing with the public. Providing immediate information to employees on such items as forthcoming technical information releases and taxpayer error data enables them to assist the public more effectively.

Tax rulings.—The National Office interprets the tax law and issues letter rulings on specific sets of facts in response to inquiries from taxpayers or their representatives. It also provides technical advice to district directors on technical or procedural questions which develop during the examination of returns or claims for refund or credit when the question cannot be resolved on the basis of law, regulations, or other definitive information. During the year, 25,393 requests for letter rulings and 3,175 requests for technical advice were processed.

Regulations program.—Twenty-eight final regulations, three temporary regulations, and 22 notices of proposed rulemaking relating to matters other than alcohol and tobacco taxes were published in the "Federal Register" during the year. Ten public hearings attended by a total of approximately 335 persons were held on proposed regulations.

Five Treasury Decisions were issued in connection with the administration of alcohol, tobacco, and firearms regulations.

Personnel

Recruitment and personnel development continued as major challenges during this period of expansion of Internal Revenue Service functions and services. The Service's aim is to adequately staff its organization without compromising the primary objective of providing high quality assistance to the Nation and its taxpayers.

Recruitment.—Recruitment brochures, a direct-mailing campaign, on-campus recruiting, and participation in college career days were again used extensively to obtain qualified employees for the Service. Brochures concerning employment opportunities were mailed to 12,000 high school guidance counselors and 5,900 college and university guidance counselors. In addition, 20,000 copies of one brochure were distributed to the Accounting Career Council for inclusion in their career guidance packages. The program of hiring undergraduate accounting students as trainees for positions as internal revenue agents and internal auditors, during its first full year of operation, included 152 students and the negotiation of work-study agreements with 74 colleges and universities. The Service continued to employ young people who qualify under the Youth Opportunity Corps program. As of May 1967, the programs had 1,054 enrollees, a 51-percent increase over last year's total of 696.

Planned personnel redeployment.—The program to retrain or find other positions for district office personnel affected by the relocation of their work to service centers continued during fiscal 1967. Of the over 9,000 personnel who have been redeployed since the program began, 1,368 were accounted for this year. Sustained success was experienced in identifying either service center or other IRS jobs for which many of these individuals are qualified or could be retrained. Some employees left voluntarily to go to other agencies, private industry, or into retirement.

Training

Major increases in technical training have been required by expanded recruitment, changes in the tax law, and technological developments which have increased the complexity of Service work. Since 1965, the number of employees trained has increased by more than 100 percent.

The National Training Center continued to develop and update its technical training materials for field use. It also continued to experiment with methods to make training more efficient and effective, including automated teaching systems for certain service center courses, and closed-circuit television training programs to enable employees who have extensive contact with the public to observe their own performance.

Emphasis continues on the systematic selection and development of supervisory personnel. Many of the concepts originally associated with the executive selection and development program have been extended to supervisory and managerial jobs throughout the Service.

Internal revenue collections and refunds

Gross collections.—Internal revenue collections in fiscal 1967 were $148.4 billion, the largest amount collected and the greatest annual increase in the history of the Internal Revenue Service. The increase of $19.5 billion over fiscal 1966 is larger than total internal revenue collections in 1942, when $13 billion was collected.

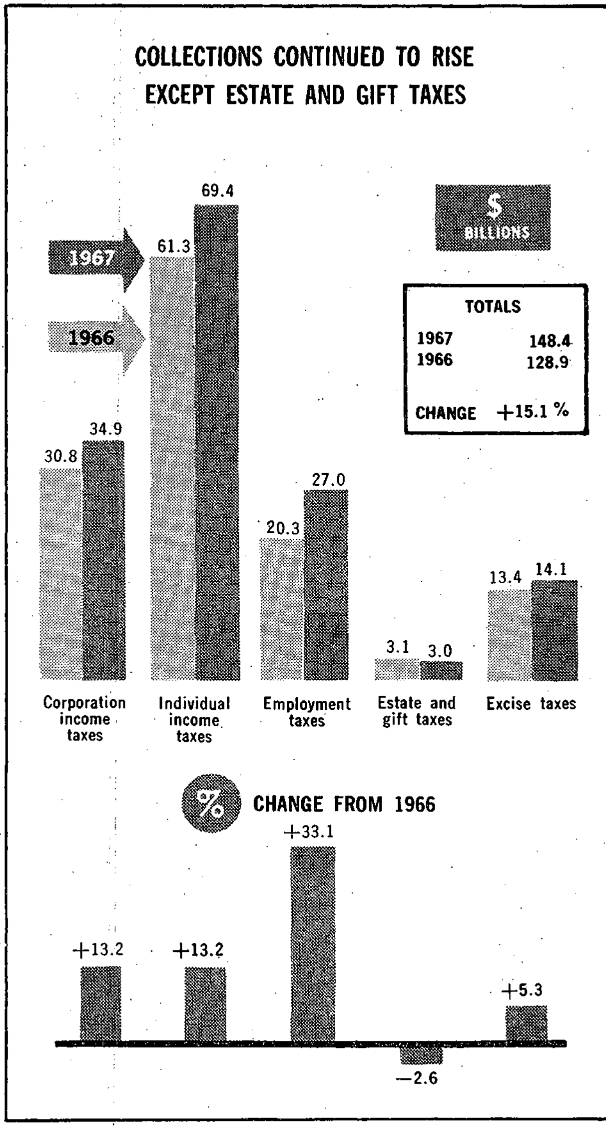
The tax on individual income continues to be the largest single source of Federal revenue, representing about 47 percent of all collections. Individual income tax payments (including both amounts withheld by employers and amounts paid by individuals with their returns) increased to $69.4 billion. Part of the $8.1 billion increase from 1966 reflected the rise in withholding rates which became effective in May 1966.

The second major source of revenue is the corporation income tax, which increased to $34.9 billion in fiscal 1967. Some of the gain was due to the acceleration of estimated payments, which affected certain corporate estimated tax payments in the last quarter of fiscal 1967.

Collections of employment taxes totaled $27 billion in fiscal 1967. These taxes represent funds which are set aside for the payment of insurance and retirement benefits. Increases in the rate and in the amount of wages subject to the tax, as well as increased employment, contributed to the rise in these collections.

Excise taxes continued to represent a substantial part of total internal revenue collections in spite of the numerous revisions under the Excise Tax Reduction Act of 1965. Total excise tax collections in fiscal 1967 were $14.1 billion, only 5 percent below the amount collected in fiscal 1965 when a record $14.8 billion was collected.

Gross collections by principal types of tax are compared for fiscal years 1966 and 1967 in the accompanying chart. See table 19 for collections from 1936–67 by detailed categories.



Refunds.—There was a sharp rise in both number of refunds made and amount refunded in fiscal 1967. The number increased by 3.9 million to reach 49.0 million, while the amount refunded (including both principal and interest) increased by $2.3 billion to a record $9.6 billion. The largest increase in both number (5.1 million) and amount ($2.0 billion) occurred in individual income taxes. A contributing factor was the higher rate of withholding from wages, beginning in May 1966, under the Tax Adjustment Act of 1966.

Receipt and processing of returns

Number of returns filed.—More than 105.4 million tax returns of all types were filed in fiscal 1967, an increase of 1.4 million. This growth occurred primarily in the individual income tax area, with forms 1040 increasing 2.0 million and forms 1040A increasing 0.5 million. Excise tax returns filed decreased 0.6 million.

Automatic data processing.—On January 1, 1967, individual master file coverage was made nationwide by the inclusion of the two regions and three districts previously omitted from coverage. Business master file coverage had become nationwide on January 1, 1965. The objectives of the master file plan were essentially complete by the fiscal yearend, with only the Office of International Operations remaining to be brought under the system. With nationwide ADP processing, the former area service center programs for processing tax returns, begun in 1954, were closed.

Enforcement activities

The Service's enforcement activities are directed primarily toward insuring that each taxpayer's tax liability is correctly established and that all taxes due are paid. The confidence of the American citizen in the Federal tax structure and his acceptance of its self-assessment system is largely dependent on the Service's ability to achieve this objective. In recognition of this important relationship, the Service's enforcement programs strive to promote maximum voluntary compliance through fair and impartial administration of the tax laws and regulations.

Examination of returns.—In response to changing demands on tax administration, audit program activity was expanded on larger and more complex returns. Continued high-quality audits plus shifts in audit concentration to larger cases resulted in additional tax recommendations of $3.3 billion in fiscal 1967. This exceeded the previous high of $3.1 billion recommended in 1966.

Additional tax recommended as the result of examination of corporation and exempt organization returns increased to $1,632 million—4.0 percent higher than 1966. There was also an upward movement in estate and gift tax recommendations, from $416 million in fiscal 1966 to $565 million in 1967, a 35.8-percent increase. Recommendations decreased in the individual and fiduciary area, from $1,050 million last year to $1,026 million in fiscal 1967.

The primary responsibility of the audit program is to determine correct tax liability. While the bulk of examinations result in recommendations for the assessment of additional tax, equivalent effort is made to insure that the taxpayer has not overassessed himself. In fiscal 1967, Service examinations disclosed overassessments of $190.6 million, exclusive of claims for refund initiated by taxpayers.

The inventory of individual and corporation older year returns awaiting field audit examination have been reduced by 22 percent during the past 2 years. This more current inventory helps reduce the number of requests to extend the statute of limitations, enables taxpayers to know the status of their Federal tax accounts earlier, and reduces the accumulation of interest due on both assessments of additional taxes and on refunds of overassessments.

The application of team audit techniques has helped reduce the backlog of older returns in the large corporate tax return area. In view of the tremendous growth in the size, number, and complexity of large corporations since World War II the assignment of one man per case was no longer realistic. The new large case audit program applies the concept of a carefully planned, highly coordinated audit using a team approach, with each agent given specific assignments according to a formal overall examination plan. Since its inception in July 1966, this program has been successful in improving the quality of large case audits, obtaining better uniformity of issues raised as well as their resolution, and shortening the time span of examinations.

Mathematical verification.—The mathematical verification of returns is one of the procedures used by the Service to help insure that each taxpayer will pay the proper amount of tax. Slightly over 65 million income tax returns of individuals filed on form 1040 or form 1040A were mathematically verified during the year, an increase of 7.6 percent over the preceding year.

The correction of mathematical errors resulted in $207.6 million in increased taxes and $94.3 million in decreased taxes, for a net yield of $113.3 million.

Delinquent returns.—The Service secured 766,000 delinquent returns representing $262.7 million in unreported tax, interest, and penalties during fiscal 1967. Although fewer returns were secured than last year, there was an increase of $16.0 million in the amount assessed.

Summary of additional taxes from direct enforcement.—A detailed comparison of additional tax assessments resulting from direct enforcement during the last 2 fiscal years is presented below.

Sources	In thousands of dollars	
	1966	1967
Additional tax, interest, and penalties resulting from examination	2,427,329	2,256,933
Increases in individual income tax resulting from mathematical verification	186,244	207,506
National identity file [1]	2,548	2,271
Tax, interest, and penalties on delinquent returns	246,696	262,665
Total additional tax, interest, and penalties	2,862,817	2,729,375
Claims disallowed	401,122	392,199

[1] An interim computer procedure established in regions processing individual income tax returns to identify taxpayers filing more than one return. When the individual master file is operative nationwide this procedure will no longer be necessary.

Tax fraud investigations, indictments, and convictions.—During the year 3,193 full-scale investigations were completed with prosecution recommended in 2,015 cases. These totals included 836 organized crime drive investigations, with prosecution recommended in 700 cases. Preliminary investigations totaling 10,663 were made during the year.

Indictments were returned against 1,342 defendants in tax fraud cases in fiscal 1967. Pleas of guilty or *nolo contendere* were entered for 928 defendants in cases reaching the courts, 145 defendants were convicted after trial, 50 were acquitted, while cases against 233 defendants were nol-prossed or dismissed.

Collection of past-due accounts.—Past due accounts established during fiscal 1967 totaled 2.8 million, with $2,132 million of tax involved, a $117 million increase, due in part to several unusually large accounts. The $2,066 million of accounts closed was $112 million higher than last year. The yearend inventory of 748,000 accounts was valued at $1,325 million, 16,000 accounts lower and $112 million higher than a year earlier.

Future enforcement of past-due accounts will be facilitated by the ADP system which is now in effect nationwide. Programs initiated during the year were having significant results by the fiscal yearend. For example, in 1967 for the first time on a nationwide basis, names of individuals owing income taxes or business taxes for periods before ADP were fed into the system. The computer program applied to refunds provided that any prior liability would be deducted from any refunds due the taxpayer. By the end of fiscal 1967 this program had automatically collected almost $12 million on prior liabilities. Equally important, the program freed enforcement personnel for work in other areas where personal contact was required.

Alcohol and tobacco tax administration.—The concentrated liquor law enforcement effort in the Southeastern States was continued in fiscal 1967. Reports on the program, known as Operation Dry-Up,[1] disclosed a decrease in both the number of violations and the scope of illegal operations in the States affected.

In fiscal 1967, 84 percent of the illegal distilleries and 93 percent of all mash seized were in the Southeast Region. The following table provides information on nationwide seizures and arrests during the last 6 fiscal years.

Fiscal year	Number of stills seized	Gallons of mash seized	Arrests for liquor law violations
1962	6,886	3,424,500	8,726
1963	6,213	3,092,600	8,153
1964	6,837	3,123,800	7,897
1965	7,432	3,637,900	7,171
1966	7,685	3,664,900	6,629
1967	6,608	3,125,400	6,148

The alcohol and tobacco tax laboratory of the National Office is concentrating on advanced instrumentation studies so that improved techniques can be applied to the analysis and examination of specimens. Advanced analytical capability is important to the Service in its normal surveillance over products containing alcohol, as well as in other fields, including the broad area of scientific crime detection. In a criminal case during fiscal 1967 the Service established precedent by the successful introduction of physical evidence analyzed by atomic absorption spectrophotometry, a technique for the determination of chemical elements which is particularly useful in conjunction with neutron activation analysis. Since 1964, when neutron activation analysis was first accepted by the courts, growing interest in its use has been shown by the Service, the Bureau of Narcotics, and other Federal and State offices. Neutron activation analysis was used in

[1] See 1966 annual report, page 128.

the examination of 1,765 samples in fiscal 1967, compared to 1,006 in fiscal 1966. Field office laboratories also analysed 6,450 samples in connection with alcohol and tobacco tax enforcement work and 5,197 samples for the Bureau of Narcotics.

Tax determinations on spirits withdrawn for bottling is a prime workload factor. These determinations reached an alltime high of 221.2 million tax gallons in fiscal 1967. Plants requiring on-premises supervision produced 873.0 million tax gallons of distilled spirits during the year.

Firearms law enforcement.—Investigations of violations of National and Federal firearms statutes led to 720 criminal cases and the seizure of 3,787 firearms in fiscal 1967, compared to 466 cases and 839 seizures in fiscal 1966. In addition, 36,050 firearms records inspections were made at the premises of dealers, compared to 13,783 inspections last year.

Appeals and civil litigation.—Total cases received in regional appellate divisions in fiscal 1967 decreased by 56 from fiscal 1966 to 36,664. Total case disposals, however, increased by over 3,000 cases to 37,755 in 1967. A reduction of 1,091 in the yearend inventory was achieved by June 30, 1967.

Revised procedures were initiated in fiscal 1966 for reporting refunds or credits of over $100,000 in income, estate, or gift taxes to the Joint Committee on Internal Revenue Taxation.[1] These procedures reduced the average processing time from 12 months to 5½ months, resulting in better public relations through earlier refunds or credits, and savings in interest and operating expenses. In fiscal 1967, 757 cases involving overassessments of $499.8 million were reported to the Joint Committee.

Civil cases in the trial courts were won or partially won by the Government during fiscal 1967 as follows: in the Tax Court, 82 percent; in the Court of Claims, 55 percent; and in the U.S. district courts, 73 percent. The Government won, in whole or in part, 339 of the 413 civil tax cases decided by courts of appeal (exclusive of collection litigation and alcohol and tobacco tax legal matters).

The Supreme Court rendered two decisions in Tax Court cases and two decisions in refund suits during the year. The Government's position was sustained in both Tax Court cases and in one of the two refund suits.

International activities

Overseas operations of the Service fall into three broad areas: (1) Administration of the tax laws as they apply to U.S. citizens living abroad, nonresident aliens, and foreign corporations; (2) negotiation and administration of tax conventions with foreign countries, established to prevent double taxation of individuals and corporations which are subject to taxation by two or more countries; and (3) providing assistance requested by developing countries in improving their tax administration system.

International operations.—The Service maintains offices in Bonn, London, Manila, Mexico City, Ottawa, Paris, Rome, Sao Paulo, and Tokyo. Representatives at these offices perform functions for all branches of the Service, maintain liaison with tax authorities of

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[1] See 1966 annual report, page 130.

foreign governments on the administration of tax treaties and on other matters of mutual interest, and assist U.S. citizens overseas in complying with their U.S. tax responsibilities. To further assist U.S. taxpayers abroad, during the 1967 filing period Service employees visited 51 countries plus Guam, Okinawa, and the Canal Zone, and 14 1-week tax schools were conducted for military personnel.

Tax conventions.—Negotiations were held with seven countries concerning bilateral income tax conventions. Income tax conventions were signed during fiscal 1967 with Brazil and with Trinidad and Tobago, and the proposed conventions were transmitted to the Senate. A supplementary income tax convention with Canada was also signed and transmitted to the Senate. The Senate ratified a protocol to the United States-United Kingdom income tax convention and the instruments of ratification were exchanged on September 9, 1966. Instruments of ratification of an income tax convention between the United States and the Netherlands were exchanged on July 8, 1966.

Foreign tax assistance.—One of the most significant developments this year was the creation of the Inter-American Center of Tax Administrators. The Center was established in May, at a meeting held in Panama City, Panama. Its purpose is to provide a permanent forum for the exchange of ideas, concepts, and experiences for the improvement of all phases of tax administration among Western Hemisphere tax officials. The Commissioner of Internal Revenue was elected President of the Center's Executive Council and as such is the chief executive of the Center. The other members of the executive council are from Guatemala, Ecuador, Venezuela, and Brazil. At the fiscal yearend the Center had 39 members from 19 countries.

New long-term tax advisory teams were assigned in fiscal 1967 to Turkey and to South Vietnam. The team previously assigned to Ecuador was withdrawn for the time being. At the close of the fiscal year teams were located in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, India, Nicaragua, Panama, Paraguay, Peru, the Philippines, South Korea, South Vietnam, Turkey, Uruguay, and the Agency for International Development's Regional Office for Central America and Panama.

Planning activities

Service planning activities concentrate on developing a balanced program for the most beneficial use of limited manpower and dollar resources. The comprehensive, multiyear Program and Financial Plan, developed as a result of intensive research, systems development, and extensive planning reflects the Service's objectives and resource requirements. This plan forms the short- and long-range basis for integrating into unified programs the variety of separate Service functional activities.

Long-range planning.—The Service is now in its second year under the planning-programing-budgeting system (PPB). Special studies, an essential part of the PPB system, provide management with the analytical basis for choosing from among alternative courses of action. Task forces started work in 1967 on several special studies to assist management in making program choices. Systematic quantitative analysis, as well as traditional qualitative analysis, are used to develop objectives and alternative means of meeting them. Quantitative analysis assists in evaluating the practicality of alternatives by providing calculations and comparisons of the relative costs and benefits. The results of these analyses will be presented to Service, Treasury, and Budget Bureau executives for review and decision.

Long-range planning and estimates of future Service workloads rely on projections of the number of tax returns to be filed in future years. The steady upward trend in the volume of returns filed in recent years continued during calendar year 1966, and the expected growth in the Nation's population, economy, and labor force indicates additional increases. In calendar year 1966 the total number of returns filed exceeded 103 million, an increase of more than 12 million during the last 10 years. Recent projections forecast a total of 114.5 million returns by 1970 and further gains to 126.1 million returns by 1975.

Current research program.—Projects touching on many aspects of tax administration, especially the improvement of taxpayer compliance were continued. The research program was also designed to foster cooperation between the Service and other governmental bodies, and countries with which the United States has tax treaties.

Several research projects were conducted concerning the reporting of wages, dividends, and interest payments. Included were studies on the uses made of information returns, possibilities of obtaining information returns in some areas not presently covered, and the expanded use of magnetic tape rather than paper information returns.

As a result of a cost-benefit study a policy was adopted for retaining master file data. Under this new policy: (1) Tax settlement data will be retained for 27 months beyond the posting date of the transaction that brings the tax account to a zero balance or releases it from any prior hold placed on the account, and (2) tax base data will be removed from master files annually after completion of scheduled computer runs for Service programs.

Other projects of the year included: (1) Developing a program for the Service and the States to exchange tax information data by means of magnetic tape; (2) planning a system for accelerating the remittance of taxes withheld from nonresident aliens and foreign corporations; (3) cooperating with the U.S. Civil Service Commission in the development of instructions to assist annuitants in determining the taxable portion of their annuities; and (4) coordinating implementation of new rules for individuals authorized to represent taxpayers in tax matters before the Service.

Systems development.—To further reduce the time and money spent in preparing information for entry into the Service's ADP system, the two projects involving the use of optical scanning equipment were continued. The testing of a relatively inexpensive single-font scanner was begun in the Southeast Service Center late in 1966. Under actual operating conditions, this machine, designed to handle bills and other notices typed or printed on Service equipment using a special American Standards Association approved type font, has successfully met the Service's acceptance criteria for reading typewritten documents; however, acceptance tests of documents prepared on the Service's high-speed printers had not been completed by the fiscal yearend. The second study concerned a more sophisticated scanner capable of converting data from information returns (forms W-2, 1099, and 1087) directly to magnetic tape. Although three manufacturers responded to an invitation to bid on this multifont scanner, it was decided that none of the proposals offered sufficient economic advantages.

Design of a new ADP system to replace the present master file system early in the 1970's is well into the first study phase, definition of information requirements. As the study progresses, continuing cost/benefit review of the overall design will be conducted.

Major benefits anticipated in the future system include: (1) Faster entry of new information into master files, (2) direct access to information on file by technicians in the Service, (3) inclusion of more comprehensive data on file in terms of both historical and current information, (4) rapid, selective, and properly formated retrieval of information, and (5) better management through improved allocation of resources.

Inspection activities

A protective and constructive service is furnished the Commissioner and all other levels of Service management through comprehensive internal audit and internal security programs. The internal audit program permits management to appraise the degree of compliance with established policies, procedures, and controls, and also provides a basis for appraising the effectiveness of these systems. Internal security investigations are regularly conducted on various matters, particularly character background investigations of new appointees to positions of trust and investigations of complaints of employee misconduct. Investigations are also made of reports by employees concerning actual or suspected bribery or other unethical attempts to influence Service action.

Internal audit.—During fiscal 1967, over 85 percent of direct internal audit staff time was spent on data processing, collection, audit, intelligence, and alcohol and tobacco tax functions. Results of actions taken to correct systemic errors, improve programs and procedures, or strengthen internal controls are conservatively estimated at $37 million. Included are such items as management's actions on specific cases; the assessment of tax, penalties, and interest not previously properly assessed; the recoupment of erroneous refunds; the securing of delinquent returns; and the acceleration of collection action on past-due accounts.

Internal security.—During fiscal 1967, a total of 12,373 internal security investigations of all types were completed, a 25-percent increase over last year. In addition, police record checks were made on 4,491 employees considered for short-term temporary appointments.

Indications of breaches in integrity involving frauds on the revenue, committed by employees, or through collusion between employees and non-Service people, are investigated by teams of auditors and investigators. One such joint investigation disclosed that a district office employee had been paid by taxpayers for preparing approximately 100 tax returns, 32 of which were fraudulent. In another instance, investigation of allegations that cases could be "fixed" disclosed collusion between an office auditor and a tax practitioner. Appropriate disciplinary or court action is taken on cases where merited. In the two foregoing cases, both employees were brought to trial and found guilty. Investigation also revealed that false charges had been brought against employees in a number of instances.

The large amounts of money involved in many Service transactions make bribery by outsiders an ever-present hazard. In fiscal 1967, a record number of bribery attempts were reported by employees. At the end of the year, prosecutions were pending on 32 defendants for this crime, and 68 cases were still under investigation.

Bureau of the Mint [1]

The major operations of the Bureau of the Mint are the manufacture and distribution of all coins of the United States, and the receipt, processing, disbursement, and physical custody of gold and silver for the Treasury. Departmental headquarters of the Director of the Mint is in Washington, D.C. The six field installations of the Bureau are two mints located in Philadelphia, Pa., and Denver, Colo.; two assay offices, in San Francisco, Calif., and New York, N.Y.; and two bullion depositories, one at West Point, N.Y. which operates as an adjunct of the New York Assay Office, and the other, located at Fort Knox, Ky.

Three plants manufacture coins, the Philadelphia and Denver mints and the San Francisco Assay Office. They also distribute the newly minted coins for general circulation through the facilities of the Federal Reserve and the Treasury in Washington. These facilities also return to the mints coins which are uncurrent, that is, after they have been withdrawn by the commercial banks of the country when too worn to continue in active circulation.

The U.S. Mint also manufactures foreign coins. It is noted that many countries have no government mints of their own. Others which have mints may at times be unable to meet their current requirements. Such countries, therefore, obtain their coinage from another government. In recognition of these circumstances, the Congress of the United States enacted legislation in 1874 which permits the coinage facilities of the U.S. Government to be made available, on a reimbursable basis, for the manufacture of the national coins of foreign governments (31 U.S.C. 367). Many countries, located in North, Central, and South America, Europe, Africa, Asia, and Oceania, have availed themselves of U.S. facilities and technical services.

The Engraving Division in Philadelphia makes all master dies, working dies, hubs, etc. required for the production of coins at all operating plants. Mint engravers also design and make medals in gold, silver, and bronze. Included are medals authorized by Congress in commemoration of historic events and distinguished achievements; and other special medals, decorations, and awards. Many bronze medals are sold to the public by the Philadelphia Mint. Among the most popular is the Presidential series initiated during the term of George Washington.

Bullion containing gold and silver is received by the mints and assay offices in unrefined and refined forms from both domestic and foreign sources. The depositors include: individuals; private companies; U.S.

[1] Additional information is contained in the separate "Annual Report of the Director of the Mint."

Government agencies; the U.S. Exchange Stabilization Fund; foreign monetary authorities, including central banks and treasuries; and international monetary agencies such as the International Monetary Fund and the Bank for International Settlements. After assay, the gold and silver are paid for either in U.S. funds or in fine U.S. Mint bars, based on these assays. The bullion is processed by melting, parting, refining, and then manufactured into various sized gold bars and silver bars in "good delivery" form, that is, suitable for use in the settlement of international balances and the world markets, or storage in the various mint field installations. The New York Assay Office operates an electrolytic refinery for refining gold and silver; platinum group metals are a byproduct of these operations.

The gold, silver, coinage metals, coins in various stages of production, and the inventory of finished coins are valued at many billions of dollars. The diversified operations, physical custody, and movement of values between the mints, assay offices, and bullion depositories require continuous safeguarding for which sophisticated security systems are maintained.

In order to meet the added responsibilities of the Director of the Mint, the laboratory in Washington was enlarged and modernized during the last several years. Some of the functions of the laboratory, where the overall scientific work of the Bureau is performed, encompass the following:

(1) *Forensic*—determination of the status and condition of questioned coins, by nondestructive means.

(2) *Applied research and development*—investigation of new materials for use in coinage; investigation of new methods for achieving quality control.

(3) *Maintenance of quality control*—through surveillance, provides for the maintenance of standard methods, procedures, and equipment in the several mint laboratories for analytical and other quality control activities.

(4) *Quality assurance*—by means of the routine testing of issued coins and samples of other mint products, including analytical, mechanical, metallographic, and metrological tests, assures the conformity with coinage statutes and mint regulations of all mint products.

Modern instrumentation to best meet volume production and new types of coins was required by the mint laboratory. The installation of the following equipment to accomplish this was completed during fiscal 1967.

A. *A Microprobe X-ray Analyzer.*—This permits the nondestructive analysis of questioned coins necessary for the preparation of evidence in cases involving counterfeit and altered coins.

B. *An X-ray Fluorescence Spectrometer.*—This affords the high-speed quantitative determination of the average composition of clad metal coins, using dissolved samples of the composites. It also provides for the nondestructive analysis of the separate components in clad metal coins.

C. *An Atomic Absorption-Flame Emission Unit.*—This provides for the quantitative determination of minor or trace element constituents of coinage metals.

The coinage institutions are also equipped with X-ray fluorescence spectrometers and atomic absorption-flame emission units.

Standard mint fire assay and wet chemical methods continue to be used for the quantitative determination of gold and silver. It is expected that the new equipment and procedures will entirely supplant standard electrolytic and wet chemical methods used for quantitative determination of nonprecious coinage metals.

Production of U.S. coins

With the coinage output exceeding 9 billion pieces in fiscal 1967, the mint set a new production record for the seventh consecutive fiscal year. The three coinage plants processed approximately 36,500 short tons avoirdupois of metals into the finished coins, thus increasing the Nation's supply of fractional money more than $962 million. The distribution of denominations reflected current requirements of the economy. However, the 1-cent coins, as for many years, were the most largely produced and accounted for 40 percent of the total number of pieces minted. Dimes accounted for 34 percent; quarter dollars, 20 percent; half dollars, 4 percent; and 5-cent pieces, 2 percent. This contrasted somewhat from the distribution of the 8.7 billion pieces struck in 1966, which ranked as follows: 1-cent pieces, 32 percent; dimes, 29 percent; quarter dollars, 25 percent; 5-cent pieces, 12 percent; and half dollars, 2 percent.

All subsidiary coins made were the composite type authorized by the Coinage Act of 1965 (31 U.S.C. 391).[1] Details of coins produced during the year follow:

Production of U.S. coins, fiscal year 1967 [1]

Denomination	Standard weight	Diameter	Thickness	Metallic composition	Coins produced	Face value
	Grams	*Inches*	*Inches*	*Percent*	*In millions*	
1-cent pieces	3.11	0.750	0.062	95 copper, 5 zinc	3,619.8	$36.2
5-cent pieces	5	.835	.078	75 copper, 25 nickel	205.7	10.3
Dimes	2.268	.705	.053	Outer cladding 75 copper, 25 nickel; inner core pure copper.	3,094.0	309.4
Quarter dollars	5.67	.955	.067	do	1,818.3	454.6
Half dollars	11.5	1.205	.086	Outer cladding 80 silver, 20 copper; inner core approximately 20 silver, 80 copper.[2]	303.4	151.7
Total					[3] 9,041.2	962.2

[1] Includes 2,968,734 special mint sets (14,843,670 individual coins with face value of $2,701,547.94).
[2] Average silver content of the clad half-dollar is 40 percent.
[3] Gross weight of coinage 36,489 short tons.

Issue and stock of U.S. coins

Special congressional hearings relative to the nationwide shortage of coins were first held in 1964.[2] In the interim 3-year period the

[1] Composite coins are described in the 1965 annual report on pages 131 and 316.
[2] Public hearings were held by the Legal and Monetary Affairs Subcommittee of the Committee on Government Operations, House of Representatives, on June 30, July 1 and 2, 1964, Feb. 16 and 17, 1965, and Feb. 8, 1966.

Philadelphia and Denver Mints and the San Francisco Assay Office have shipped over 20 billion fractional coins into circulation channels. The distribution by denomination and fiscal year is set forth in the accompanying table.

Denomination	Issue of U.S. fractional coins [1]				
	Number of pieces (in millions)				Total face value (in millions)
	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967	Total pieces	
1-cent pieces	3,717.2	2,786.5	3,629.3	10,133.0	$101.3
5-cent pieces	1,578.0	829.1	245.7	2,652.8	132.7
Dimes	1,036.2	1,708.7	896.4	3,641.3	364.1
Quarter dollars	715.8	1,836.3	707.2	3,259.3	814.8
Half dollars	194.6	196.8	302.4	693.8	346.9
Total	7,241.8	7,357.4	5,781.0	20,380.2	1,759.8

[1] The initial distribution of clad coins authorized by Public Law 89-81, July 23, 1965, was as follows: November 1965, quarter dollars; March 1966, half dollars and dimes.

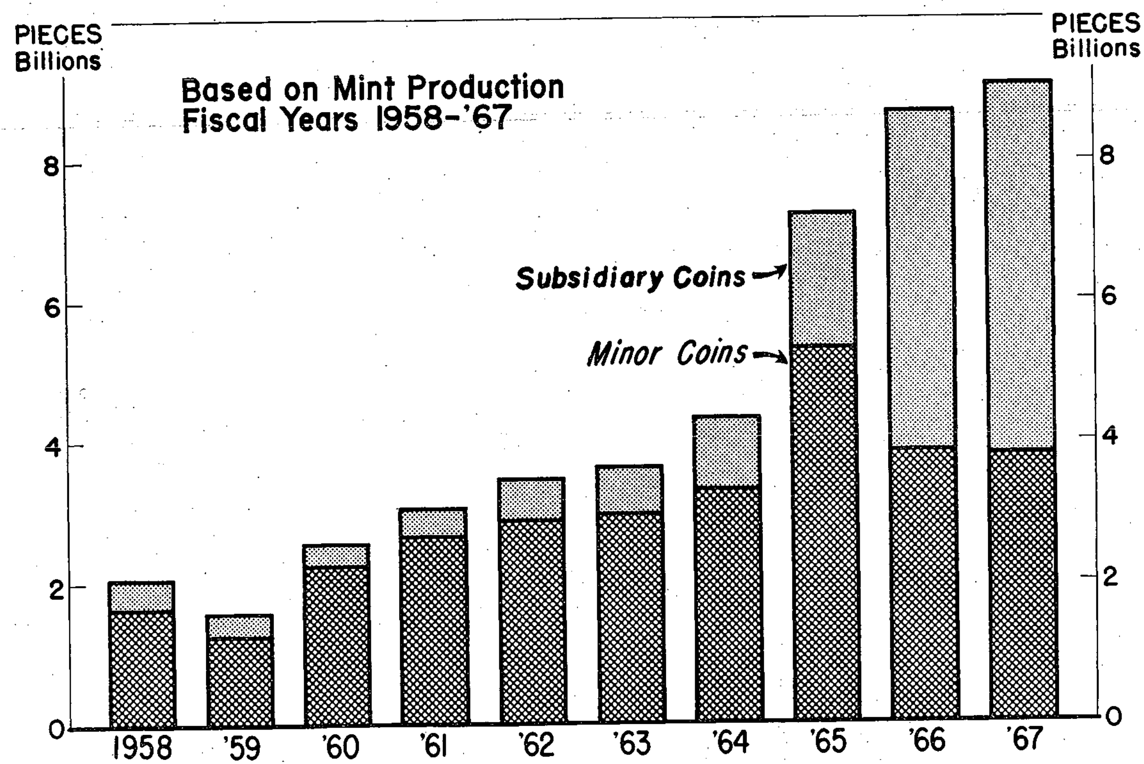
The total stock of U.S. coins, estimated by the Office of the Director of the Mint, is updated at the close of each month to reflect the addition of coins manufactured during the month, the reduction of uncurrent (worn) coins returned to the mints, and allowance for general disappearance, etc. The net increase in the stock on selected dates over the past 10 fiscal years is shown below.

Stock on June 30	Face value (in millions)		
	Standard silver dollars [1]	Fractional coins	Total stock of coins
1957	$488	$1,867	$2,356
1960	488	2,111	2,599
1965	485	3,229	3,713
1966	485	4,191	4,675
1967	485	5,148	5,633
Net increase or decrease (−)	−4	3,281	3,277

[1] No silver dollars have been manufactured since September 1935.

A total of 45.6 billion new subsidiary and minor coins have been added to the national stock of coins during the last 10 fiscal years. The yearly growth in newly minted fractional coins is shown in the accompanying chart.

RELATIVE GROWTH IN NEWLY MINTED FRACTIONAL COINS IN THE UNITED STATES



Foreign coinage

The U.S. Assay Office at San Francisco manufactured 2,176,206 foreign coins for the Republics of Panama and the Philippines during the fiscal year 1967. Six denominations were made for the Government of Panama, including the balboa and five fractional coins. The fractional coins correspond exactly in size, weight, and composition to coins of the United States made in 1967, which are described in the U.S. production table. The balboa coin corresponds to the present U.S. standard silver dollar. It is composed of an alloy of 900 parts of silver and 100 parts of copper, and has a gross weight of 412.5 grains or 26.73 grams. The number of Panamanian coins produced was as follows.

Panamanian coins	Number of pieces	Metallic composition
1 balboa	12,701	Silver alloy, 90% fineness.
½ balboa	1,012,701	Silver clad, average 40% fineness.
¼ balboa	12,701	Cupronickel clad on copper.
1/10 balboa	1,012,701	Do.
5 centesimos	12,701	75% copper, 25% nickel.
1 centesimo	12,701	95% copper, 5% zinc.
Total	2,076,206	

One hundred thousand silver coins in the 1 peso denomination were made for the Philippines. The weight of the peso is 412.5 grains or 26.73 grams and the composition, an alloy of 900 parts of silver and 100 parts of copper. These specifications also correspond to the standard silver dollar coin of the United States.

Gold and silver operations at the Mint institutions

Over 8,100 bullion deposits containing gold and silver were made at the mints and assay offices during the fiscal year 1967. These transactions required approximately 81,000 assay determinations.

The gold content of the deposits amounted to 2.7 million fine troy ounces with a value of $94.5 million. The sources were newly mined domestic production, scrap gold from domestic depositors, and bullion of foreign origin; the latter consisted of imports received directly from abroad and also gold released by foreign governments from their accounts in New York.

Withdrawals of gold for authorized purposes totaled 14.6 million fine ounces valued at $512.6 million. Included were gold bars containing 5.4 million ounces valued at $190.3 million issued for domestic, industrial, professional, and artistic use; and 9.2 million ounces valued at $322.3 million issued for monetary purposes, of which $300 million were for the special gold accounts of the Secretary of the Treasury and the Treasurer of the United States. In addition to the usual transfers of gold between mints and assay offices, 14.5 million ounces valued at $507 million were moved from the Fort Knox Depository to the New York Assay Office.

A total of 3.4 million fine troy ounces of silver bullion was received by the mints and assay offices in 1967. The deposits included silver contained in newly mined domestic gold, imported gold, scrap gold, silver scrap from domestic sources, and silver in uncurrent (wornout) U.S. silver coins withdrawn by the commercial banks of the United States and returned through Federal Reserve facilities.

The withdrawal of silver bullion in fiscal 1967 amounted to 235.4 million fine ounces, of which 44.8 million ounces were processed by Denver and San Francisco into 303.4 million silver clad U.S. half dollars. The issues of 190.4 million ounces included 2 million ounces exchanged for deposits of unrefined silver; 158.1 million ounces exchanged at New York and San Francisco Assay Offices for silver certificates; and 30.3 million ounces which represented miscellaneous sales, operative wastage, etc.

The following table summarizes the net withdrawals of gold and silver bullion from the mints and assay offices and the total quantity held at the beginning and close of the fiscal year 1967.

Monetary bullion (excluding intermint transfers)	Gold		Silver	
	Fine ounces	Value	Fine ounces	Value
	In millions			
Holdings on June 30, 1966	366.6	$12,830.2	633.7	$819.3
Receipts in fiscal 1967	2.7	94.5	3.4	4.5
Issues in fiscal 1967	14.6	512.6	235.4	304.5
Holdings on June 30, 1967	354.6	12,412.2	401.7	519.4
Net change	−11.9	−418.1	−232.0	−299.9

Revenue deposited into the general fund of the Treasury

During the fiscal year 1967, mint revenues deposited into the general fund of the Treasury totaled $845 million. This was 29 percent more than last year, or an increase of $189.5 million. The revenue items for fiscal years 1966 and 1967 are included in the following table.

Revenue deposited into the general fund of the Treasury	In millions of dollars	
	1966	1967
Seigniorage:		
Minor coinage (1¢, 5¢)	62.8	34.0
Subsidiary 0.900 fine silver coinage (10¢, 25¢, 50¢)	19.0	------------
Cupronickel-clad coinage (10¢, 25¢)	546.0	717.8
Silver-clad coinage (50¢)	15.2	82.3
Silver	6.5	(*)
Total seigniorage [1]	649.5	834.1
Handling charges on gold bullion	.6	.6
Other bullion charges	.7	1.0
Sales of special Mint sets, etc	4.7	9.2
All other	(*)	.1
Total deposited	655.5	845.0

*Less than $0.1 million.

[1] Seigniorage accruing from 8,686.5 million coins manufactured in fiscal 1966 and 9,041.2 million coins in fiscal 1967.

Monetary assets and liabilities

Total monetary assets of the mints, assay offices, and bullion depositories amounted to $14 billion on June 30, 1966, and $13.7

billion on June 30, 1967. The composition of assets and liabilities for each date is set forth in the statement below.

Item	In millions of dollars	
	June 30, 1966	June 30, 1967
ASSETS		
Gold bullion	12,830.3	12,412.2
Silver bullion	r 819.3	519.4
Subsidiary coin	158.0	652.1
Minor coin	11.1	8.8
Coinage metal other than silver	r 146.1	133.7
Other miscellaneous	(*)	.1
Total assets	r 13,964.8	13,726.2
LIABILITIES		
Bullion fund	r 13,803.6	13,558.8
Coinage metal fund [1]	159.0	164.4
Other miscellaneous	2.2	2.9
Total liabilities	r 13,964.8	13,726.2

r Revised.
*Less than $0.1. million.
[1] Authorized by the Coinage Act of July 23, 1965 (31 U.S.C. 340).

Gold and silver production and consumption in the United States

The Government and a number of private companies in the United States operate plants for the metallurgical recovery of fine gold and silver from unrefined bullion and ores. The combined output of these plants is the total U.S. refinery production and it represents the U.S. contribution of gold and silver which actually becomes available for monetary and nonmonetary purposes. A considerable period may elapse from the time the various kinds of crude ores containing gold and silver are mined, milled, and smelted until the refined precious metals are finally available.

The Office of the Director of the Mint conducts an overall survey of refining operations in the United States for the purpose of determining the combined output of gold and silver which is ultimately recovered. Refinery production data are also distributed according to source. Governmental and private plants receive and process materials from both domestic and foreign sources. In addition to the primary metals, secondary materials also are received, including gold and silver bearing scrap returned from artistic, professional, and industrial users. The accounts and records of all processors are correlated and the final product classified according to the different sources. A further refinement of newly mined domestic production data is the distribution according to the various States of origin.

Once each year, on a calendar year basis, the Office of the Director of the Mint issues a statistical report showing the States of origin and amounts of newly mined domestic gold and silver produced by refineries in the United States.

During the calendar year 1966, the refinery production of newly mined gold for the United States totaled 1,801,600 fine ounces, a 7.5-percent gain over 1965. Output of the 16 producing States ranged from 3 ounces for the smallest to 633,900 ounces for South Dakota, the leading State of production for many years. As in the previous year, Utah and Nevada ranked second and third, accounting for 23 and 20 percent of the total, respectively. The combined output of these three States amounted to 1,408,900 fine ounces, or 78 percent of the U.S. total.

The refinery production of newly mined domestic silver in 1966 amounted to 42,500,000 fine ounces, an increase of 9 percent over 1965. There was a wide variation among the 22 States, ranging in the recovery of a fractional ounce for the lowest producing State to 18,950,000 ounces for Idaho, the largest. Three States, as for gold, accounted for 78 percent (33,206,400 ounces) of the U.S. total silver output. They were Idaho, 45 percent, Utah, 18 percent, and Arizona, 15 percent.

The following table compares the refinery production of gold and silver for 1965 and 1966.

Calendar year	U.S. gold production			U.S. silver production		
	Number of producing States	Fine ounces (In millions)	Value at $35 per ounce (In millions)	Number of producing States	Fine ounces (In millions)	Value at $1.29429 per ounce [1] (In millions)
1966	16	1.8	$63.0	22	42.5	$55.0
1965	15	1.7	58.6	24	39.0	50.5
Increase or decrease (−)	1	.1	4.4	−2	3.5	4.5

[1] The market quotation, $1.293 per ounce 999/1,000 fine, is equivalent to $1.29429 per fine ounce.

The mints, assay offices, and private refiners which process gold and silver are also the primary suppliers of these metals for industrial, professional, and artistic uses in the United States. The Office of the Director of the Mint compiles this information annually. Data for 1965 and 1966 are shown in the following table.

Industrial consumption in the United States	Gold 1965	Gold 1966	Silver 1965	Silver 1966
	Fine ounces in millions			
Total bullion issued by mints, assay offices, and private refiners	6.6	7.8	[1] 198.0	[1] 210.0
Scrap materials received by the above [2]	1.3	1.7	61.0	60.0
Net issues (industrial consumption)	5.3	6.1	137.0	150.0

[1] Does not include silver used in coinage.

[2] Consists of old jewelry, art objects, dental materials, silverware, scrap film, and other secondary materials returned from domestic industrial uses. Scrap is either sold to governmental and private processors, or deposited in exchange for fine gold and silver. Silver in coinage scrap resulting from the Government's coinage operations is not included in the figures.

Bureau of Narcotics

The Bureau of Narcotics administers Federal laws controlling narcotic drugs and marihuana, and carries out the responsibilities of the Government under the international conventions and protocols relating to these drugs.

Bureau responsibility for regulating the legitimate supplies of narcotic drugs for medical and scientific purposes involves supervision of U.S. imports and exports of these drugs, and control of the manufacturing and domestic trade in them to prevent diversion into illicit channels. Enforcement duties include apprehension of interstate and international violators of narcotic and marihuana laws and cooperation with State and local law enforcement agencies. At the request of foreign police authorities, Bureau agents assist in mutually beneficial investigations of international traffickers. Further acceleration of the expanded program in cooperation with foreign countries notably affected smuggling of narcotic drugs into the United States during the fiscal year 1967.

Cost reduction and management improvement

During fiscal 1967, the Bureau was able to save $35,000 from the current program by delaying the filling of an increasing number of personnel vacancies; by drastically reducing attendance at conferences; by eliminating unnecessary travel; and by eliminating some desirable, but nonessential procurement.

Training

Emphasis on the interagency program of training continued with 33 persons participating in various programs including technical, managerial, and supervisory instruction. Bureau officials attending the planning, programing, and budgeting seminars broadened their insight concerning current developments in administrative matters. Participation in this program is continuing.

The Bureau of Narcotics Training School conducted nine sessions in fiscal 1967. Seven sessions were held in Washington, D.C., and one each in Long Beach, Calif., and New York City. A total of 470 local and State law enforcement officers were trained in narcotic controls at these sessions.

Bureau agents conducted a special 2-week course during fiscal 1967 on narcotic control, dealing specifically with the abuse of cocaine, heroin, and marihuana. The course, held in cooperation with the International Police Academy of the Agency for International Development, was taught in Spanish as part of the Bureau's intensive program of cooperation with the Latin American countries.

During fiscal 1967, the Bureau of Narcotics continued to participate in special workshops and seminars on narcotic training and education. Special seminars attended by 697 local and State law enforcement officers were conducted in Newark, N.J., Union County, N.J., Buffalo, N.Y., Norman, Okla., and Hershey, Pa.

The school staff lectured regularly before the U.S. Air Force Office of Special Investigations, the Federal Bureau of Investigation's National Academy, the Harvard School of Legal Medicine, the Bureau of Drug Abuse Control, the International Police Academy, and AID.

During the fiscal year, Bureau officials addressed 621 groups consisting of approximately 46,750 persons.

An exhibit relating to Bureau responsibilities was presented to the annual convention of the American Pharmaceutical Association in Las Vegas, Nev., which was attended by more than 5,000 persons. Bureau agents were available to discuss registrants' responsibilities and distribute literature. In addition, smaller exhibits were displayed at various State and local conventions and meetings.

The demand for information about narcotic drugs and marihuana increased during fiscal 1967. The Bureau supplied over 66,874 publications as a public service to students, teachers, parents, libraries, individuals, and agencies, compared to 45,306 in the previous year.

Enforcement activities

Investigations by Bureau agents of the international narcotic traffic which affects the United States continued on an intensive basis in cooperation with police authorities of many countries. Examples of exceptionally significant cases are reported below.

Narcotic and customs agents working jointly arrested a woman who was attemping to smuggle 10 kilograms of cocaine into the United States on her arrival at New York from Chile. Later, seven additional defendants were implicated and convicted of conspiracy. Following leads from the case, a U.S. narcotic agent, with the cooperation of Chilean police, began an undercover approach to the source of supply in Chile. As a result, Chilean authorities arrested three persons when they delivered 5 kilograms of cocaine to the narcotic agent. Additional investigation led Chilean police to discover and seize a large clandestine laboratory.

A narcotic agent in La Paz, Bolivia, assisted authorities in the arrest of two defendants and seizure of 1 kilogram of cocaine. Continuing the investigation, the agent and Bolivian police later seized 4 more kilograms of cocaine and arrested two additional defendants who led them to a clandestine laboratory. The chemist and his two assistants were arrested at the laboratory in La Paz where 20 grams of cocaine were seized. Three additional defendants were arrested the same day at a second illicit laboratory where Bolivian officers uncovered approximately 1 ton of coca leaf residue.

A narcotic agent and the French Police Judiciaire concluded an investigation late in 1965 by arresting three members of an important smuggling organization and seizing 7 kilograms of heroin. Authorities in Paris and Marseille continued to investigate the operation, and learned of plans to ship narcotics to the United States via a seaman courier aboard the French vessel *Charles Tellier*. On the day of the ship's departure French authorities at Le Havre arrested the seaman and French Customs seized 5 kilograms of heroin concealed aboard the ship.

Turkish police and narcotic agents worked together and within 1 month seized a total of 1,464 kilograms of opium (approximately 1½ metric tons) and arrested 27 defendants.

A narcotic agent in Istanbul, Turkey, developed information about a smuggling operation between Istanbul and Marseille, France. The Marseille Narcotic Group of the Surete Nationale moved to control the movements of the suspects in Marseille, Cannes, and Nice. French Customs in St. Julien, a French frontier point on the route to Geneva, were alerted to watch for a truckload of watermelons. French authorities and the U.S. narcotic agent searched the truck carrying 6 tons of watermelons and uncovered 500 kilograms of opium and 50 kilograms of morphine base hidden in a secret compartment.

Turkish police and a narcotic agent discovered a clandestine morphine base laboratory in a farmhouse near Manisia and seized 17 kilograms, 420 grams of morphine base, and 83 kilograms of opium. The chemist and two assistants were arrested after one attempted to resist with an automatic pistol, but was disarmed before he could use his weapon.

Investigation conducted by narcotic agents and the Thailand Central Bureau of Narcotics was concluded in Bangkok, Thailand, with the arrest of one defendant and the seizure of more than 25 kilograms of "999" morphine base.

A narcotic agent, assisting the Syrian police, helped to arrest three brothers as they delivered approximately 20 kilograms of morphine base to an undercover agent. Information developed from this case led to the arrest of another part owner of the morphine base.

Using information supplied by a U.S. narcotic agent in Paris, the Royal Canadian Mounted Police and narcotic agents arrested three defendants possessing a total of 6 kilograms of heroin as they arrived at the Montreal International Airport from Paris. Another defendant in the same case was apprehended later at the Montreal airport.

Narcotic agents assisted Turkish police to arrest two Turkish citizens and seize 466 kilograms of opium at Osmanoglu Village, Amaysa Province, in April 1967.

French police and narcotic agents combined forces to seize 56 kilograms of morphine base and arrest two defendants at Marseille, France, as they transferred the contraband from the Turkish passenger vessel S/S *Karadeniz*. In searching the ship these authorities found an additional 30 kilograms of morphine base concealed in the kitchen and 93 kilograms of opium hidden in the crew's quarters. Four additional suspects were arrested.

Narcotic agents and French police began the investigation of a smuggling organization in May 1966. In March 1967 6 kilograms of heroin ready for shipment to the United States were seized in Paris. Another 6 kilograms of heroin were transported to the United States in the company of a French police officer. Upon arrival in the United States the next day a narcotic agent delivered dummy packages to the collaborator who was immediately arrested. Six additional defendants were arrested for their roles in this case.

An outstanding example of international cooperation involved 1 year of intensive investigation and cooperation by five different national law enforcement agencies. From leads supplied by U.S. narcotic agents, Australian Commonwealth Police in Sydney uncovered information about a ring of three Australians who smuggled heroin from Hong Kong into the United States using false travel documents and various aliases, in almost continuous travel. Police in Sydney, Hong Kong, and London, as well as the British customs and narcotic agents traced the suspects' movements to Honolulu where they closed in, seizing 2 pounds of pure heroin and arresting one of the trio. Seven other suspects were quickly arrested in New York and Miami, Fla., and 10 additional collaborators in the conspiracy were arrested by the Australian Commonwealth Police.

During fiscal 1967, Bureau of Narcotics agents assisted foreign authorities in the seizure of: 3,599.064 kilograms of narcotic drugs and 771.5 kilograms of marihuana. Narcotic agents in the United States seized a total of 80.313 kilograms of narcotic drugs and 2,782.13 kilograms of marihuana from the illicit traffic within the country during the same fiscal year.

The following table shows the number of violations of the narcotic laws reported by Federal narcotic enforcement officers.

Number of violators of the narcotic and marihuana laws prosecuted during the fiscal year 1967, 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	1		1		660		288		260		172	
Acquitted	----------		----------		27		18		7		5	
Total	2				993				444			
	Years	Months	Years	Months	Years	Months	Years	Months	Years	Months	Years	Months
Sentences imposed	3	-----	3	-----	3,435	4	986	6	506	2	236	10
Fines imposed	----------		----------		$129,003		$12,995		$13,658		$13,371	
	Years	Months	Years	Months	Years	Months	Years	Months	Years	Months	Years	Months
Average sentence of imprisonment:												
1967	3	-----	-----	-----	6	1	4	7	3	7	3	2
1966	10	-----	-----	-----	5	7	3	9	4	2	3	2
Average fine per conviction:												
1967	----------		----------		$195		$45		$53		$78	
1966	----------		----------		5		86		130		159	

Control of manufacture and medical distribution

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 United States 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.

The operational authority of the Bureau derives from the following statutes: 5 U.S.C. 258a, 282–282c; 18 U.S.C. 1401–1407; 21 U.S.C. 171–184a, 188–188n, 197–199, 501–517; 26 U.S.C. 4701–4762, 4771–4774, 7237, and 7607; and 49 U.S.C. 781–788.

During fiscal 1967 the Bureau of Narcotics issued 44 permits to import crude opium and coca leaves. To meet the medical requirements for opium derivatives and cocaine and to supply nonnarcotic coca flavoring extracts, 161,285 kilograms of raw opium were imported from India and Turkey, and 209,945 kilograms of coca leaves from Peru.

A total of 849 authorizations were issued for the export of manufactured narcotics to other countries. Narcotic drugs exported during fiscal 1967 increased to 1,759 kilograms 322 grams, from 1,411 kilograms 485 grams exported during the previous year.

There were 2,365 thefts of narcotic drugs, amounting to 145,206 grams, reported during fiscal 1967 from persons authorized to handle the drugs, compared with 2,453 thefts of 122,643 grams in 1966.

During fiscal year 1967, 394,283 persons were registered to engage in lawful narcotic and marihuana activities.

International control and cooperation

The United States is a party to the following conventions, treaties, and protocols relating to the international control over narcotic drugs and marihuana: The Opium Conventions of 1912 and 1931; the International Protocols of December 11, 1946, November 19, 1948, and June 23, 1953; and the Single Convention on Narcotic Drugs in 1961. Additionally, the United States adheres to all of the provisions, so far as possible, of several other international regimes of control even though we are not signatories.

On May 25, 1967, the Single Convention on Narcotic Drugs, 1961, was approved by the U.S. Government. An instrument of accession was deposited at the United Nations, May 25, 1967, and became effective for the United States on June 24, 1967.

Essentially the Single Convention will: incorporate the salient features of the existing nine international treaties; simplify the international control machinery; and extend control to the cultivation of plants from which the natural drugs are obtained, namely opium, cannabis, and coca leaves.

The convention will continue controls on production of opium, but has added controls on harvesting cannabis, cannabis resin, and coca leaves. Countries are still obligated to use express government authorizations in exporting and importing narcotic drugs; report on the working of the treaty; and exchange laws and regulations passed to implement the treaty through the U.N. Secretary-General.

Under the provisions of the Single Convention, the United States is obligated to take special measures for control of particularly dangerous drugs (such as heroin, ketobemidone, and marihuana) and to designate, with constitutional limitations, that all intentional violations of the treaty's control provisions regarding cultivation, production, manufacture, trade, distribution, possession, etc., of narcotic drugs and marihuana be punishable offenses.

The Bureau of Narcotics continued its participation in international meetings during the fiscal year. Representatives attended the Interpol 35th General Assembly at Berne, Switzerland, August 31 to September 7, 1966, to discuss various aspects of the struggle against the illicit traffic. A Bureau of Narcotics representative served as consultant at the U.N. Seminar on Narcotics Control for enforcement officers in East Africa at Addis Ababa, April 4–12, 1967. The Regional Meeting of Interpol Representatives in Madrid, Spain, May 22–24, 1967, on problems of illicit narcotic traffic in that area, also included a Bureau representative.

Cooperation with States, counties, and local authorities

Excellent cooperation among Federal, State, and local narcotic law enforcement agencies continued in free exchange of information, in coordinating the investigation and prosecution of minor violations, and routine inspections by State and local authorities. The Bureau's special seminars were held in cooperation with the local, county, and State agencies as a continuing effort in the program of "training" and providing assistance to these agencies.

Drug addiction

The total number of active addicts recorded by the Bureau as of June 30, 1967, as reported by Federal, State, local, and private agencies was 60,697.

United States Coast Guard

The 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, conducting oceanographic research, furnishing icebreaking 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.

Effective February 24, 1967, the vessel documentation and admeasurement functions previously carried out by the Bureau of Customs were transferred to the Coast Guard by Treasury Department Order No. 167-81.[1]

On April 1, 1967, pursuant to Public Law 89-670, approved October 15, 1966, the Coast Guard joined the newly formed Department of Transportation after having been a part of the Treasury Department since the inception of this service in 1790. For reasons of administrative simplicity where it was not possible to obtain 9-month data, this report covers all of fiscal 1967.

Management improvement

The Coast Guard reported $37,955,000 in recurrent and one-time savings during fiscal year 1967—more than double that of the previous year—via the President's cost reduction/management improvement program. Some of the major actions are summarized below.

Foremost among the projects was a major reorganization of Coast Guard Search and Rescue facilities along the east and gulf coasts, which resulted in savings estimated at $14,617,000 stemming from a number of interrelated actions. By acquiring surplus Bates Field in Alabama from the Air Force, the Coast Guard obtained needed additional training and operational facilities which made possible the cancellation of plans for building at least one more air station along the gulf coast as well as nullified the planned expansion of existing air units.

The decision made in fiscal 1966 to close the Coast Guard air stations in Bermuda and at Argentia, Newfoundland, with the search and

[1] See exhibit 72.

rescue and ice patrol functions of these units being taken over by the air station at Elizabeth City, N.C., was accomplished in fiscal 1967.[1]

During fiscal 1967 the Coast Guard rehabilitated two more of its icebreakers, the CGC *Edisto* and the CGC *Southwind*, extending their service life an estimated ten more years, thus eliminating the need for construction of replacement vessels. A cost avoidance of $3,360,000 annually is estimated, based on the relative amortized costs of the two renovated icebreakers and equivalent new vessels.

Improvement in supply management contributed substantially to the cost reduction effort, with $9,218,000 in one-time cost avoidance savings expected from procurement reductions, elimination of "gold plating" from procurement specifications, trimming down the number of items in inventory, and redistribution of stocks to avoid procurement. A sizable portion of the supply savings came about through the screening of Federal surplus material listings, making possible the acquisition of tools, machinery, electronic supplies, etc., which were used to fill immediate needs or to replenish inventories.

A substantial manpower gain was realized in fiscal 1967 by reallocating some 318 military and civilian billets throughout the service to higher priority activities where additional personnel were urgently needed to cope with an increasing workload resulting from the Nation's expanding population and economy. This was achieved through redistribution of workload and more effective manpower utilization.

Important to the management improvement effort were some 1,400 military and civilian suggestions received during the fiscal year which together with benefits realized from civilian superior performance brought supplemental savings estimated at $631,000.

Coast Guard operations in Vietnam

During fiscal year 1967, 26 Coast Guard 82-foot patrol boats continued to assist the U.S. Navy "Operation Market Time" in countering Communist infiltration by sea of men, weapons, and supplies to enemy forces operating in South Vietnam.

During nearly 2 full years of operations, this patrol squadron has cruised more than 2 million miles while inspecting or boarding about 235,000 junks, sampans, and indigenous and foreign vessels. Some 4,000 Viet Cong suspects were taken into custody, with approximately 100 of them confirmed to be Communist combatants or cadre. The patrol squadron carried out more than 150 naval gunfire missions in support of friendly forces, destroying Viet Cong watercraft and structures of every description. For example, in March 1967 a North Vietnamese trawler was thwarted in an attempt to land supplies in Quang Ngai Province by "Market Time" forces which included two Coast Guard cutters. The vessel was completely destroyed after its interception and the ensuing naval gun duel. The Coast Guard suffered its first two fatalities of the conflict in August 1966 when a patrol boat was attacked by friendly aircraft.

Also assigned to Vietnam are Coast Guard personnel involved in aids to navigation, port security, explosive-loading supervision, and merchant marine safety operations.

[1] See 1966 annual report, p. 157.

Search and rescue

The international coverage of the Coast Guard's automated merchant vessel report system (AMVER) was expanded in the Atlantic and Pacific during fiscal 1967 with the addition of participating radio stations by the Governments of Canada, the Fiji Islands, and Spain. AMVER now has a measure of international support never before achieved. This support, coupled with the fact that the ships of almost all nations participate by making AMVER reports voluntarily, makes this truly an international safety system. The AMVER computer is now plotting approximately 1,000 ships in the Atlantic and 800 in the Pacific each day. During fiscal year 1967 AMVER provided a total of 867 surface pictures (lists of ship positions) for emergency use in the Atlantic and 1,381 for Pacific positions.

The Coast Guard Search and Rescue School, located at Governors Island, N.Y., held the first of its continuing 4-week classes in October 1966. This school provides uniform training in the operations, procedures, techniques, and equipment employed in saving lives and property, thus qualifying graduates to perform as rescue coordination center controllers, search and rescue mission coordinators, on-scene commanders, or search and rescue mission participants.

Some typical examples of Coast Guard assistance rendered during fiscal year 1967 are summarized below.

Helicopter evacuations from inaccessible areas.—On July 31, 1966, the Coast Guard Air Station at Port Angeles, Wash., was requested by an Olympic National Park ranger to evacuate a 14-year-old girl who was suffering from a 103° temperature and internal pains. The girl was located at Elk Lake in the park at an elevation of 2,500 feet. A helicopter from Port Angeles proceeded to the scene, making a successful water landing and evacuation. A similar call was received after dark the same day from another Olympic Park ranger. Evacuation was requested for two youths who were injured in a fall at Lake Constance, elevation 4,780 feet. A helicopter from Port Angeles proceeded early on the morning of August first and made a water landing and evacuation. Both cases occurred in areas inaccessible by other means.

Ten search and rescue cases handled concurrently.—The season's first "Blue Norther," a cold front pushing into the Gulf of Mexico, caused 10 distress cases during the night of October 14, 1966. Winds gusting to 70 knots and seas of 20 feet to 30 feet resulted in five fishing vessels being reported as sinking. Responding to these emergencies were 8th Coast Guard District aircraft, which flew six sorties, dropped four pumps, and located five of the 10 vessels so that surface units could assist them. Coast Guard vessels and small boats towed six of the fishing vessels to safe moorings, and the four others obtained their own assistance. All persons on board the distressed vessels reached port safely.

Marina fire fought by Coast Guard small boats.—On July 30, 1966, the Coast Guard Station at Belle Isle, Mich., received a report of a cabin cruiser afire at a boat dock. Patrol boats, dispatched by radio, were alongside the burning vessel within minutes and began playing water on the fire. The gas tanks had already blown up, spreading the fire throughout the boat. To minimize damage to nearby facilities, the burning craft was towed out of the marina. Receiving word from ashore that a woman was still onboard, two Coastguardsmen boarded the burning boat and checked the cabin, but found no one. She had, it developed, jumped overboard and made shore safely. The fire was brought under control after expending many gallons of foam.

AMVER coordinates rescue.—On November 12, 1966, the SS *Omega* reported that she was taking on water through a fracture in her hull and requested information concerning vessels in her area. A 500-mile AMVER plot produced one vessel, the SS *Okada Maru*, 390 miles away. Due to the extreme range from land, 2,000 miles from Honolulu, 1,700 miles from San Diego, and 1,800 miles from Tahiti, the position of the *Omega* was beyond the capabilities of long-range aircraft. Thus, upon request by the Coast Guard, the *Okada Maru* attempted to establish communications with the *Omega* and proceeded to assist. In the interim, a report was received that the crew of the *Omega* had abandoned ship in two life boats and one liferaft. The *Okada Maru*, advised of the situation, arrived in time to rescue all 29 crewmembers in good condition, and then proceeded to Chile.

CGC Cape Providence rescues survivors of capsized vessel.—On November 26, 1966, Polynesian Airlines Flight 5WFAA, en route from Apia, Western Samoa, to Pago Pago International Airport, sighted the wreckage of an overturned vessel and reported it to the Federal Aviation Agency Flight Service Station at Tafuna, American Samoa. The CGC *Cape Providence*, moored at Pago Pago on search and rescue standby, was notified of the sighting. With the aid of the Polynesian airliner (5WFAA), the *Cape Providence* located the disabled vessel (F/V *Main Sun* No. 2) and found 17 survivors clinging to the overturned hull. In spite of rough seas breaking over the hull, the *Cape Providence* rescued 13 of the survivors. The F/V *Chie Hong* No. 10, which arrived on scene to assist, retrieved the remaining four persons from the water, but two of the 19-man crew, trapped in the engine room of the capsized vessel, perished.

Coast Guard C–130 provides illumination for night ditching.—On March 6, 1967, a Beechcraft 18, lost on a flight from Honolulu, Hawaii, to Palmyra Island with two persons onboard, radioed an SOS. The radio direction-finder net was alerted and a C–130 Hercules was dispatched from Coast Guard Air Station at Barbers Point, Hawaii, to locate and assist the lost aircraft. Shortly after its distress signal the Beechcraft reported sighting a fishing vessel, the *Miyago Maru*, and began orbiting it. At 10:52 p.m. the Coast Guard C–130 arrived on scene. After briefing the pilot of the Beechcraft on ditching procedures, the C–130 began illuminating the area with parachute flares. At 11:14 p.m. the Beechcraft ditched and both occupants escaped, boarding a liferaft. The C–130 vectored the *Miyago Maru* while it recovered both survivors who were in good condition.

A summary of the Coast Guard's search and rescue workload for fiscal year 1967 follows:

Operations	Response by—			
	Aviation units	Ships	Shore units	Total
ASSISTANCE CALLS RESPONDED TO FOR				
Private vessels	2,133	2,111	22,380	26,624
Commercial fishing vessels	469	1,054	2,481	4,004
Other commercial vessels	251	518	2,271	3,040
Government and public vessels	39	68	215	322
Foreign vessels	82	151	234	467
Total vessels	2,974	3,902	27,581	34,457
Private aircraft	294	48	153	495
Commercial aircraft	76	11	32	119
Military aircraft	355	64	101	520
Other Government and public aircraft	4	0	1	5
Foreign aircraft	11	9	15	35
Total aircraft	740	132	302	1,174
Personnel only	1,072	435	2,803	4,310
Miscellaneous	451	301	1,532	2,284
Total	5,237	4,770	32,218	42,225
MAJOR TYPE OF ASSISTANCE RENDERED				
Located	1,008	313	1,223	2,544
Refloated or dewatered	26	152	2,228	2,406
Towed	236	2,157	16,690	19,083
Escorted	299	220	1,213	1,732
Fueled or repaired	24	155	287	466
Medical	557	246	1,548	2,351
Assistance to persons in position of peril	873	314	1,992	3,179
Searches and attempts to assist	1,679	872	5,598	8,149
Other assistance	535	341	1,439	2,315
Total	5,237	4,770	32,218	42,225
PERSONS INVOLVED IN ASSISTANCE CASES				
Lives saved	438	862	1,728	3,028
Otherwise assisted	12,581	17,877	93,310	123,768
Total assisted	13,019	18,739	95,038	126,796
VALUE OF PROPERTY, INCLUDING CARGO				
Vessels	---------	---------	---------	$1,696,577,000
Aircraft	---------	---------	---------	850,936,000
Miscellaneous	---------	---------	---------	312,185,000
Total				2,859,698,000

Marine inspection and allied safety measures

Based on Federal marine laws dating back to the 1840's, the Coast Guard carries out an effective preventative safety program with respect to commercial vessels of the United States. Coast Guard merchant marine technical personnel review the design plans of all commercial vessels covered by Government regulations, after which they are subject to Coast Guard inspection and certification. Once certified, they are, at prescribed intervals, reinspected and recertified for their entire commercial lifespan or until they are no longer subject to U.S. law. Should a U.S. vessel undergo major alteration, the plans for those alterations require Coast Guard approval and the process starts once again.

Merchant marine technical inspection.—The Coast Guard has issued regulations (based on Public Law 89–777, approved November 6, 1966) which require the operators of American and foreign passenger vessels to disclose information to prospective customers as to the safety standards with which their ships do or do not comply. These regulations, incorporating many recommendations from American and foreign shipping interests, travel agents, and Government agencies concerned, are expected to impose no hardship upon established steamship lines operating fairly modern vessels.

During fiscal year 1967 the Coast Guard gave increasing attention to the safety aspects of shipboard containerized cargo and the design and operation of nonmilitary submersibles. Shipping cargo in specially designed containers is gaining in popularity and most major carriers anticipate that eventually there will be complete interchangeability between land, sea, and even air transportation modes. The Coast Guard cooperates with other groups to develop adequate construction and inspection standards to keep abreast of this increased usage of containers.

The Coast Guard is also concerned with the design and operation of civil submersibles of all sizes. The Coast Guard has requested legal authority to regulate these vessels in order that adequate safety standards may be established without inhibiting development of a quickly changing technology.

To obtain information on the operation of automated ship's propulsion machinery, a survey was conducted by the Coast Guard of all steam vessels certificated to operate with a reduced number of engineroom watchstanders. The response was excellent, leading to the development of a "Guide for Automatic Control Systems for Main and Auxiliary Machinery" by the Coast Guard.

Tabulated below are certain of the marine safety functions of the Coast Guard, comparing the workloads for fiscal years 1966 and 1967.

Marine safety activities	Gross tonnage		Number	
	1966	1967	1966	1967
Vessel inspections:				
Inspected for certification	11,519,942	13,181,329	4,734	5,785
Reinspected	11,409,521	10,106,585	5,633	4,632
Dry dock examinations	14,779,717	14,159,272	5,955	5,698
Foreign vessels	14,887,164	14,522,764	1,544	1,380
Miscellaneous	---------	---------	27,199	30,094
Technical services:				
U.S. vessel plan approvals			37,685	34,062
Foreign vessel hazardous cargo plan approvals			861	3,214
Number of vessels certificated			8,962	9,259
Number of vessels under document			61,949	64,865
Investigations of casualties:				
To personnel on commercial vessels not resulting from a vessel casualty			2,202	2,461
To commercial vessels			2,408	2,353
Recreational motorboat deaths			[1] 850	[2] 756
Investigations of personal misconduct, incompetence, and negligence:				
Hearings			1,233	1,738
Others, including warnings			3,049	3,156
Merchant marine personnel transactions:				
Licenses issued, original			6,342	7,800
Seamen certificates issued			43,289	50,138
Shipment of seamen			449,796	507,156

[1] Calendar year 1965 figure.
[2] Calendar year 1966 figure.

Investigations and recommendations.—An important part of the Coast Guard merchant marine safety program is the investigation of marine casualties to determine their causes and develop preventative measures when necessary. Several marine casualties involving commercial vessels were investigated by the Coast Guard during fiscal 1967, five of which were considered major and investigated by marine boards of investigation. These cases are summarized below.

The most significant casualty investigated was the structural failure and foundering of the Great Lakes freighter SS *Daniel J. Morrell* on November 29, 1966, costing the lives of 29 crewmembers. The vessel, in ballast and northbound in Lake Huron during the height of a severe storm, was broken into two sections. Only one person survived.

The second significant casualty insofar as fire protection of foreign passenger ships is concerned was the fire onboard the German passenger vessel SS *Hanseatic* while moored in New York Harbor on September 7, 1966. The fire started in the engineroom and rapidly spread through the seven decks above. Fortunately there was no loss of life or personal injury. A detailed comparison was made of structural and equipment conditions of this vessel and the corresponding standards applicable to large oceangoing passenger vessels of the United States. In this respect, the Coast Guard has, within the international maritime community, been successful in advocating amendments to the fire protection provisions of the International Convention for the Safety of Life at Sea (SOLAS), 1960, for existing and future passenger vessels.

On October 24, 1966, the tank vessel SS *Gulfstag*, while underway in the Gulf of Mexico, suffered a series of explosions, caught fire, and subsequently capsized with the loss of eight lives.

The tug MV *Southern Cities*, in the Gulf of Mexico towing a barge, foundered on November 1, 1966, with six persons on board. Although the barge was found drifting, the *Southern Cities* was never located.

Meetings and conferences.—During fiscal 1967, the Merchant Marine Council held four regular meetings and three public hearings, supplemented by numerous meetings and discussions with interested parties, to consider proposed regulations amending present requirements. The Coast Guard participated in 30 of the 31 international meetings held in London by the Intergovernmental Maritime Consultative Organization (IMCO), a special agency of the United Nations, during the year. The major problems confronting IMCO centered on the upgrading of fire protection on existing passenger vessels as well as how to better protect future vessels from fire. The Coast Guard had urged that the subject of fire protection be given the highest priority. A special IMCO session also dealt with the problems of oil pollution, a matter requiring immediate attention because of the contamination of British shores resulting from the wreck of the oil tanker *Torrey Canyon*.

Merchant vessel documentation and admeasurement.—The merchant vessel documentation and admeasurement functions formerly a responsibility of the Bureau of Customs were transferred to the Coast Guard on February 24, 1967, pursuant to Treasury Department Order No. 167–81.[1] On June 30, 1967, there were 64,865 vessels

[1] See exhibit 72.

in the documented fleet. Of this total, 15,814 were yachts and some 49,051 were commercial vessels. Public Law 89–476, approved June 29, 1966, permits yachtowners to take the measurements of their own vessels, enabling Government admeasurement officials to obtain gross and net tonnages by simply applying a coefficient to these figures. This new system eliminates much of the physical measuring of such vessels previously required.

Merchant marine personnel.—The Coast Guard and National Archives and Records Service are conducting a joint study to develop recommendations intended to improve the method for shipment and discharge of seamen aboard U.S.-flag vessels. This study could eventually have a far-reaching affect on the shipping industry and for the Coast Guard in terms of improved service and time-saving.

The licensing and certificating of merchant marine personnel included the issuance of 105,901 documents during fiscal year 1967, an increase of 29,561 from the number granted the year before. This added workload was a direct result of the Vietnam buildup. Coast Guard shipping commissioners supervised the completion of 9,647 sets of sign-on or sign-off shipping articles during the year, and discharge certificates representing 507,156 individual discharge transactions were filed in the jackets of seamen at Coast Guard Headquarters. The locator service at Headquarters answered 5,320 inquiries concerning individual seamen.

Merchant marine investigating sections in major U.S. ports and merchant marine details in certain foreign ports investigated 19,572 cases involving police checks, casualties, negligence, incompetence, and misconduct. Charges were preferred and hearings held on 1,738 of these cases by civilian examiners. Security checks were made of 37,831 persons desiring employment onboard merchant vessels.

Recreational boating

Forty-seven States and the Virgin Islands now have Coast Guard-approved numbering systems under the Federal Boating Act of 1958. On December 31, 1966, there were an estimated 4,067,371 numbered craft on the waters of the United States. During calendar year 1966, 5,567 vessels were reported as being involved in 4,350 boating accidents, which resulted in 1,318 fatalities, 958 personal injuries, and property damage estimated at $7,334,500. Capsizing continued to cause the greatest number of deaths, while collisions accounted for the largest percentage of injuries. Accidents caused by fire or explosion of fuel were the leading contributors to boating property damage, as has been the case for the past 6 years.

Fewer pleasure craft are being examined under the safety patrol concept which began in fiscal 1965, but the broader coverage of the patrols has enabled a greater percentage of unsafe boating operations to be detected and acted upon. The Boarding Officer Instructor Indoctrination Courses sponsored by the Coast Guard at Yorktown, Va., and Alameda, Calif., were attended by representatives from 16 States, and a large number of State and local enforcement officers received training as boarding officers in the field through programs offered by Coast Guard districts. The Coast Guard pamphlet "Ventilation Systems for Small Craft" continued in high demand with 2 million copies distributed since June 1966. "Pleasure Craft," a publication distributed free to the public, was revised during the fiscal year to reflect changes in lighting, fire extinguisher, and ventilation requirements.

Law enforcement

The Coast Guard continued to operate five law enforcement patrols, consisting of surface and air units, to enforce laws relating to fishing conservation, neutrality, navigation, and territorial sovereignty.

Public Law 89–658, approved October 14, 1966, extended the fisheries jurisdiction of the United States to 12 nautical miles. In addition, agreements were signed in early 1967 with the Soviet Union and Japan which permit fishing in certain areas of the contiguous fisheries zone, as well as provide for avoiding fishing gear conflicts on certain high seas areas off Alaska. Three foreign vessels were seized during the year for illegal fishing activities in U.S. waters, and the masters of the vessels involved received fines ranging from $5,000 to $10,000. The Coast Guard's Alaska Patrol—augmented recently by the permanent assignment of the CGC *Confidence*—continued to require the temporary assignment of four high endurance cutters and one HC–130 aircraft to cope with the increasing volume of fishing activity in that area. Three instances of fishing violations involving seven vessels off the Oregon and Washington coasts were reported, leading to diplomatic protests to the Soviet Government.

During fiscal year 1967, the Coast Guard continued to enforce Federal laws prohibiting the pollution of navigable and coastal waters of the United States, investigating 361 reports of oil pollution. Several organizations are participating with the Coast Guard in determining how to prevent major oil releases from ships as well as how to deal with such contamination when it occurs.

Port safety.—The continuing growth of waterborne commerce and constantly changing methods of operations and types of cargoes shipped contribute to an increase in the accident rate. Deaths, injuries, and property damage from cargo handling accidents, for example, have shown a marked increase. Vessels of novel design, both foreign and domestic, continued to ply American waterways, and cargoes such as refrigerated or pressurized liquid propane, butane, and anhydrous ammonia move with increasing frequency. Amendments to regulations were under consideration during fiscal 1967 to improve the safety of transporting and handling such cargo. Two Coast Guard explosives loading teams and a staff advisory detail are assigned to Vietnam to provide technical advice and assistance in port security matters at Saigon and Cam Ranh Bay. Also related to Vietnam operations is the work of the Coast Guard's port Security Station at Concord, Calif., which supervises the handling of military explosives at the Naval Ammunition Depot, Port Chicago. Other Coast Guard port safety forces are similarly occupied at military installations throughout the Nation.

The following table illustrates the workload in the major enforcement areas for fiscal year 1967.

	1967 Number
Motorboats boarded	71,263
Waterfront facilities inspected	37,993
Anchorage patrols (hours spent)	5,932
Reported violations of:	
Motorboat Act	53,247
Port security regulations	3,405
Oil Pollution Act	1,130
Other laws	1,195
Explosives:	
Loading permits issued (commercial)	391
Number of tons of commercial explosives	25,957
Loading permits issued (military)	541
Number of tons of military explosives	2,012,198

Military readiness

Thirty-seven Coast Guard ships participated in Navy refresher training and two others completed shakedown training during fiscal year 1967. The installation of torpedo tubes was completed on all Coast Guard high-endurance cutters, and a prototype of the mk. 56 gun fire control system, adapted to perform the secondary function of tracking meteorology balloons, was installed aboard the CGC *Chincoteague* for evaluation.

Coast Guard vessels participated in a number of joint military exercises for training during the fiscal year, and extensive use was made of shore based facilities for individual, team, and unit training. A Coast Guard contingencies capability plan was developed and distributed to cognizant Coast Guard and Navy commands to provide a listing of Coast Guard capabilities which can be used in meeting contingency situations.

Aids to navigation

The manned light structure at Diamond Shoals, N.C., was placed in operation in November 1966. Seven manned light stations were converted to automatic operation during the fiscal year. Eight harbors and rivers in South Vietnam have been marked with aids to navigation for the Armed Forces, and a number of mooring buoys were positioned there for tankers waiting to discharge fuel oil.

The Southeast Asia loran C chain went into operation in October 1966 with the commissioning of stations at Sattahip, Lampang, and Udorn in Thailand and Con Son in South Vietnam. The loran C chain on the east coast of the United States was increased in coverage by the addition of a transmitting station at Dana, Ind., in January 1967.

A Coast Guard study concerning the utilization of buoy tenders led to the decommissioning without replacement of the buoy tenders *Hickory* and *Arbutus*. One buoy tender, the *Cactus*, was relieved of aids to navigation duties and assigned to tending oceanographic buoys.

A tabulation of the aids to navigation maintained by the Coast Guard as of March 31, 1967, follows.

Navigational aids	1967
Loran transmitters	61
Radio beacons	199
Lights (including lightships)	11,287
Buoys:	
Lighted (including sound)	3,730
Unlighted sound	330
Unlighted	10,969
River type	9,623
Fog signals (except sound buoys)	584
Day beacons	7,135
Total	43,918

Ocean stations

The Coast Guard continued its operation of four ocean stations in the North Atlantic and two in the North Pacific. These vessels, spending 75,370 operating hours on patrol, provided meteorological, navigational, communications, and rescue services for air and marine commerce and collected various scientific data.

Oceanography

By the fiscal yearend the Coast Guard had some 40 vessels, including those assigned to ocean stations, equipped for oceanographic and marine science activity. These vessels were engaged in a diversity of Coast Guard and cooperative oceanographic programs. The icebreaker CGC *Edisto* was utilized for an oceanographic study of Baffin Bay during July and August 1966 and the Coast Guard took part in a number of cooperative projects. Included were studies of the western and eastern tropical Atlantic; a study of the eastern tropical Pacific; a study of the Kuroshio; and water mass studies in conjunction with ICNAF. During the fiscal year the Coast Guard awarded a contract for the design of a modern oceanographic vessel to study subpolar regions and to provide general support for the national oceanographic program. The first of seven Coast Guard SWORD Systems to collect hydrographic data from offshore light structures began operation.

International ice patrol

The Coast Guard began the 53d season of International Ice Patrol service in the North Atlantic Ocean on March 10, 1967. The patrol, utilizing SC–130 aircraft and an oceanographic vessel, observes and studies the iceberg conditions and recommends action to be taken by shipping to avoid danger. Gathering scientific data concerning the oceanography of the area and the life cycle of icebergs is another function of the patrol. The 1967 season was notable in that icebergs still persisted at the close of the fiscal year, extending the season beyond normal because the icebergs were not deteriorating as quickly as expected—possibly due to unusually cold surface water.

Icebreaking

Having taken over the large icebreakers formerly operated by the Navy, the Coast Guard became responsible for the national icebreaking effort. Eight polar icebreakers, one lake icebreaker, and one auxiliary icebreaker are the major units employed for this mission. During the year, four icebreakers supported the Antarctic national program, two conducted scientific and military missions in the western Arctic, and three furnished ice escort for shipping and scientific missions in the eastern Arctic. A new class of icebreaker is being designed to replace the overage "Wind" class vessels.

Operational facilities

The following table shows the distribution of operating hours for the major Coast Guard functions during fiscal year 1967.

Workload distribution

Activity	Vessels (operating hours)	Aviation units (flight hours)	Shore units (operating hours) [1]
Law enforcement	53,102	6,402	65,231
Search and rescue	93,299	58,505	98,218
Aids to navigation	284,096	8,692	104,067
Reserve training	15,164	125	2,471
Icebreaking	24,045	604	245
Oceanography	14,539	360	36
Military readiness (includes Vietnam operations)	179,425	13	4,380
Cooperation with other agencies	18,870	2,215	8,973
Port security	15,172	465	44,676
Training of cadets and officer candidates	9,385		486
Ocean stations	72,301		
Nonmission movement	51,148		26,930
Proficiency training [2]		610	
Ferry [2]		2,528	
Tests [2]		1,943	
Administrative [2]		7,215	
Total	830,546	89,677	355,713

[1] Includes small boats.
[2] Applies to aircraft only.

Cutters.—At the close of the fiscal year, the Coast Guard had 346 cutters in service. Continuing its program to replace overage and obsolete cutters, two more 210-foot medium-endurance cutters were completed and the first of the new class 378-foot high-endurance cutters, the CGC *Hamilton*, was placed in service. The *Hamilton* is equipped with the most modern electronics and engineering systems available, while providing its crew with a high level of habitability. It also has a helicopter deck and is fully equipped for oceanographic missions. Also placed in service in fiscal year 1967 were 22 new 82-foot patrol craft as replacements for similar vessels deployed to Southeast Asia in fiscal year 1966. Two overage 64-foot harbor tugs were replaced by new 65-foot vessels.

Small boats and stations.—Obsolete and worn out small boats were replaced by 117 new boats, while 21 40-foot utility boats underwent major rehabilitation to extend their service life by at least 5 years. Disposal action was completed on 107 excess boats.

Aviation and aircraft.—The Coast Guard was operating 168 aircraft including 73 helicopters at the end of fiscal year 1967. The last of the service's piston-powered helicopters was retired with the assignment of turbine-powered amphibious helicopters to the air station at Traverse City, Mich., and the air unit at San Juan, P.R., was augmented with two of the same type aircraft.

Communications.—Coast Guard Headquarters, area offices, and all district offices, air stations, radio stations, supply centers, and selected group offices in the continental United States (CONUS) were served by at least one line in the Defense Communication Agency's (DCA) Automatic Voice Network (AUTOVON). The 14th and 17th district offices have access to AUTOVON through DOD sources in Honolulu and Anchorage, respectively. Thirty-five of these lines were added during the last 12 months.

DCA's Automatic Digital Network (AUTODIN) replaced the Navy's common-user teletypewriter system (NTX-82B1) on December 15, 1966. The Coast Guard secured Mode V (teletypewriter only) drops at each major CONUS facility as well as at some smaller units.

Coast Guard Intelligence

During fiscal 1967, 2,586 internal security and criminal investigations were made by Coast Guard intelligence personnel as were 11,714 national agency checks. In addition, 43,984 prospective merchant mariners and 9,442 applicants for port security cards were screened for suitability. The Coast Guard Intelligence Staff also made 11,250 record checks for internal purposes as well as an additional 14,551 for other agencies.

Engineering developments

Civil engineering.—During fiscal 1967 the Coast Guard began the construction of a 300-man cadet barracks at the Coast Guard Academy and new stations at Marathon, Fla., and Rappahannock River, Va., the latter already completed.

Electronics engineering.—The Coast Guard is procuring single sideband transceivers to replace outdated amplitude-modulated, double sideband equipment with the aim of improving the communications capabilities of vessels, small boats, and shore stations. A contract has also been let for a new generation of solid state, modular VHF-FM transceivers to replace obsolescent equipment.

To further the operational capabilities of Coast Guard patrol boats in Vietnam, 32 depthsounders were furnished for installation to replace obsolete equipment which had become a maintenance support problem. Nineteen new surface search radars were also supplied to replace difficult-to-maintain, obsolete equipment aboard these patrol craft.

Four of the Coast Guard's eight polar icebreakers received major improvement in their radio communications facilities. The newly installed equipment will enable these ships to meet the diversified requirements of their polar missions.

After a 3-year trial period the Coast Guard has adopted the "Symbolic Integrated Maintenance Manual," which should facilitate the maintenance of increasingly complex electronics equipment by technicians with a relatively low level of experience. The manuals have been prepared for several types of Coast Guard electronics equipment.

In October 1966 the Coast Guard placed in operation the Southeast Asia loran C chain, constructed to meet Department of Defense requirements. This loran chain, consisting of four stations, was the first to provide major coverage over land rather than the sea. During the year a new Coast Guard-designed loran C transmitting antenna system, consisting of four guyed vertical towers supporting an umbrella-type antenna, was successfully tested. This antenna, designated

TIP (Toploaded Inverted Pyramidic), offers increased stability and coverage for loran C systems coupled with a significant reduction in hi-power antenna costs.

Naval engineering.—During the fiscal year 1967, one 378-foot high-endurance cutter and two 210-foot medium-endurance cutters were accepted from the builders and placed in service, as were 26 smaller vessels, including 22 82-foot patrol boats. Fourteen 44-foot motor lifeboats and 39 25-foot-8-inch self-bailing surfboats were also manufactured for Coast Guard use, as well as a number of smaller boats. Major alterations—including structural renovations, habitability improvements, and other modernization of facilities—were completed on several high-endurance cutters and icebreakers to further their mission effectiveness. Five 311-foot high-endurance cutters were outfitted and deployed to Southeast Asia for duty with naval forces.

Testing and development.—The Coast Guard accepted delivery of a prototype large buoy equipped to furnish the services of a lightship for installation at the entrance to New York Harbor. Flashtube light sources, used experimentally on buoys in New York Harbor, have been found to distinctly improve the mariners' ability to identify aids to navigation against a background of city lights.

An experimental sewage treatment plant for Coast Guard vessels was successfully tested, and an operational prototype will be procured. Tests conducted on a full-scale model of a design concept for a high-speed rescue boat indicate that the construction of an operational prototype would be desirable. The potential use of infrared, light amplification, and various types of sophisticated radar for search and rescue purposes is also under investigation.

Coast Guard Reserve

At the close of the fiscal year, there were 4,348 officers and 26,185 enlisted men in the Ready Reserve of the Coast Guard, while the Organized Reserve consisted of 1,897 officers and 14,683 enlisted. The Port Security training mission was the subject of an in-depth study during the fiscal year. Similar studies in the future will concern other phases of the Reserve program. The construction of an engineman school at the Reserve Training Center, Yorktown, Va., was begun in fiscal 1967 as the first step in a program to replace old wooden temporary buildings.

During fiscal 1967 membership in the Organized Reserve reached the highest point in its 17-year history, and attendance at drills also set a new record. Equally impressive, 72 percent of the reservists taking the servicewide examinations for advancement passed, compared with only 40 percent 5 years ago.

Personnel

As of March 31, 1967, the Coast Guard consisted of 5,733 civilian and 35,545 military personnel.

Recruiting.—Fifty-nine main recruiting offices and approximately 50 suboffices were manned by 257 recruiters. During the fiscal year, there were 14,449 applicants for enlistment in the Regular Coast Guard and 5,895 were enlisted. The Reserve received 8,381 applications and enlisted 3,464.

Training for foreign visitors.—Some 86 visitors from 25 foreign countries, under the sponsorship of other Government agencies, were extended the use of Coast Guard facilities for training in such activities as aids to navigation, merchant marine safety, and law enforcement.

Coast Guard education program.—The education and training programs sponsored by and participated in by the service are summarized for fiscal years 1966 and 1967 below.

Education and training programs	1966	1967
Coast Guard Academy:		
Applications	3,076	3,969
Applications approved	2,417	3,022
Appointments accepted	277	307
Cadets	668	704
Graduates (bachelor of science degree)	113	98
Officer training completed:		
Officer candidate school graduates	342	421
Postgraduate	61	67
Flight training	55	80
Helicopter training	20	12
C-130 aircraft training	12	12
Short-term specialized courses	790	926
Enlisted training completed:		
Recruit training:		
Regular	6,131	5,159
Reserve	3,083	3,033
Coast Guard basic petty officer	1,792	2,595
Navy basic petty officer	379	612
Advanced petty officer schools (Navy and Coast Guard)	160	139
Specialized training courses (service and civilian)	2,615	2,416
Correspondence courses completed:		
Coast Guard Institute	8,820	11,776
U.S. Armed Forces Institute	325	247
U.S. Naval Correspondence Course Center	4,750	4,263

Public Health Service support.—On June 30, 1967, there were 116 Public Health Service personnel on duty with the Coast Guard serving at 21 shore stations, with motorized dental detachments, and aboard ships assigned to ocean stations and Arctic and Antarctic operations.

Coast Guard Auxiliary

The Coast Guard Auxiliary is a volunteer, nonmilitary organization established to assist the Service in its rescue operations, as well as to promote safety, efficiency, and better compliance with laws governing the operations of motorboats and yachts. The Auxiliary, which operates in about 700 communities in the United States, Puerto Rico, and the Virgin Islands, is composed of experienced boatmen, radio operators, and aircraft pilots, each fully trained in his specialty, who further their competence by participation in advanced membership training programs.

Fiscal and supply management

During fiscal year 1967, further progress was made toward centralizing the payrolling of Coast Guard military and civilian personnel. Except for the Coast Guard Yard, the payrolling of all Coast Guard civilian personnel is centralized at the Internal Revenue Service Center, Detroit, Mich. The initial developmental work was begun on a computerized program for centralizing at Headquarters the payrolling of approximately 35,000 active duty military personnel. This system will be completely integrated with the existing Coast Guard personnel accounting and financial management systems.

The negotiation of a contract for the construction of one additional high-endurance cutter under the multiyear procurement contract for three cutters awarded in fiscal year 1966 achieved savings of approximately $966,000 in fiscal year 1967. In compliance with the President's special program for achieving cost reductions in procurement, supply, and property management, special attention to these areas resulted in a cost avoidance estimated at $9,218,000 for the fiscal year.

U.S. Savings Bonds Division

The U.S. Savings Bonds Division promotes the sale and retention of U.S. savings bonds and the sale of savings stamps. During the fiscal year 1967, promotion of a new U.S. savings note, "The Freedom Share," was added to the Division's responsibilities. The systematic buying and continued holding of these savings securities makes an important contribution to the Government's efforts to finance our national debt in a noninflationary manner and broadens the ownership of the Federal debt.

The program is carried out by a relatively small Government staff assisted by a large corps of sales promotion volunteers. Liaison is maintained with all types of financial, business, labor, agricultural, and educational institutions, and with community groups of all kinds. Their volunteer services are enlisted to sell savings bonds through banks, savings and loan associations, credit unions, certain post offices, and thousands of business establishments and other employers operating the payroll savings plan.

Sales of series E and H bonds during fiscal 1967 totaled $5.0 billion, an 11-year record and a gain of 7 percent over 1966. Series E bonds sales alone amounted to $4.6 billion, 8 percent above the previous fiscal year and the largest amount purchased in any fiscal year since 1946.

Promotional activities

The Share in Freedom plan set the pace for the Division's promotional activities in fiscal year 1967. The theme of the campaign was "The Star Spangled Freedom Plan-Savings Bonds and Freedom Shares," interspersed with the slogan "Buy Bonds Where You Work. They Do."—referring to military purchases, especially by servicemen in Vietnam. The campaign was launched by President Johnson on February 21, 1967, on a closed-circuit telecast to meetings of some 10,000 savings bond volunteers throughout the Nation. The President announced that a new U.S. savings note, to be known as the Freedom Share would be placed on sale on May 1, 1967, as a companion product to the popular series E savings bond to help finance the Vietnam war. By June 30, 1967, well over half a million Americans had signed up for regular purchases of the bond-note combination through payroll deductions.

During the fiscal year, record progress was made in promoting the payroll savings plan in industry, the military services, and the Federal Government. Over 2½ million persons were enrolled in payroll savings plans, bringing total payroll savers to over 9½ million on June 30. After taking account of turnover, retirements, etc., this resulted in a net increase of 1 million during the year. The promotional efforts produced

20-year records in the small denomination series E bond sales, bought chiefly by payroll savers.

The 1967 payroll savings effort in industry was carried out under the chairmanship of Daniel J. Haughton, president of the Lockheed Aircraft Corp., with top executives of major market areas and key industries. Intensive campaigns were conducted in 23 of the largest industrial centers by members of the committee. Similar campaigns took place in 135 urban centers, each under the chairmanship of a top local business executive. In addition to their appearances on the national kickoff telecast in February, Secretary Fowler and other Treasury officials addressed many of the local campaign kickoff meetings of businessmen and other community leaders.

The largest direct mail payroll savings campaign in the Division's history, consisting of personalized letters to 180,000 companies, was conducted in February and March 1967. It resulted in an unprecedently large and favorable response. These replies were followed up and serviced locally with the assistance of a volunteer task force of over 400 junior executives loaned by industry, who were directed by the Division's field staff.

Staff members and volunteers followed up the meetings, letters, and other activities with personal assistance to companies in organizing campaigns. During the fiscal year, some 11,000 campaigns were completed in companies of all sizes with the enrollment of 1½ million new payroll savers.

Many special events helped to promote the 1967 campaign, including the President's signing up as the Nation's No. 1 purchaser of savings bonds and freedom shares through payroll savings. There were similar events involving State Governors, mayors, and other officials. Decorated Vietnam veterans representing all services went on tour for savings bonds, appearing at meetings and broadcasts which covered leading cities in 27 States.

Organized labor gave its full cooperation to payroll savings campaigns in industry. Through the National Labor Advisory Committee for Savings Bonds the sales program was successfully promoted by national unions among their members.

In the Federal Government, highly successful campaigns were conducted among civilian and military personnel under the direction of the Interdepartmental Committee Chairman, Postmaster General Lawrence F. O'Brien, with strong personal support from the President. During fiscal 1967, 402,000 additional civilians and 648,000 additional members of the Armed Forces signed bond allotments, bringing total enrollments to over 3,600,000, the highest since World War II and a net increase of half a million savers from a year earlier. Both civilian and military participation rates were at new peaks, with a combined rate estimated at 66 percent of all Federal military and civilian personnel. Their total bond purchases in fiscal 1967 amounted to $995 million, a 23-percent increase over 1966.

Sales of savings stamps, primarily through the Nation's schools, increased 2 percent during fiscal year 1967. The women's organizations of the Nation act as volunteer leaders in the promotion of savings stamps. A new wallet card, introduced by President Johnson in September 1966, bore his picture and his message saluting the boys and girls who buy stamps and bonds through the school savings program.

Banks and other financial institutions contributed substantially to the success of the savings bonds-freedom shares program. Over 18,000 sales-issuing outlets had become eligible to issue the new savings notes by June 30. Also, during 1967, over 6,000 banks sent more than 20 million letters to their customers promoting savings bonds and freedom shares.

At a meeting at the White House on August 16, 1966, representatives of the Advertising Council, the task force advertising agencies, and all major advertising media heard a personal appeal from the President for increased support. Reflecting the President's special interest in the bond program, the Council made savings bonds the top priority campaign in the public service field. There was an immediate response, particularly on the part of the television networks, to step up bond advertising, and this continued throughout the 1967 Share in Freedom Campaign.

The entertainment industry also supported the program. The motion picture industry contributed two films—a 10-minute featurette, "Hollywood Star-Spangled Revue," and a 3-minute trailer featuring the President. These were produced at no cost to the Treasury and circulated to theaters throughout the country for showing at regular performances. In addition, many stars of stage, screen, and television contributed their talents to the making of short film trailers for showings in theaters and on television.

Support in all advertising media—newspapers, magazines, radio, television, outdoor, and car-cards—was at a high level. Daily newspapers, for example, carried over 17,000 savings bonds advertisements during the fiscal year.

The interest of the entire advertising industry was stimulated by the appointment of James S. Fish, vice president for advertising and marketing of General Mills, as a volunteer Consultant to the Secretary of the Treasury for savings bonds promotion.

Management improvement

The Savings Bonds Division, consisting of two principal branches, Sales Operations and Advertising and Promotion, has seven regional offices and offices in the 50 States and the District of Columbia, through which sales materials are disseminated.

During fiscal 1967, four State offices transferred their addressograph operations to the Chicago Distribution Center and were able to declare their addressograph machines surplus. By the fiscal yearend 29 State offices had transferred their addressograph operations to the Distribution Center.

For the Share-in-Freedom campaign, the Division recruited local volunteers from corporations, banks, organizations, and other similar sources on a loan basis for several weeks or more. Some 400 of these volunteers, after a short briefing course on Savings Bonds and Freedom Shares, called on small businesses to install and promote payroll savings. This effort freed the time of paid promotional staff to call on larger accounts and enabled the Division to reach companies that would not otherwise have been solicited.

Upon the advice of the Advertising Council, the number of volunteer task force advertising agencies serving the Division was reduced from seven to three. Through this consolidation, Division staff members will be able to maintain closer contact with the agencies, and it will be easier to coordinate the creative efforts of all concerned.

U.S. Secret Service

The major responsibilities of the U.S. Secret Service defined by section 3056, title 18, United States Code, are the protection of the President of the United States, the members of his immediate family, the President-elect, the Vice President or other officer next in the order of succession to the office of President, and the Vice-President-elect; protect a former President and his wife during his lifetime and the person of a widow and minor children of a former President for a period of 4 years after he leaves or dies in office, unless such protection is declined; 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 Federal land bank associations.

Management improvement

During fiscal 1967 the more significant management improvements were concentrated in areas of investigations and administration.

The Check Forgery Study conducted in cooperation with the Office of the Special Assistant to the Secretary (for Enforcement) was completed in June 1967.

A feasibility study was initiated for converting statistical reports into an ADP system. The conversion is expected to provide more accurate statistical data for use in Service operations.

Expansion of the financial management program cost centers from eight to 13, which includes five general support areas instead of one, provides more meaningful analyses of general support financial management. The Service initiated an emergency operating arrangement for its EDP system with a private contract, negating the need for a previous agreement with the National Bureau of Standards. This plan is expected to provide total savings in equipment rentals for the fiscal years 1967 and 1968 of $30,000.

Personnel

During fiscal 1967 the personnel office of the Service was reorganized by functional area.

During fiscal year 1967 the Secret Service appointed approximately 100 new special agents, technicians, specialists, and support personnel.

Training

The Secret Service Training Division, established October 18, 1966, provides the staffing, resources, and facilities required to furnish a full range of training for personnel of the Secret Service, the White House Police, and the Treasury Guard Force.

The training program which includes the Secret Service Internal Training Programs, Civil Service Commission Inter-agency Training Programs, and non-Government Training Institutions was continued. In addition to this formal training, the Secret Service pursued its on-the-job training programs for personnel regularly engaged in investigative and protective assignments.

Inspection and audit program

Additional refinements were made in the inspection and audit program during fiscal 1967 to improve efficiency and increase its value to management. New positions were created to assist in standardizing inspection techniques, accelerate inspections, and to provide an executive development program for incumbents.

Protective responsibilities

The protection of the First Family, Vice President, former Presidents, their wives, and the widow and minor children of the late President Kennedy continued to be the primary responsibility of the Service.

Investigative responsibilities

Investigations required to meet the Service's protective responsibilities continued to receive priority attention.

During fiscal 1967 the Secret Service arrested 1,072 persons for violating the counterfeiting statutes and recovered over $10 million in counterfeit currency, an alltime high in both categories. The Service seized 84 percent of all known counterfeits before they were placed in circulation. The loss to the public amounted to $1,600,000, a 76-percent increase over the previous fiscal year.

Twenty-two plants for the manufacture of counterfeit money were seized. These plants had produced 112 varieties of counterfeit notes with a value of over $6.1 million; four of them had produced 67 kinds of counterfeits valued at $4.8 million.

Counterfeiting is an enforcement problem of increasing magnitude, which may be attributed to the current trend in criminal activity, the ease and speed with which large quantities of counterfeit currency can be produced on modern printing equipment, and the ease of rapid transportation enabling criminals to disburse these products over a wide area.

The following summaries are indicative of the type and scope of counterfeiting activities during the fiscal year 1967.

In June 1966 a new counterfeit $10 note appeared in Los Angeles. Subsequently, 19 different varieties of this note appeared throughout California and Secret Service agents arrested two men for passing and possessing more than $65,000 in these counterfeits. The agents obtained information leading to the source of the notes.

An undercover agent was introduced to the suspects and shortly thereafter the plant where the notes were manufactured and over $2,300,000 in new counterfeit $20 notes were seized.

It was later determined that a brother-in-law of one of the principals in this case had stolen over $700,000 of the notes and taken them to his New Jersey home. As soon as he arrived in New Jersey he began selling the notes to underworld contacts. Although he developed only three or four outlets, small amounts of the notes were traced to numerous disassociated passers. The suspect was arrested in Baltimore in September 1966 and the remaining notes, totaling over $440,000, were seized.

This small group produced over $3 million in counterfeit notes and 134 persons were arrested for criminal offenses in connection with the case.

In October 1966 the married assistant manager of a printing firm in a Southeastern city became the central figure in another case, after he began keeping another woman. The subject decided to meet his increased expenses by printing counterfeit money, although he lacked the nerve to pass it. A friend introduced him to several local hoodlums who agreed to buy his notes. He convinced his employer that he had to use the print shop at night to complete a special job. Instead, he used the time to manufacture $1 million in counterfeit $20 notes and turned them over to his contacts.

Secret Service informants soon learned of the operation and through them an undercover agent was introduced to the group as a prospective buyer.

The sale was successful and the entire $1 million was confiscated before any of the notes were placed in circulation. All five men involved in the operation were arrested.

During September 1966 new counterfeit $20, $50, and $100 notes appeared in New York City. Little was learned about the source of these notes until the routine arrest of a passer 6 months later. The suspect provided information which led to the apprehension of a New Jersey printer and the seizure of plates for $10, $20, $50, and $100 counterfeit notes, plates for counterfeit foreign currency, and related paraphernalia. The printer led agents to a $400,000 cache of notes hidden in a New York City apartment, and to another $127,000 he had placed in a bus station locker.

The printer revealed that the note passer was the instigator of the counterfeiting operation and a main distributor of the notes. The printer alleged that he had been hired by the passer and an associate to produce counterfeit identification cards at $150 per week. The backers, he said, had supplied the funds to purchase the necessary printing equipment. When he later agreed to manufacture the counterfeit notes, his salary was raised to $200 per week.

Two months after being released on bond in connection with the original charge, this informant and two other individuals were identified passing these notes in Florida. He was subsequently arrested by New Jersey police as a suspect in a bank holdup. When the police searched him they found he was carrying $1,200 in these counterfeit notes. He then led agents to a cache of $80,000 in a bank safe deposit box and later identified an individual to whom he had allegedly sold $100,000 in the notes. The investigation was continuing and prosecution of the individuals involved was pending at the fiscal yearend.

In October 1966 a California motel manager received a long distance call from two men who had checked out earlier in the day. They asked that if their room had not been rented it be reserved for them, since they were returning to pick up "some articles" they had forgotten. They had left two counterfeit $20 notes, which had been found when the room was cleaned. Local police had been alerted and the men were arrested when they returned the next morning. Their car contained $106,000 in counterfeit $20 notes which was seized.

The men, printers by trade, had been approached 2 weeks before their arrest by a person who wanted to hire a good pressman to produce counterfeit notes. The printers were taken to a remote cabin in the California hills where they were introduced to their new "employer." The plates for the counterfeit currency had already been produced, but the printing press was in disrepair. A new press was purchased and the notes printed.

Their employer was later arrested and agents found most of the notes together with the plates, press, and other paraphernalia in the cabin. A total of $387,000 in counterfeit notes was seized in connection with this operation.

The counterfeiting of U.S. coins decreased from approximately $29,000 in fiscal 1966 to about $15,000 in 1967.

The counterfeiting of U.S. currency in foreign countries continued to be of concern, although only $704,926 was reported during fiscal year 1967. A great deal of foreign counterfeiting activity does not come to the attention of the Secret Service despite increased Secret Service liaison overseas. Administrative procedures of many foreign police departments do not require the reporting to the United States of the U.S. counterfeits they receive.

Liaison with nations in the Far East is handled through the Secret Service Office in Hawaii and the Paris Office conducts liaison with countries in Europe, the Middle East, and Africa.

Secret Service responsibility also includes the counterfeiting in the United States of currency of other countries. During fiscal 1967 the Secret Service seized 13,548 pieces of counterfeit foreign currency.

The following table summarizes receipts of counterfeit money during the fiscal years 1966 and 1967.

Counterfeit money received, fiscal years 1966 and 1967

Receipts of counterfeit notes and coins	1966	1967
Counterfeit money received in the United States:		
Loss to the public	$962,060.99	$1,658,100.75
Seized before circulation	8,098,417.35	8,587,845.49
Total	9,060,478.34	10,245,946.24
Counterfeit U.S. currency received in foreign countries	$642,256.00	$704,926.00
Pieces of counterfeit currency of other nations received in the United States	19,670	13,548

The Secret Service investigated 43,055 forged Government check cases involving over $4.5 million during the fiscal year. A total of 2,431 persons were arrested for Government check violations.

The Service investigated 6,413 cases involving the forgery and fraudulent negotiation of U.S. savings bonds having a maturity value of over $700,000 and in this connection arrested 113 persons.

Representative cases involving the forgery of Government checks and bonds during fiscal 1967 follow.

A search warrant was served on the home of one of the principal offenders in a Government check cashing gang in Miami, Fla. In the home a stolen U.S. Treasury check in the sum of $4,334, a complete set of postal carrier keys (lost in 1959) which fit certain mailboxes, and a mailman's uniform were found.

The gang had operated on a wide scale in a metropolitan area stealing and forging U.S. Treasury checks, mostly social security checks. Nineteen persons have been arrested and convicted in this case, many of whom are narcotic addicts. The forgery of 500 U.S.

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Treasury checks totaling approximately $52,000 was traced to this gang.

Two forger fugitives traveling in five States stole, forged, and cashed 73 U.S. Treasury checks totaling $6,174 and subsisted for about 1 year on the proceeds. They were apprehended when a policeman in Oklahoma City stopped their car for a traffic violation and noticed one of the men tearing up a Treasury check. A further search by the officer disclosed several more stolen checks in their possession.

A former check forger operated in four States for 11 months stealing, forging, and cashing 92 U.S. Treasury checks worth $6,465. Eighty-nine of these were social security checks stolen from rural mail boxes.

A bartender in a large city attempted to sell $12,000 worth of stolen U.S. savings bonds. A Secret Service undercover agent made contact with him and subsequent negotiations resulted in the recovery of 72 bonds totaling $11,700 and the arrest of three persons.

A 19-year-old AWOL serviceman made connections in New York City to obtain stolen savings bonds and during a 4-month period before he was arrested, forged and negotiated 548 bonds totaling $22,675.

The Secret Service investigated 140 Gold Reserve Act violations during fiscal 1967. These cases are for the most part complex and time consuming.

The Secret Service has a representative on the Organized Crime Committee and participates in investigative activity related to this program.

To help protect the Government interest in fiscal activities handled by the Federal Reserve System, the Secret Service provides requested assistance to the System, by conducting security surveys of all Federal Reserve banks and recommending improvements.

In accordance with the requirements of Executive Order 10450 and Treasury Department Order No. 82, Revised, March 9, 1966,[1] for updating employee security investigations every 5 years, 28 cases from the Office of the Secretary and 176 cases on Secret Service employees have been initiated.

The following tables show the number of criminal and noncriminal investigations completed and arrests made by the Secret Service in fiscal years 1966 and 1967.

Criminal and noncriminal cases investigated, fiscal years 1966 and 1967

Cases investigated	1966	1967
Counterfeiting	24,708	24,911
Forged Government checks	42,545	43,055
Forged Government bonds	7,361	6,413
Miscellaneous criminal	9,237	16,671
Miscellaneous noncriminal	10,127	2,434
Total	93,978	93,484

[1] See 1966 annual report, p. 509.

Number of arrests, fiscal years 1966 and 1967

Offenses	1966	1967
Counterfeiting	866	1,072
Forged Government checks	2,618	2,431
Forged or stolen bonds	73	113
Miscellaneous	489	501
Total	4,046	4,117

Offenses investigated by the Secret Service resulted in the conviction of 3,292 persons—97.2 percent of the cases brought to trial during the fiscal year.

The incidence of crime over which the Secret Service has investigative jurisdiction remains generally consistent with the nationwide crime trend.

Cooperation

The Secret Service continues to receive excellent assistance from local, State, and other Federal law enforcement agencies in its protective and investigative responsibilities. Interested citizens have also aided greatly by furnishing the Service with information important to its effective operation.

EXHIBITS

Public Debit Operations, Regulations, and Legislation

Treasury Certificates of Indebtedness and Treasury Notes Offered and Allotted

Exhibit 1.—Treasury certificates of indebtedness

During the fiscal year 1967 there was one offering of certificates of indebtedness. The Treasury circular for the offering is reproduced in this exhibit. Following the circular is a table showing final allotments of the certificates by Federal Reserve districts.

DEPARTMENT CIRCULAR NO. 5-66. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, July 28, 1966.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers certificates of indebtedness of the United States, designated 5¼ percent Treasury Certificates of Indebtedness of Series A-1967, at par, in exchange for the following securities maturing August 15, 1966, singly or in combinations aggregating $1,000 or multiples thereof:

4 percent Treasury Notes of Series A-1966; or
3 percent Treasury Bonds of 1966.

The amount of this offering will be limited to the amount of eligible securities tendered in exchange. The books will be open only on August 1 through August 3, 1966, for the receipt of subscriptions.

2. In addition, holders of the maturing securities are offered the privilege of exchanging all or any part of them for 5¼ percent Treasury Notes of Series A-1971, which offering is set forth in Department Circular, Public Debt Series—No. 6-66, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated August 15, 1966, and will bear interest from that date at the rate of 5¼ percent per annum, payable semiannually on February 15 and August 15, 1967. They will mature August 15, 1967, 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 U.S. certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve banks and branches and at the Office of the Treasurer of the United States, Washington, D.C. 20220. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies.

2. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority to reject or reduce any subscription, and to allot less than the amount of certificates applied for when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to the exercise of that authority, all subscriptions will be allotted in full.

IV. PAYMENT

1. Payment for the face amount of certificates allotted hereunder must be made on or before August 15, 1966, or on later allotment, and may be made only in a like face amount of securities of the two issues enumerated in paragraph 1 of section I hereof, which should accompany the subscription. When payment is made with securities in bearer form, coupons dated August 15, 1966, should be detached and cashed when due. When payment is made with registered securities, the final interest due on August 15, 1966, will be paid by issue of interest checks in regular course to holders of record on July 15, 1966, the date the transfer books closed.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Treasury securities 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 5¼ percent Treasury Certificates of Indebtedness of Series A-1967 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, D.C. 20220. The maturing securities 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 such allotments as may be prescribed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and 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.

JOSEPH W. BARR,
Acting Secretary of the Treasury.

Allotments of Treasury certificates of indebtedness issued during the fiscal year 1967

[In thousands]

Federal Reserve district	5¼ percent Series A-1967 certificates of indebtedness issued in exchange for—[1]		
	4 percent Series A-1966 Treasury notes maturing Aug. 15, 1966	3 percent Treasury bonds of 1966 maturing Aug. 15, 1966	Total issued
Boston	$45,961	$2,086	$48,047
New York	4,915,091	153,558	5,068,649
Philadelphia	24,718	3,492	28,210
Cleveland	77,289	3,487	80,776
Richmond	57,951	2,807	60,758
Atlanta	54,355	7,317	61,672
Chicago	154,884	13,500	168,384
St. Louis	89,113	6,288	95,401
Minneapolis	41,249	2,653	43,902
Kansas City	59,392	4,991	64,383
Dallas	52,729	9,645	62,374
San Francisco	48,698	79,935	128,633
Treasury	6,888	1,305	8,193
Total certificate allotments	5,628,318	291,064	5,919,382
Securities eligible for exchange:			
Exchanged in concurrent offering	2,307,025	270,671	2,577,696
Total exchanged	7,935,343	561,735	8,497,078
Not submitted for exchange	500,537	138,437	638,974
Total securities eligible for exchange	8,435,880	700,172	9,236,052

[1] All subscriptions were allotted in full. 5¼ percent Treasury notes of Series A-1971 were also offered in exchange for the securities maturing Aug. 15, 1966.

Exhibit 2.—Treasury notes

Two Treasury circulars, one containing an exchange offering and the other containing a cash offering, are reproduced in this exhibit. Circulars pertaining to the other note offerings during the fiscal year 1967 are similar in form and therefore are not reproduced in this report. However, essential details for each offering are summarized in the first table following the circulars and the final allotments of the new notes are shown in the second table.

DEPARTMENT CIRCULAR NO. 2-67. PUBLIC DEBT

TREASURY DEPARTMENT
Washington, January 26, 1967.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers $2,000,000,000, or thereabouts, of notes of the United States, designated 4¾ percent Treasury Notes of Series A–1972, at 99.625 percent of their face value and accrued interest. The following notes, maturing February 15, 1967, will be accepted at par in payment or exchange, in whole or in part, to the extent subscriptions are allotted by the Treasury:
   3⅝ percent Treasury Notes of Series B–1967; or
   4 percent Treasury Notes of Series C–1967.
The books will be open only on January 30, 1967, for the receipt of subscriptions.

II. DESCRIPTION OF NOTES

1. The notes will be dated February 15, 1967, and will bear interest from that date at the rate of 4¾ percent per annum, payable semiannually on August 15, 1967, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1972, 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 U.S. notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve banks and branches and at the Office of the Treasurer of the United States, Washington, D.C. 20220. 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 50 percent of the combined capital (not including capital notes or debentures), surplus and undivided profits of the subscribing bank. Subscriptions will be received without deposit from banking institutions for their own account, federally insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and

retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, 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, Federal Reserve banks and Government investment accounts. Subscriptions from all others must be accompanied by payment (in cash or in notes of the two issues enumerated in paragraph 1 of section I hereof, which will be accepted at par) of 2 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Registered securities submitted as deposits should be assigned as provided in section V hereof. 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 issue at a specific rate or price, until after midnight January 30, 1967.

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. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority 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 when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to the exercise of that authority, subscriptions will be allotted:

(1) in full if the subscription is for a State, political subdivision or instrumentality thereof, public pension and retirement and other public fund, international organization in which the United States holds membership, foreign central bank and foreign State, Federal Reserve bank, or Government investment account and such subscriber certifies in writing that at 4 p.m., eastern standard time, January 25, 1967, it owned or had contracted to purchase for value notes of the two issues enumerated in paragraph 1 of section I hereof, in an aggregate amount equal to or greater than the amount of such subscription (any such subscriber may enter an additional subscription subject to a percentage allotment); and

(2) on a percentage basis, to be publicly announced.

Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at 99.625 percent of their face value and accrued interest, if any, for notes allotted hereunder must be made or completed on or before February 15, 1967, or on later allotment. Payment will not be deemed to have been completed where registered notes are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. In every case where full payment is not 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. Payment may be made for any notes allotted hereunder in cash or by exchange of notes of the two issues enumerated in paragraph 1 of section I hereof, which will be accepted at par. A cash adjustment will be made for the difference ($3.75 per $1,000) between the par value of maturing notes accepted in exchange and the issue price of the new notes. The payment will be made by check or by credit in any account maintained by a banking institution with the Federal Reserve bank of its district, following acceptance of the maturing notes. In the case of registered notes, the payment will be made in accordance with the assignments on the notes surrendered. When payment is made with notes in bearer form, coupons dated February 15, 1967, should be detached and cashed when due. When payment is made with registered notes, the final interest due on February 15, 1967, will be paid by issue of interest checks in regular course to holders of record on January 13, 1967, the date the transfer books closed.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury notes in registered form tendered as deposits and in payment for notes allotted hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department, in one of the forms hereafter set forth. Notes tendered in payment should be surrendered to a Federal Reserve bank or branch or to the Office of the Treasurer of the United States, Washington, D.C. 20220. The maturing notes must be delivered at the expense and risk of the holder. If the new notes are desired registered in the same name as the notes surrendered, the assignment should be to "The Secretary of the Treasury for 4¾ percent Treasury Notes of Series A–1972;" if the new notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for 4¾ percent Treasury Notes of Series A–1972 in the name of ---------------------;" if new notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for 4¾ percent Treasury Notes of Series A–1972 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 such allotments as may be prescribed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and 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.

HENRY H. FOWLER,
Secretary of the Treasury.

DEPARTMENT CIRCULAR NO. 6–67. PUBLIC DEBT

TREASURY DEPARTMENT,
Washington, April 27, 1967.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers notes of the United States, designated 4¾ percent Treasury Notes of Series B–1972 at par:

(1) in exchange for 4¼ percent Treasury Notes of Series D–1967, dated November 15, 1965, due May 15, 1967;
(2) with a cash payment of $1.00 per $1,000 to the United States in exchange for 2½ percent Treasury Bonds of 1962–67, dated May 5, 1942, due June 15, 1967, in amounts of $1,000 or multiples thereof;
(3) with a cash payment of $3.00 per $1,000 to the subscriber in exchange for 5¼ percent Treasury Certificates of Indebtedness of Series A–1967, dated August 15, 1966, due August 15, 1967;
(4) with a cash payment of $1.50 per $1,000 to the United States in exchange for 3¾ percent Treasury Notes of Series A–1967, dated September 15, 1962, due August 15, 1967; or
(5) with a cash payment of $2.00 per $1,000 to the subscriber in exchange for 4⅞ percent Treasury Notes of Series E–1967, dated February 15, 1966, due August 15, 1967.

Interest will be adjusted as of May 15, 1967, in the case of the securities due June 15 and August 15, 1967. Net payments on account of accrued interest due subscribers and cash adjustments due to and from subscribers will be made as set forth in section IV hereof. The amount of this offering will be limited to the amount of eligible securities tendered in exchange. The books will be open only on May 1 through May 3, 1967, for the receipt of subscriptions.

2. In addition, holders of the 4¼ percent notes of Series D–1967, and the 2½ percent bonds of 1962–67 are offered the privilege of exchanging all or any part of such securities for 4¼ percent Treasury Notes of Series C–1968, which offering is set forth in Department Circular, Public Debt Series—No. 5–67, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated May 15, 1967, and will bear interest from that date at the rate of 4¾ percent per annum, payable semiannually on November 15, 1967, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1972, 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 U.S. notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve banks and branches and at the Office of the Treasurer of the United States, Washington, D.C. 20220. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies.

2. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority to reject or reduce any subscription, and to allot less than the amount of notes applied for when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to the exercise of that authority, all subscriptions will be allotted in full.

IV. PAYMENT

1. Payment for the face amount of notes allotted hereunder must be made on or before May 15, 1967, or on later allotment, and may be made only in a like face amount of securities of the five issues enumerated in paragraph 1 of section I hereof, which should accompany the subscription. Payment will not be deemed to have been completed where registered notes are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. Cash payments due to subscribers will be made by check or by credit in any account maintained by a banking institution with the Federal Reserve bank of its district following acceptance of the securities surrendered. In the case of registered securities, the payment will be made in accordance with the assignments thereon.

2. *4¼ percent notes of Series D–1967.*—Coupons dated May 15, 1967, should be *detached* and cashed when due.[1]

3. *2½ percent bonds of 1962–67.*—Coupons dated June 15, 1967, must be *attached* to bonds in bearer form when surrendered. Accrued interest from December 15, 1966, to May 15, 1967 ($10.37088 per $1,000), will be credited, the payment ($1.00 per $1,000) due the United States will be charged and the difference ($9.37088 per $1,000) will be paid to subscribers.

[1] Interest due on May 15, 1967, on registered securities will be paid by issue of interest checks in regular course to holders of record on Apr. 14, 1967, the date the transfer books closed.

4. *5¼ percent certificates of Series A–1967.*—Coupons dated August 15, 1967, must be *attached* to the certificates when surrendered. Accrued interest from February 15 to May 15, 1967 ($12.90746 per $1,000), plus the cash payment of $3.00 per $1,000 will be paid to subscribers.

5. *3¾ percent notes of Series A–1967.*—Coupons dated August 15, 1967, must be *attached* to the notes in bearer form when surrendered. Accrued interest from February 15 to May 15, 1967 ($9.21961 per $1,000), will be credited, the payment ($1.50 per $1,000) due the United States will be charged and the difference ($7.71961 per $1,000) will be paid to subscribers.

6. *4⅞ percent notes of Series E–1967.*—Coupons dated August 15, 1967, must be *attached* to the notes in bearer form when surrendered. Accrued interest from February 15 to May 15, 1967 ($11.98550 per $1,000), plus the cash payment of $2.00 per $1,000 will be paid to subscribers.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Treasury securities 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. 20220. The securities must be delivered at the expense and risk of the holder. If the new notes are desired registered in the same name as the securities surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 4¾ percent Treasury Notes of Series B–1972"; if the new notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 4¾ percent Treasury Notes of Series B–1972 in the name of ____________________"; if new notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 4¾ percent Treasury Notes of Series B–1972 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 such allotments as may be prescribed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and 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.

HENRY H. FOWLER,
Secretary of the Treasury.

Summary of information pertaining to Treasury notes issued during the fiscal year 1967

Date of preliminary announcement	Department circular		Concurrent offering circular No.	Treasury notes 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)
	No.	Date						
1966 July 27	6-66	*1966* July 28	5-66	5¼ percent Series A-1971 issued at prices indicated below in exchange for— 4 percent Series A-1966 notes maturing Aug. 15, 1966 (100); 3 percent bonds of 1966 maturing Aug. 15, 1966 (100); 4¾ percent Series A-1966 certificates of indebtedness maturing Nov. 15, 1966 (100.10); 4 percent Series E-1966 notes maturing Nov. 15, 1966 (100.35); 3⅜ percent bonds of 1966 maturing Nov. 15, 1966 (100.55).	*1966* Aug. 15	*1971* May 15	*1966* Aug. 3	*1966* [1] Aug. 15
Oct. 27	7-66	Oct. 28		5⅝ percent Series A-1968 issued at par for cash [2]	Nov. 15	*1968* Feb. 15	Nov. 1	Nov. 15
Oct. 27	8-66	Oct. 28		5⅝ percent Series B-1971 issued at par for cash [2]	Nov. 15	*1971* Nov. 15	Nov. 1	Nov. 15
1967 Jan. 25	1-67	*1967* Jan. 26		4¾ percent Series B-1968 issued at 99.875 for cash [3]	*1967* Feb. 15	*1968* May 15	*1967* Jan. 30	*1967* Feb. 15
Jan. 25	2-67	Jan. 26		4¾ percent Series A-1972 issued at 99.625 for cash [3]	Feb. 15	*1972* Feb. 15	Jan. 30	Feb. 15

Apr. 26	5-67	Apr. 27	6-67	4¼ percent Series C-1968 issued at 99.95 in exchange for— 4¼ percent Series D-1967 notes maturing May 15, 1967; 2½ percent bonds of 1962-67 maturing June 15, 1967, with a payment of $0.10 per $100 by the subscriber.	May 15	*1968* Aug. 15	May 3	[4] May 15
Apr. 26	6-67	Apr. 27	5-67	4¾ percent Series B-1972 issued at par in exchange for— 4¼ percent Series D-1967 notes maturing May 15, 1967; 2½ percent bonds of 1962-67 maturing June 15, 1967, with a payment of $0.10 per $100 by the subscriber; 5¼ percent Series A-1967 certificates of indebtedness maturing Aug. 15, 1967, with a payment of $0.30 per $100 to the subscriber; 3¾ percent Series A-1967 notes maturing Aug. 15, 1967, with a payment of $0.15 per $100 by the subscriber; 4⅞ percent Series E-1967 notes maturing Aug. 15, 1967, with a payment of $0.20 per $100 to the subscriber.	May 15	*1972* May 15	May 3	[5] May 15

[1] Coupons dated Aug. 15, 1966, were detached from bearer notes and bonds due on that date and cashed when due. Coupons dated Nov. 15, 1966, were required to be attached to bearer securities due on that date. Subscribers tendering securities due Nov. 15, 1966, in exchange were credited with accrued interest from May 15 to Aug. 15, 1966 ($1.8750 per $100 on the certificates, $1.00000 per $100 on the notes, and $0.84375 per $100 on the bonds), and were charged the amount due the United States on account of the issue price of the 5¼ percent notes and the net amount (per $100) was paid to subscribers as follows: $1.08750 for the certificates, $0.65000 for the notes, and $0.29375 for the bonds.

[2] Holders of 3⅜ percent Treasury bonds of 1966, 4 percent Treasury Notes of Series E-1966, and 4¾ percent Treasury certificates of indebtedness of Series A-1966 were not offered preemptive rights to exchange their holdings for the new notes. Payment for cash subscriptions allotted could be made in whole or in part by exchange at par of such securities. Coupons dated Nov. 15, 1966, were detached from such securities in bearer form and cashed when due.

[3] Holders of 3⅝ percent Treasury Notes of Series B-1967 and 4 percent Treasury Notes of Series C-1967 were not offered preemptive rights to exchange their holdings for the new notes. Payment for cash subscriptions allotted could be made in whole or in part by exchange at par of such notes with a cash payment to the subscriber on account of the issue price of the new note. Coupons dated Feb. 15, 1967, were detached from the notes in bearer form and cashed when due.

[4] Coupons dated May 15, 1967, were detached from the notes of Series D-1967 and cashed when due. A cash payment of $0.05 per $100 was made to subscribers exchanging notes. Coupons dated June 15, 1967, were required to be attached to the bonds in bearer form. Accrued interest on the bonds from Dec. 15, 1966, to May 15, 1967 ($1.037088 per $100), plus the payment on account of the issue price of the notes ($0.050000 per $100) was credited and the payment of $0.100000 per $100 due the United States was charged and the difference ($0.987088 per $100) was paid to subscribers exchanging bonds.

[5] See Department Circular No. 6-67 in this exhibit for provisions for subscription and payment.

Allotments of Treasury notes issued during the fiscal year 1967, by Federal Reserve districts

[In thousands]

Federal Reserve district	5¼ percent Series A-1971 notes issued in exchange for [1]—							
	4 percent Series A-1966 Treasury notes maturing Aug. 15, 1966 [2]	3 percent Treasury bonds of 1966 maturing Aug. 15, 1966 [2]	4¾ percent Treasury certificates of indebtedness series A-1966 maturing Nov. 15, 1966	4 percent Series E-1966 Treasury notes maturing Nov. 15, 1966	3⅜ percent Treasury bonds of 1966 maturing Nov. 15, 1966	Total issued	5⅝ percent Series A-1968 notes [3]	5¾ percent Series B-1971 notes [3]
Boston	$26,886	$9,824	$40,269	$28,385	$16,654	$122,018	$69,328	$70,045
New York	1,929,152	187,015	151,259	191,425	122,909	2,581,760	1,491,405	739,273
Philadelphia	8,832	2,144	37,232	27,106	26,954	102,268	58,802	41,823
Cleveland	56,131	8,403	45,991	43,875	46,505	200,905	94,184	93,791
Richmond	8,365	1,176	25,358	11,745	31,573	78,217	71,235	43,138
Atlanta	43,460	3,667	24,300	27,523	34,257	133,207	83,504	57,709
Chicago	84,986	15,902	94,333	141,466	131,608	468,295	251,983	239,326
St. Louis	40,793	5,869	28,289	33,244	42,840	151,035	97,434	62,633
Minneapolis	15,207	3,570	14,539	13,357	26,381	73,054	45,841	47,324
Kansas City	35,804	9,959	24,354	17,468	43,547	131,132	78,751	89,555
Dallas	11,585	2,782	14,202	15,013	29,666	73,248	75,842	42,703
San Francisco	43,766	20,297	16,664	27,129	28,146	136,002	204,585	202,511
Treasury	2,058	63	562	6,106	5,101	13,890	11,935	4,286
Total note allotments	2,307,025	270,671	517,352	583,842	586,141	4,265,031	2,634,829	1,734,117
Securities eligible for exchange:								
Exchanged in concurrent offerings	5,628,318	291,064				5,919,382		
Total exchanged	7,935,343	561,735	517,352	583,842	586,141	10,184,413		
Not submitted for exchange	500,537	138,437	1,134,842	1,669,979	1,265,267	4,709,062		
Total securities eligible for exchange	8,435,880	700,172	1,652,194	2,253,821	1,851,408	14,893,475		

Footnotes at end of table.

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Allotments of Treasury notes issued during the fiscal year 1967, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	4¾ percent Series B-1968 notes [3]	4¾ percent Series A-1972 notes [4]	4¼ percent Series C-1968 notes issued in exchange for [1]—		
			4¼ percent Series D-1967 Treasury notes maturing May 15, 1967 [5]	2½ percent Treasury bonds of 1962-67 maturing June 15, 1967 [5]	Total issued
Boston	$79,789	$56,205	$39,465	$2,314	$41,779
New York	4,349,148	1,014,586	4,975,386	373,295	5,348,681
Philadelphia	61,185	39,658	43,305	20,864	64,169
Cleveland	123,517	107,083	104,259	8,098	112,357
Richmond	79,810	46,673	64,653	9,014	73,667
Atlanta	95,299	83,672	73,373	16,821	90,194
Chicago	245,430	203,685	207,082	42,419	249,501
St. Louis	71,817	55,115	80,189	16,473	96,662
Minneapolis	46,265	35,295	35,769	1,845	37,614
Kansas City	64,602	85,391	57,165	9,049	66,214
Dallas	125,917	43,534	27,501	1,003	28,504
San Francisco	236,061	232,197	81,924	132,098	214,022
Treasury	8,002	2,535	13,773	6,575	20,348
Total note allotments	5,586,842	2,005,629	5,803,844	639,868	6,443,712
Securities eligible for exchange:					
Exchanged in concurrent offerings	....	....	3,506,342	445,706	3,952,048
Total exchanged	....	....	9,310,186	1,085,574	10,395,760
Not submitted for exchange	....	....	438,030	343,544	781,574
Total securities eligible for exchange	....	....	9,748,216	1,429,118	11,177,334

Footnotes at end of table.

Allotments of Treasury notes issued during the fiscal year 1967, by Federal Reserve districts—Continued

[In thousands]

Federal Reserve district	4¾ percent Series B-1972 notes issued in exchange for [1]—					
	4¼ percent Series D-1967 Treasury notes maturing May 15, 1967 [6]	2½ percent Treasury bonds of 1962-67 maturing June 15, 1967 [6]	5¼ percent Treasury certificates of indebtedness series A-1967 maturing Aug. 15, 1967	3¾ percent Series A-1967 Treasury notes maturing Aug. 15, 1967	4⅞ percent Series E-1967 Treasury notes maturing Aug. 15, 1967	Total issued
Boston	$34, 144	$24, 017	$2, 188	$13, 990	$3, 561	$77, 900
New York	2, 897, 697	240, 383	214, 100	319, 533	100, 119	3, 771, 832
Philadelphia	27, 823	8, 345	4, 557	13, 418	1, 700	55, 843
Cleveland	61, 648	10, 571	12, 038	66, 645	19, 400	170, 302
Richmond	19, 621	6, 366	2, 470	14, 169	6, 325	48, 951
Atlanta	59, 747	10, 950	6, 175	38, 249	10, 660	125, 781
Chicago	153, 597	40, 146	27, 017	175, 938	42, 312	439, 010
St. Louis	73, 747	9, 702	6, 828	37, 367	8, 826	136, 470
Minneapolis	33, 585	12, 676	3, 797	18, 842	2, 527	71, 427
Kansas City	57, 236	7, 146	7, 990	41, 288	6, 141	119, 801
Dallas	37, 893	4, 114	4, 411	41, 203	5, 275	92, 896
San Francisco	48, 949	66, 248	15, 597	52, 197	6, 163	189, 154
Treasury	655	5, 042	1, 065	3, 759	126	10, 647
Total note allotments	3, 506, 342	445, 706	308, 233	836, 598	213, 135	5, 310, 014
Securities eligible for exchange:						
Exchanged in concurrent offerings	5, 803, 844	639, 868				6, 443, 712
Total exchanged	9, 310, 186	1, 085, 574	308, 233	836, 598	213, 135	11, 753, 726
Not submitted for exchange	438, 030	343, 544	5, 611, 149	2, 092, 762	1, 904, 231	10, 389, 716
Total securities eligible for exchange	9, 748, 216	1, 429, 118	5, 919, 382	2, 929, 360	2, 117, 366	22, 143, 442

[1] All subscriptions were allotted in full.

[2] 5¼ percent Treasury certificates of indebtedness of Series A-1967 were also offered in exchange for this security.

[3] Subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government investment accounts, and the Federal Reserve banks were allotted in full up to the amount that the subscriber certified that it owned a like amount of securities that could be used in payment for the notes. For each issue all other subscriptions in amounts up to $100,000 were allotted in full; amounts over $100,000 were allotted 30 percent for the notes of Series A-1968 and 10 percent for the notes of Series B-1971 and the notes of Series B-1968, but not less than $100,000 to any one subscriber.

[4] Subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government investment accounts, and the Federal Reserve banks were allotted in full up to the amount that the subscriber certified that it owned a like amount of securities that could be used in payment for the notes. All other subscriptions in amounts up to $50,000 were allotted in full; amounts over $50,000 were allotted 7 percent, but not less than $50,000 to any one subscriber.

[5] 4¾ percent Treasury notes of Series B-1972 were also offered in exchange for this security.

[6] 4¼ percent Treasury notes of Series C-1968 were also offered in exchange for this security.

Treasury Bills Offered and Tenders Accepted

Exhibit 3.—Treasury bills

During the fiscal year there were 52 weekly issues each of 13-week and 26-week bills (the 13-week bills represent additional issues of bills with an original maturity of 26 weeks), twelve 1-year issues, ten 9-month issues (representing additional issues of bills with an original maturity of 1 year), one strip of additional amounts of three outstanding 1-year issues, and six issues of tax anticipation series. In September the Treasury adopted the policy of issuing monthly a 1-year issue and a 9-month issue. Three press releases inviting tenders, which are representative of all types of bill issues, are reproduced in this exhibit as follows: strip of issues, November 10, 1966; tax anticipation series, March 1, 1967; and weekly and monthly issues, May 17, 1967. Also reproduced is the press release of May 24, 1967, which is representative of the releases announcing the acceptance of tenders for all types of issues. Following the press releases is a table of data for each issue issued during the fiscal year.

PRESS RELEASE OF NOVEMBER 10, 1966

The Treasury Department, by this public notice, invites tenders for additional amounts of three series of Treasury bills to an aggregate amount of $1,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing November 25, 1966. The additional bills will be issued November 25, 1966, 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 1966	Maturity dates 1967	Days from Nov. 25, 1966 to maturity	Amount currently outstanding (in millions)
$400,000,000	Mar. 31	Mar. 31	126	$1,000
400,000,000	Apr. 30	Apr. 30	156	1,001
400,000,000	May 31	May 31	187	1,001
1,200,000,000				

The additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of $3,000, or an even multiple thereof, and one-third of the amount tendered will be applied to each of the above series of bills.

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

Tenders will be received at Federal Reserve banks and branches up to the closing hour, 1:30 p.m., eastern standard time, Thursday, November 17, 1966. 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 $3,000, or even multiple thereof. A unit represents $1,000 face amount of each issue of bills offered hereunder, as previously described. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve banks and branches on application therefor.

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

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of these additional issues at a specific rate or price until after 1:30 p.m., eastern standard time, Thursday, November 17, 1966.

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 $120,000 or less (in even multiples of $3,000) 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 November 25, 1966, in cash or other immediately available funds or in a like face amount of Treasury bills maturing November 25, 1966, provided, however, any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve bank of its district. 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. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills on to their books on the basis of their purchase price prorated to each of the three outstanding issues using as a basis for proration the closing market prices for each of the issues on November 25, 1966. (Federal Reserve banks will have available a list of these market prices, based on the mean between the bid and asked quotations furnished by the Federal Reserve Bank of New York.)

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

PRESS RELEASE OF MARCH 1, 1967

The Treasury Department, by this public notice, invites tenders for $2,700,000,000, or thereabouts, of 101-day Treasury bills (to maturity date), to be issued March 13, 1967, on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be designated tax anticipation series and represent an additional amount of bills dated October 18, 1966, to mature June 22, 1967, originally issued in the amount of $2,006,632,000 (an additional $800,885,000 was issued December 12, 1966). The additional and original bills will be freely interchangeable. They will be accepted at face value in payment of income taxes due on June 15, 1967, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of June 15, 1967, income taxes have the privilege of surrendering them to any Federal Reserve bank or branch or to the Office of the Treasurer of the United States, Washington, not more than 15 days before June 15, 1967, and receiving receipts therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before June 15, 1967, 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, 1:30 p.m., eastern standard time, Tuesday, March 7, 1967. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals; e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve banks or branches on application therefor.

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

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue at a specific rate or price, until after 1:30 p.m., eastern standard time, Tuesday, March 7, 1967.

Immediately after the closing hour, tenders will be opened at the Federal Reserve banks and branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $400,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve bank in cash or other immediately available funds on March 13, 1967, provided, however, any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for not more than 50 percent of the amount of Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve bank of its district.

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

Treasury Department Circular No. 418 (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 MAY 17, 1967

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,400,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing May 31, 1967, in the amount of $1,401,990,000, as follows:

274-day bills (to maturity date) to be issued May 31, 1967, in the amount of $500,000,000, or thereabouts, representing an additional amount of bills dated February 28, 1967, and to mature February 29, 1968, originally issued in the amount of $901,029,000, the additional and original bills to be freely interchangeable.

366-day bills, for $900,000,000, or thereabouts, to be dated May 31, 1967, and to mature May 31, 1968.

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, 1:30 p.m., eastern daylight saving time, Wednesday, May 24, 1967. 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 the 1-year bills will run for 366 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 each issue for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve bank on May 31, 1967, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 31, 1967. 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 MAY 24, 1967

The Treasury Department announced that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated February 28, 1967, and the other series to be dated May 31, 1967, which were offered on May 17, 1967, were opened at the Federal Reserve banks today. Tenders were invited for $500,000,000, or thereabouts, of the 274-day bills and for $900,000,000,or thereabouts, of 366-day bills. The details of the two series are as follows:

Range of accepted competive bids	274-day Treasury bills maturing Feb. 29, 1968		366-day Treasury bills maturing May 31, 1968	
	Price	Approximate equivalent annual rate	Price	Approximate equivalent annual rate
		Percent		*Percent*
High	97.028	3.905	96.030	3.905
Low	[1] 96.971	3.980	[2] 95.966	3.968
Average	96.998	[3] 3.944	96.001	[3] 3.933

[1] 38 percent of the amount of 274-day bills bid for at the low price was accepted.
[2] 1 percent of the amount of 366-day bills bid for at the low price was accepted.
[3] These rates are on a bank discount basis. The equivalent coupon issue yields are 4.11 percent for the 274-day bills, and 4.12 percent for the 366-day bills.

Total tenders applied for and accepted by Federal Reserve districts

District	Applied for	Accepted	Applied for	Accepted
Boston	$10,000	$10,000	$25,025,000	$5,025,000
New York	869,526,000	420,926,000	1,004,830,000	702,580,000
Philadelphia	4,877,000	877,000	8,702,000	702,000
Cleveland	5,510,000	5,510,000	11,313,000	11,313,000
Richmond	312,000	312,000	7,134,000	7,134,000
Atlanta	5,325,000	2,325,000	9,846,000	5,846,000
Chicago	203,129,000	38,129,000	254,339,000	114,339,000
St. Louis	1,381,000	1,381,000	6,148,000	4,148,000
Minneapolis	600,000	600,000	1,226,000	1,226,000
Kansas City	3,372,000	3,372,000	6,252,000	6,252,000
Dallas	11,440,000	9,440,000	12,253,000	10,253,000
San Francisco	27,158,000	17,158,000	51,424,000	31,424,000
Total	1,132,640,000	[1] 500,040,000	1,398,492,000	[2] 900,242,000

[1] Includes $14,583,000 noncompetitive tenders accepted at the average price of 96.998.
[2] Includes $25,008,000 noncompetitive tenders accepted at the average price of 96.001.

Summary of information pertaining to Treasury bills issued during the fiscal year 1967

[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 non-competitive 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															
1966															
July 7	Oct. 6, 1966	91	$1,886,142	$1,302,292	$1,078,949	$223,343	$1,101,129	$201,163	98.804	4.731	[2] 98.822	4.660	98.778	4.834	$1,301,496
7	Jan. 5, 1967	182	1,539,606	1,001,231	897,708	103,523	848,302	152,929	97.515	4.915	[2] 97.542	4.862	97.488	4.969	1,003,154
14	Oct. 13, 1966	91	2,110,461	1,302,411	988,171	314,240	1,174,149	128,262	98.768	4,875	[2] 98.793	4.775	98.746	4.961	1,300,431
14	Jan. 12, 1967	182	1,821,193	1,000,993	852,608	148,385	896,323	104,670	97.473	4.999	97.506	4.933	97.447	5.050	1,000,387
21	Oct. 20, 1966	91	2,328,734	1,300,113	1,037,811	262,302	1,042,580	257,533	98.737	4.998	98.743	4.973	98.731	5.020	1,300,744
21	Jan. 19, 1967	182	2,664,644	1,001,376	871,713	129,663	822,711	178,665	97.424	5.096	97.431	5.092	97.422	5.099	1,001,138
28	Oct. 27, 1966	91	2,469,341	1,300,648	1,048,656	251,992	1,055,326	245,322	98.782	4.819	98.790	4.787	98.779	4.830	1,301,048
28	Jan. 26, 1967	182	1,909,746	1,001,781	875,924	125,857	827,688	174,093	97.513	4.919	97.528	4.890	97.508	4.929	1,000,239
Aug. 4	Nov. 3, 1966	91	2,303,378	1,300,044	1,052,139	247,905	1,001,015	299,029	98.778	4.833	[2] 98.782	4.818	98.775	4.846	1,300,318
4	Feb. 2, 1967	182	2,055,541	1,000,684	885,767	114,917	822,153	178,531	97.488	4.969	[2] 97.494	4.957	97.482	4.981	999,669
11	Nov. 10, 1966	91	2,166,596	1,301,454	1,038,755	262,699	1,111,313	190,141	98.780	4.825	[2] 98.791	4.783	98.775	4.846	1,301,447
11	Feb. 9, 1967	182	1,559,650	999,830	877,015	122,815	877,592	122,238	97.447	5.050	[2] 97.462	5.020	97.425	5.093	1,001,108
18	Nov. 17, 1966	91	2,065,743	1,301,313	1,033,143	268,170	1,017,564	283,749	98.724	5.048	[2] 98.737	4.996	98.710	5.103	1,300,411
18	Feb. 16, 1967	182	1,706,644	1,001,304	877,140	124,164	817,957	183,347	97.313	5.315	[2] 97.340	5.262	97.286	5.368	1,000,846
25	Nov. 25, 1966	92	2,018,176	1,300,195	1,064,431	235,764	1,041,954	258,241	98.717	5.022	98.725	4.989	98.708	5.056	1,301,605
25	Feb. 23, 1967	182	2,158,852	1,002,520	884,600	117,920	811,263	191,257	97.265	5.410	[2] 97.275	5.390	97.262	5.416	1,000,854
Sept. 1	Dec. 1, 1966	91	2,034,514	1,300,144	1,046,063	254,081	921,696	378,448	98.714	5.087	[2] 98.726	5.040	98.704	5.127	1,300,342
1	Mar. 2, 1967	182	1,809,104	1,000,184	877,926	122,258	847,531	152,653	97.186	5.567	97.208	5.523	97.154	5.629	1,001,471
8	Dec. 8, 1966	91	1,981,192	1,302,427	1,063,193	239,234	1,008,258	294,169	98.697	5.156	98.710	5.103	98.684	5.206	1,300,227
8	Mar. 9, 1967	182	2,179,072	1,003,682	883,859	119,823	870,035	133,647	97.140	5.657	[2] 97.148	5.641	97.133	5.671	1,000,305
15	Dec. 15, 1966	91	2,059,603	1,299,963	1,017,737	282,226	1,101,568	198,395	98.623	5.447	[2] 98.657	5.313	98.610	5.499	1,300,239
15	Mar. 16, 1967	182	2,519,562	1,000,356	824,430	175,926	944,681	55,675	97.004	5.927	[2] 97.016	5.902	96.992	5.950	1,002,243
22	Dec. 22, 1966	91	2,120,262	1,300,220	1,022,936	277,284	1,009,303	290,917	98.588	5.586	98.609	5.503	98.581	5.614	1,300,876
22	Mar. 23, 1967	182	2,456,150	1,000,482	821,887	178,595	794,297	206,185	96.947	6.040	[2] 96.968	5.997	96.941	6.051	1,000,273
29	Dec. 29, 1966	91	2,989,903	1,302,967	1,044,376	258,591	1,018,281	284,686	98.609	5.502	98.615	5.479	98.605	5.519	1,300,176
29	Mar. 30, 1967	182	2,351,153	1,000,700	794,012	206,688	847,356	153,344	97.066	5.803	97.078	5.780	97.057	5.821	999,921

	1967														
Oct. 6	Jan. 5	91	1,814,461	1,300,137	1,023,716	276,421	1,093,425	206,712	98.633	5.408	98.647	5.353	98.618	5.467	1,302,292
6	Apr. 6	182	1,453,870	1,000,258	799,848	200,410	866,912	133,346	97.132	5.673	[2]97.148	5.641	97.112	5.713	1,001,791
13	Jan. 12	91	2,278,640	1,300,565	970,594	329,971	1,289,916	10,649	98.617	5.470	[2]98.630	5.420	98.608	5.507	1,302,411
13	Apr. 13	182	2,085,218	999,944	795,802	204,142	995,486	4,458	97.093	5.750	97.102	5.732	97.084	5.768	1,000,253
20	Jan. 19	91	2,439,417	1,301,917	1,017,410	284,507	1,048,230	253,687	98.629	5.423	98.635	5.400	98.626	5.436	1,300,113
20	Apr. 20	182	1,897,277	1,000,709	810,079	190,630	820,992	179,717	97.143	5.652	97.152	5.633	97.137	5.663	1,001,924
27	Jan. 26	91	2,206,421	1,300,219	1,037,293	262,926	1,050,192	250,027	98.674	5.247	98.680	5.222	98.669	5.265	1,300,648
27	Apr. 27	182	2,376,734	1,000,479	843,351	157,128	807,886	192,593	97.201	5.536	97.209	5.521	97.198	5.542	1,000,395
Nov. 3	Feb. 2	91	2,206,826	1,300,559	1,046,858	253,701	980,477	320,082	98.677	5.235	98.685	5.202	98.673	5.250	1,300,044
3	May 4	182	2,254,379	1,000,791	852,271	148,520	818,575	182,216	97.213	5.513	97.220	5.499	97.210	5.519	990,009
10	Feb. 9	91	2,008,716	1,300,628	1,033,069	267,559	1,035,624	265,004	98.627	5.432	[2]98.638	5.388	98.619	5.463	1,301,454
10	May 11	182	2,188,556	1,000,135	833,745	166,390	807,326	192,809	97.116	5.705	[2]97.127	5.683	97.110	5.716	1,001,478
17	Feb. 16	91	2,222,834	1,300,585	1,031,390	269,195	1,165,891	134,694	98.620	5.458	[2]98.629	5.424	98.616	5.475	1,301,313
17	May 18	182	2,499,688	1,000,017	816,366	183,651	920,863	79,154	97.121	5.695	97.123	5.691	97.118	5.701	1,000,501
25	Feb. 23	90	2,258,893	1,300,671	1,050,747	249,924	1,075,559	225,112	98.687	5.252	98.692	5.232	98.681	5.276	1,300,195
25	May 25	181	2,231,843	999,619	846,985	152,634	836,283	163,336	97.234	5.502	97.241	5.488	97.230	5.509	1,000,484
Dec. 1	Mar. 2	91	2,433,123	1,300,885	1,050,711	250,174	869,743	431,142	98.685	5.202	98.692	5.175	98.680	5.222	1,300,144
1	June 1	182	2,904,889	1,004,494	862,102	142,392	821,150	183,344	97.302	5.337	97.315	5.311	97.300	5.341	1,001,308
8	Mar. 9	91	2,869,681	1,301,347	1,040,843	260,504	1,121,160	180,187	98.686	5.197	98.693	5.171	98.685	5.202	1,302,427
8	June 8	182	2,245,428	1,000,599	858,024	142,575	856,923	143,676	97.330	5.281	97.338	5.265	97.326	5.289	1,000,517
15	Mar. 16	91	2,336,789	1,303,564	1,019,203	284,361	1,161,957	141,607	98.724	5.047	98.731	5.020	98.722	5.056	1,299,963
15	June 15	182	2,545,066	1,000,868	853,500	147,368	922,900	77,968	97.407	5.130	97.410	5.123	97.404	5.135	1,001,671
22	Mar. 23	91	2,289,579	1,305,477	1,073,943	231,534	983,395	322,082	98.776	4.844	98.789	4.791	98.772	4.858	1,300,220
22	June 22	182	1,898,268	1,006,055	883,827	122,228	833,585	172,470	97.503	4.940	97.528	4.890	97.498	4.949	1,000,375
29	Mar. 30	91	2,235,220	1,304,071	1,061,847	242,224	1,070,273	233,798	98.800	4.747	98.809	4.712	98.795	4.767	1,302,967
29	June 29	182	1,837,291	1,001,292	870,592	130,700	856,202	145,090	97.545	4.856	97.568	4.811	97.537	4.872	999,904
1967															
Jan. 5	Apr. 6	91	2,040,665	1,300,169	1,049,129	251,040	1,059,672	240,497	98.781	4.821	98.792	4.779	98.776	4.842	1,300,137
5	July 6	182	2,132,812	1,001,157	885,471	115,686	858,600	142,557	97.517	4.912	97.528	4.890	97.512	4.921	1,001,231
12	Apr. 13	91	1,966,959	1,302,959	964,660	338,299	1,293,858	9,101	98.782	4.817	[2]98.794	4.771	98.774	4.850	1,300,565
12	July 13	182	1,991,086	1,000,205	834,297	165,908	996,681	3,524	97.528	4.889	[2]97.534	4.878	97.523	4.900	1,000,993
19	Apr. 20	91	2,994,374	1,301,728	1,024,562	277,166	1,132,366	169,362	98.808	4.716	98.816	4.684	98.805	4.727	1,301,917
19	July 20	182	2,593,837	1,000,906	866,663	134,243	879,109	121,797	97.631	4.687	97.637	4.674	97.627	4.694	1,001,376
26	Apr. 27	91	2,490,122	1,303,324	1,034,296	269,028	1,069,363	233,961	98.817	4.679	98.822	4.660	98.814	4.692	1,300,219
26	July 27	182	2,341,879	999,932	882,547	117,385	807,534	192,398	97.643	4.663	97.649	4.650	97.638	4.672	1,001,781
Feb. 2	May 4	91	2,490,413	1,302,036	1,054,308	247,728	931,541	370,495	98.866	4.485	98.875	4.451	98.864	4.494	1,300,559
2	Aug. 3	182	2,227,873	1,002,103	900,756	101,347	780,282	221,821	97.745	4.460	97.762	4.427	97.743	4.464	1,000,684
9	May 11	91	2,202,154	1,299,895	1,031,912	267,983	1,034,948	264,947	98.855	4.531	98.868	4.478	98.849	4.553	1,300,628
9	Aug. 10	182	2,091,950	1,000,116	894,340	105,776	788,113	212,003	97.713	4.524	97.734	4.482	97.705	4.540	999,830
16	May 18	91	2,444,536	1,302,303	1,051,725	250,578	1,169,355	132,948	98.843	4.576	98.857	4.522	98.840	4.589	1,300,585
16	Aug. 17	182	2,163,218	1,001,414	911,340	90,074	918,834	82,580	97.684	4.581	97.694	4.561	97.678	4.593	1,001,304
23	May 25	91	2,072,707	1,300,251	1,051,486	248,765	1,011,997	288,254	98.832	4.622	98.841	4.585	98.826	4.644	1,300,671
23	Aug. 24	182	2,196,301	1,000,119	899,555	100,564	817,228	182,891	97.627	4.694	[2]97.630	4.688	97.619	4.710	1,002,520
Mar. 2	June 1	91	2,711,279	1,304,681	1,041,258	263,423	1,077,552	227,129	98.853	4.538	98.858	4.518	98.852	4.542	1,300,885
2	Aug. 31	182	2,284,339	1,004,485	895,994	108,491	874,092	130,393	97.708	4.534	97.715	4.520	97.706	4.538	1,000,184
9	June 8	91	2,087,769	1,300,093	1,039,613	260,480	1,167,316	132,777	98.902	4.343	98.915	4.292	98.892	4.383	1,301,347
9	Sept. 7	182	1,801,388	1,000,488	891,858	108,630	923,050	77,438	97.806	4.340	97.830	4.292	97.792	4.367	1,003,682
16	June 15	91	2,452,358	1,301,552	1,014,403	287,149	1,037,770	263,782	98.911	4.308	98.920	4.273	98.908	4.320	1,303,564
16	Sept. 14	182	2,670,711	1,001,557	884,513	117,044	874,515	127,042	97.844	4.264	97.856	4.241	97.841	4.271	1,000,356
23	June 22	91	2,494,972	1,300,223	1,007,368	292,855	963,456	336,767	98.963	4.103	98.971	4.071	98.959	4.118	1,305,477

Footnotes at end of table.

Summary of information pertaining to Treasury bills issued during the fiscal year 1967—Continued

[Dollar amounts in thousands]

Date of issue	Date of maturity	Days to maturity [1]	Maturity value: Total applied for	Maturity value: 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—continued															
1967	*1967*														
Mar. 23	Sept. 21	182	2,208,100	1,000,191	887,415	112,776	798,351	201,840	97.975	4.006	97.988	3.980	97.968	4.019	1,000,482
30	June 29	91	2,525,556	1,300,354	1,026,787	273,567	1,046,276	254,078	98.951	4.151	98.955	4.134	98.947	4.166	1,304,071
30	Sept. 28	182	1,796,190	1,000,402	905,217	95,185	798,703	201,699	97.941	4.073	97.957	4.041	97.930	4.095	1,000,700
Apr. 6	July 6	91	2,253,398	1,301,040	1,010,502	290,538	1,024,265	276,775	98.995	3.975	99.002	3.948	98.990	3.996	1,300,169
6	Oct. 5	182	1,863,928	1,000,743	903,829	96,914	818,018	182,725	97.979	3.997	[2] 97.988	3.980	97.967	4.021	1,000,258
13	July 13	91	2,534,749	1,301,306	990,280	311,026	1,292,204	9,102	99.037	3.811	99.047	3.770	99.033	3.825	1,302,959
13	Oct. 13	183	2,002,628	1,000,657	892,888	107,769	875,761	124,896	98.040	3.856	[2] 98.050	3.836	98.034	3.868	999,944
20	July 20	91	2,510,808	1,300,505	1,027,253	273,252	955,757	344,748	99.013	3.903	[2] 99.016	3.893	99.009	3.920	1,301,728
20	Oct. 19	182	2,174,701	1,000,713	892,969	107,744	797,714	202,999	98.003	3.950	98.009	3.938	97.998	3.960	1,000,709
27	July 27	91	2,363,879	1,300,868	1,041,516	259,352	1,047,830	253,038	99.061	3.715	[2] 99.067	3.691	99.058	3.727	1,303,324
27	Oct. 26	182	1,865,807	1,000,257	904,202	96,055	778,819	221,438	98.093	3.772	98.106	3.746	98.086	3.786	1,000,479
May 4	Aug. 3	91	2,103,206	1,300,949	1,066,380	234,569	981,721	319,228	99.047	3.770	99.060	3.719	99.043	3.786	1,302,036
4	Nov. 2	182	1,812,330	1,000,332	909,995	90,337	797,706	202,626	98.025	3.906	[2] 98.038	3.881	98.016	3.924	1,000,791
11	Aug. 10	91	2,224,594	1,301,014	1,045,349	255,665	1,097,259	203,755	99.072	3.672	99.079	3.644	99.069	3.683	1,299,895
11	Nov. 9	182	1,786,951	1,000,103	895,731	104,372	897,676	102,427	98.063	3.831	98.069	3.820	98.056	3.845	1,000,135
18	Aug. 17	91	2,141,561	1,300,565	1,040,061	260,504	1,057,377	243,188	99.083	3.628	99.089	3.604	99.080	3.640	1,302,303
18	Nov. 16	182	2,169,612	1,000,647	887,129	113,518	859,354	141,293	98.078	3.803	98.082	3.794	98.075	3.808	1,000,017
25	Aug. 24	91	2,080,619	1,299,969	1,069,855	230,114	1,019,317	280,652	99.117	3.493	99.126	3.458	99.110	3.521	1,300,251
25	Nov. 24	183	1,664,829	1,000,329	909,130	91,199	847,890	152,439	98.123	3.692	98.138	3.663	98.108	3.722	999,619

June 1	Aug. 31	91	2,404,962	1,300,390	1,071,835	228,555	959,164	341,226	99.121	3.478	99.133	3.430	99.118	3.489	1,304,681
1	Nov. 30	182	1,972,994	1,000,993	902,954	98,039	818,966	182,027	98.113	3.733	98.124	3.711	98.105	3.748	1,004,494
8	Sept. 7	91	2,052,883	1,300,021	1,075,766	224,255	998,814	301,207	99.144	3.385	99.150	3.363	99.139	3.406	1,300,093
8	Dec. 7	182	2,107,299	1,000,625	897,775	102,850	778,040	222,585	98.100	3.758	98.106	3.746	98.091	3.776	1,000,599
15	Sept. 14	91	2,107,047	1,300,002	1,053,872	246,130	950,817	349,185	99.114	3.506	99.123	3.469	99.105	3.541	1,301,552
15	Dec. 14	182	1,978,734	1,000,134	889,220	110,914	795,087	205,047	98.081	3.795	98.089	3.780	98.074	3.810	1,000,868
22	Sept. 21	91	2,388,742	1,299,958	1,006,200	293,758	967,426	332,532	99.097	3.572	99.105	3.541	99.094	3.584	1,300,223
22	Dec. 21	182	1,957,621	1,000,050	849,673	150,377	763,309	236,741	98.058	3.841	98.069	3.820	98.054	3.849	1,006,055
29	Sept. 28	91	1,912,486	1,300,206	1,068,924	231,282	989,389	310,817	99.125	3.463	99.140	3.402	99.100	3.560	1,300,354
29	Dec. 28	182	1,622,689	1,000,439	890,608	109,831	766,169	234,270	98.003	3.950	98.038	3.881	97.982	3.992	1,001,292
TAX ANTICIPATION															
1966	*1967*														
Aug. 26	Mar. 22	208	$2,950,186	$2,006,066	$1,699,330	$306,736	$2,006,066	--------	96.916	5.338	[2] 97.013	5.170	96.875	5.409	----------
26	Apr. 21	238	1,489,945	1,003,265	844,890	158,375	1,003,265	--------	96.408	5.433	[2] 96.542	5.231	96.364	5.500	----------
Oct. 18	Apr. 21	185	2,279,448	1,506,853	1,268,505	238,348	1,506,853	--------	97.182	5.483	[2] 97.203	5.443	97.169	5.509	----------
18	June 22	274	2,456,636	2,006,632	1,783,146	223,486	2,006,632	--------	96.167	5.586	96.206	5.530	96.130	5.640	----------
Dec. 12	June 22	192	1,661,885	800,885	787,850	13,035	800,885	--------	97.202	5.245	97.209	5.233	97.192	5.265	----------
1967															
Mar. 13	June 22	101	3,928,004	2,706,765	2,477,961	228,804	2,706,765	--------	98.795	4.295	98.841	4.131	98.788	4.320	----------
REGULAR MONTHLY															
1966	*1967*														
Aug. 1[3]	July 31	365	$1,868,947	$994,844	$959,973	$34,871	$749,370	$245,474	94.967	4.964	[2] 94.991	4.940	94.943	4.988	$1,000,247
31	Aug. 31	365	2,236,801	1,000,051	966,983	33,068	770,814	229,237	94.075	5.844	[2] 94.110	5.809	94.056	5.863	1,000,277
Sept. 30	June 30	273	984,688	500,058	471,802	28,256	449,627	50,431	95.596	5.808	[2] 95.629	5.764	95.564	5.850	1,000,499
30	Sept. 30	365	1,472,833	900,113	833,839	66,274	732,008	168,105	94.113	5.806	[2] 94.156	5.764	94.074	5.845	
Oct. 31	July 31	273	1,076,070	500,370	484,960	15,410	410,306	90,064	95.778	5.567	95.799	5.540	95.764	5.586	999,948
31	Oct. 31	365	2,272,085	904,640	862,224	42,416	835,691	68,949	94.379	5.544	[2] 94.385	5.538	94.374	5.549	
Nov. 25[4]	Mar. 31 Apr. 30 May 31	126 156 187	2,986,767	1,202,346	1,081,188	121,158	1,202,296	50	97.691	5.318	[2] 97.731	5.226	97.679	5.346	----------
30	Aug. 31	274	1,183,337	500,717	486,830	13,887	430,637	70,080	95.774	5.552	95.787	5.535	95.760	5.571	1,000,580
30	Nov. 30	365	2,163,672	900,493	861,458	39,035	738,897	161,596	94.404	5.519	94.419	5.505	94.402	5.521	

Footnotes at end of table.

Summary of information pertaining to Treasury bills issued during the fiscal year 1967—Continued

[Dollar amounts in thousands]

Date of issue		Date of maturity	Days to maturity [1]	Maturity value: Total applied for	Maturity value: 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 MONTHLY—continued																
1967		*1967*														
Jan.	3	Sept. 30	270	1,093,325	500,050	487,935	12,115	499,962	88	96.310	4.920	96.367	4.844	96.284	4.955	1,001,028
	3 [3]	Dec. 31	365	1,665,397	901,030	853,508	47,522	702,030	199,000	95.113	4.820	95.160	4.774	95.083	4.850	
	31	Oct. 31	273	1,316,060	501,100	484,490	16,610	363,835	137,265	96.469	4.656	96.488	4.631	96.458	4.671	1,001,391
	31	Jan. 31, 1968	365	1,508,347	900,967	861,150	39,817	779,006	121,961	95.360	4.577	95.407	4.530	95.316	4.620	
Feb.	28	Nov. 30, 1967	275	1,306,714	500,394	485,130	15,264	408,895	91,499	96.396	4.718	96.406	4.705	96.387	4.730	1,000,172
	28	Feb. 29, 1968	366	2,395,774	900,591	863,337	37,254	749,545	151,046	95.226	4.696	95.234	4.688	95.222	4.700	
Mar.	31	Dec. 31, 1967	275	1,299,443	500,091	481,955	18,136	409,853	90,238	96.885	4.077	96.899	4.059	96.872	4.095	[5] 1,000,026
		1968														
	31	Mar. 31	366	1,669,177	900,047	859,875	40,172	748,276	151,771	95.858	4.074	95.870	4.062	95.839	5.093	
May	1	Jan. 31	275	1,265,570	500,445	485,161	15,284	370,330	130,115	97.065	3.843	97.089	3.811	97.044	3.870	[5] 1,000,731
	1 [3]	Apr. 30	366	1,537,141	902,021	867,316	34,705	709,768	192,253	96.104	3.833	[2] 96.122	3.814	96.066	3.870	
	31	Feb. 29	274	1,132,640	500,040	485,457	14,583	388,184	111,856	96.998	3.945	97.028	3.905	96.971	3.980	[5] 1,001,208
	31	May 31	366	1,398,396	900,146	875,234	24,912	679,426	220,720	96.001	3.934	96.030	3.905	95.966	3.968	
June	30	Mar. 31	275	1,182,829	500,329	482,200	18,129	400,023	100,306	96.392	4.723	[2] 96.448	4.650	96.340	4.791	500,058
	30	June 30	366	1,770,897	1,000,547	962,341	38,206	775,800	224,747	95.189	4.732	95.298	4.625	95.080	4.839	1,001,443

[1] The 13-week bills are additional issues of bills with an original maturity of 26 weeks, except that when the date of maturity of either a 13-week or 26-week issue is on the last day of a month the bills are additional issues of bills with an original maturity of 1 year. The 9-month bills are additional issues of bills with an original maturity of 1 year.

[2] Relatively small amounts of bids were accepted at a price or prices somewhat above the high shown. However, the higher price or prices are not shown in order to prevent an appreciable discontinuity in the range (covered by the high to the low prices shown) which would make it misrepresentative.

[3] Issue date on bills is last day of previous month.

[4] An additional $400,782,000 each of 3 series of 1-year issues issued as a strip for cash (see press release dated Nov. 10, 1966, in this exhibit).

[5] An additional $400,782,000 of the strip of bills issued Nov. 25, 1966, matured.

NOTE.—The usual timing with respect to weekly issues of Treasury bills is: Press release inviting tenders, 8 days before date of issue; and closing date for the receipt of tenders and press release announcing results of auction, 3 days before date of issue.

Figures are final and may differ from those shown in the press release announcing preliminary results.

For each issue noncompetitive tenders (without stated price) for $200,000 or less from any 1 bidder were accepted in full at the average price of accepted competitive bids, except as follows: $400,000 or less for the 208-day, 247-day, and 101-day tax anticipation bills; $300,000 or less for the 185-day tax anticipation bills; and $120,000 or less for the strip of bills issued Nov. 25, 1966.

All equivalent rates of discount are on a bank-discount basis.

Qualified depositaries were permitted to make payment by credit in Treasury tax and loan accounts for 100 percent of the tax anticipation series issued Aug. 26 and Oct. 18, 1966, and for not more than 50 percent of the tax anticipation series issued Mar. 13, 1967, 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 district.

Regulations

Exhibit 4.—First amendment, February 24, 1967, of Department Circular No. 300, general regulations with respect to U.S. securities

TREASURY DEPARTMENT,
Washington, February 24, 1967.

Section 306.0 of Department Circular No. 300, Third Revision, dated December 23, 1964 (31 CFR Part 306), is hereby amended, as follows:

SEC. 306.0 *Applicability of regulations.*—These regulations apply to all United States transferable and nontransferable securities,[1] other than United States Savings Bonds and United States Savings Notes, to the extent specified in these regulations, the offering circulars or special regulations governing such securities.

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

Exhibit 5.—Third amendment, March 3, 1967, of Department Circular No. 418, United States of America Treasury bills

TREASURY DEPARTMENT,
Washington, March 3, 1967.

Department Circular No. 418, Revised, dated February 23, 1954 (31 CFR 309), as amended, is hereby further amended by revising section 309.5 as follows:

SEC. 309.5 *Acceptance of Treasury bills for various purposes.*—

(a) *Acceptable as security for public deposits.*—Treasury bills will be acceptable at maturity value to secure deposits of public moneys.

(b) *Acceptable in payment of taxes.*—The Secretary of the Treasury, in his discretion, when inviting tenders for Treasury bills, may provide that Treasury bills of any series will be acceptable at maturity value, whether at or before maturity, under such rules and regulations as he shall prescribe or approve, in payment of income taxes payable under the provisions of the Internal Revenue Code. Treasury bills which by the terms of their issue are acceptable in payment of income taxes may be surrendered to any Federal Reserve bank or branch, acting as fiscal agent of the United States, or to the Office of the Treasurer of the United States, Washington, D.C. 20220, fifteen days or less before the date on which the taxes become due.

(i) In the case of payments of corporation income taxes (including payments of estimates) for taxable years ending on or after December 31, 1967, the bills shall be accompanied by a preinscribed Form 503, Federal Tax Deposit, Corporation Income Taxes, on which the face amount of the bills being surrendered should be entered in the space provided for the amount of the tax deposit. The office receiving the bills and form 503 will acknowledge receipt of the bills to the owner corporation and effect the tax deposit on the date on which the taxes become due. Accordingly, in these cases, it will no longer be necessary to submit receipts for Treasury bills to the Internal Revenue Service with the corporation's declaration or tax return.

(ii) In the case of payments of all other income taxes the office receiving the bills will issue receipts (in duplicate) to the owners. The original of the receipt *shall be* submitted, by the owner, in lieu of the bills, together with the tax return, to the District Director, Internal Revenue Service.

(c) *Discounting by Federal Reserve banks of notes secured by Treasury bills.*—Notes secured by Treasury bills are eligible for discount or rediscount at Federal Reserve banks as provided under the provisions of section 13 of the Federal Reserve Act, as are notes secured by bonds and notes of the United States.

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[1] See 1965 annual report p. 208, footnote 2.

(d) *Acceptable in connection with foreign obligations held by United States.*—Treasury bills will be acceptable at maturity, but not before, in payment of interest or of principal on account of obligations of foreign governments held by the United States.

JOHN K. CARLOCK,
Fiscal Assistant Secretary of the Treasury.

Exhibit 6.—Second amendment, August 16, 1966, of Department Circular No. 530, regulations governing U.S. savings bonds

TREASURY DEPARTMENT,
Washington, August 16, 1966.

Department Circular No. 530, Ninth Revision (31 CFR Part 315), dated December 23, 1964, as amended, is hereby further revised and amended as follows:

SEC. 315.35 *Payment or redemption.*

(a) *General.*[1]—Payment of a savings bond will be made to the person or persons entitled thereto under the provisions of these regulations upon presentation and surrender of the bond with an appropriate request for payment, except that checks in payment will not be delivered to addresses in areas with respect to which the Treasury Department restricts or regulates the delivery of checks drawn against funds of the United States or any agency or instrumentality thereof.[2] Payment will be made without regard to any notice of adverse claims to a bond and no stoppage or caveat against payment in accordance with the registration will be entered. Pursuant to its terms, a savings bond may not be called for redemption by the Secretary of the Treasury prior to the maturity date, or the extended maturity date for bonds having an optional extension period, but may be redeemed in whole or in part at the option of the owner prior to the maturity date or the extended maturity date, under the terms and conditions set forth in the offering circular for each series and in accordance with the provisions of these regulations, following presentation and surrender as provided in this subpart (H). At or after maturity, or extended maturity for bonds having an optional extension period, the bond will be paid at the maturity value or the extended maturity value fixed by the terms of the circular and in no greater amount.

(b) *Series E.*—A Series E bond will be redeemed at any time after two months from issue date at the appropriate redemption value shown in the revision of Department Circular No. 653 current at the time of redemption.

(c) *Series H.*—A Series H bond will be redeemed at par after six months from issue date. However, a bond received for redemption during the calendar month preceding an interest payment date will not be redeemed until that date. At or after maturity, or extended maturity for bonds having an optional extension period, a bond presented for redemption will be paid at par.

(d) *Series J.*—Prior to maturity, a Series J bond will be redeemed at the appropriate redemption value shown in Department Circular No. 906 (31 CFR Part 333). At or after maturity, the bond will be paid at its face amount as provided for in that circular.

(e) *Series K.*

(1) *General.*—Prior to maturity, a Series K bond will be redeemed at the appropriate redemption value shown in Department Circular No. 906 (31 CFR Part 333). However, a bond received for redemption or payment during the calendar month preceding an interest payment date will not be redeemed or paid until that date. At or after maturity, the bond will be paid at par, and final interest, in the amount provided for in that circular, will be paid with the principal.

(2) *Redemption at par.*

(i) A bond of Series K issued in exchange for matured bonds of Series E under the provisions of Department Circular No. 906 is payable at par.

(ii) A bond of Series K registered in the name of a natural person or persons in their own right will be paid at par upon the request of the person entitled to the bond upon the death of the owner or either co-owner.

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[1] See footnote 9 of Department Circular No. 530, Ninth Revision (31 CFR Part 315).
[2] See footnote 3 of Department Circular No. 530, Ninth Revision (31 CFR Part 315).

(iii) A bond of Series K held by a trustee, life tenant, or other fiduciary (exclusive of trustees of a pension, retirement, investment, insurance, annuity or similar fund, or employees' savings plan) will be paid at par upon appropriate request upon the termination, in whole or in part, of a trust, life tenancy, or other fiduciary estate by reason of the death of a natural person, but in the case of partial termination, redemption at par will be made to the extent of not more than the pro rata portion of the trust or fiduciary estate so terminated. Bonds of Series K held by a financial institution in its name as trustee of its common trust fund will be paid at par upon the request of the fiduciary upon the termination, in whole or in part, of a participating trust by reason of the death of a natural person, to the extent of not more than the pro rata portion of the common trust fund so terminated.

The option to receive payment at par under subparagraph (e) (ii) and (iii) of this section may be exercised by a signed request for payment or by express written notice, in either case specifying that redemption at par is desired. Payment may be postponed to the second interest payment date following the date of death, if so requested; otherwise, payment will be made in regular course. A death certificate or other acceptable evidence of death must be submitted. *In no case of redemption at par before maturity under subparagraph (e) (ii) and (iii) will interest be payable beyond the second interest payment date following the date of death.*

SEC. 315.36 *Withdrawal of request for redemption.*—An owner or a coowner who has presented and surrendered a bond to the Treasury Department or a Federal Reserve bank or branch or to an authorized paying agent, with an appropriate request for payment, may withdraw such request if notice of intent to withdraw is given to and received by the same agency to which the bond was presented for payment prior to the issuance of a check in payment or prior to payment by the authorized paying agent. Such request may be withdrawn under the same conditions by the executor or administrator of the estate of a deceased owner or by the person or persons who would have been entitled to the bond under subpart O, or by the legal representative of the estate of a person under legal disability, unless presentation and surrender of the bond have cut off rights of survivorship under the provisions of subpart M or N.

SEC. 315.37. [Reserved]

GEORGE F. STICKNEY,
Deputy Fiscal Assistant Secretary of the Treasury.

Footnotes 1 and 6 (printed in the 1965 annual report as footnote 1, page 237 and footnote 1, page 246, respectively) are revised and amended as follows:

[1] All series E bonds have a 10-year optional extension period. Those bearing issue dates of May 1, 1941, through May 1, 1949, have a second 10-year optional extension period. Series H bonds bearing issue dates of June 1, 1952, through May 1, 1959, have a 10-year optional extension period. Other bonds do not have this feature.

[6] The final interest on Series H bonds bearing issue dates of June 1, 1952, through Jan. 1, 1957, covers a period of 2 months, from 9½ years to 9 years 8 months. The final interest for bonds bearing issue dates of Feb. 1, 1957, through May 1, 1959, covers a period of 6 months, from 9½ years to 10 years. Bonds so dated will continue to earn interest for a 10-year optional extension period during which time interest will accrue and be paid beginning 6 months from the original maturity date, in accordance with the provisions of Department Circular No. 905, current revision. Since May 1, 1957, the only current income bonds on sale are those of Series H. See Department Circular No. 906, as amended, for Series K.

Exhibit 7.—Third amendment, February 24, 1967, of Department Circular No. 530, regulations governing U.S. savings bonds

TREASURY DEPARTMENT,
Washington, February 24, 1967.

Sections 315.0, 315.2(a), and 315.16 of Department Circular No. 530, Ninth Revision (31 CFR Part 315), dated December 23, 1964, as amended, are hereby revised and amended, as follows:

SEC. 315.0. *Applicability of regulations.* These regulations apply to all United States Savings Bonds of whatever series designation, bearing any issue dates whatever, to the extent specified herein and in the offering circulars governing such bonds. The provisions of these regulations with respect to bonds registered in the names of certain classes of individuals, fiduciaries, and organizations are equally applicable to bonds to which such individuals, fiduciaries, and organizations are otherwise shown to be entitled under these regulations. United States Savings Notes, issued under authority of sections 18 and 20 of the Second Liberty Bond Act, as amended (31 U.S.C. 753 and 754b), and offered in Department Circular, Public Debt Series No. 3–67 (31 CFR Part 342), are also governed by these regulations, subject to the provisions of the offering circular.[1] The term "savings bonds" or "bonds," as used in these regulations, refers to United States Savings Bonds and, as applicable, to United States Savings Notes. The provisions of Department Circular No. 300, current revision (31 CFR Part 306), have no application to the securities governed by these regulations.

SEC. 315.2(a). "Authorized issuing agent" means an incorporated bank, trust company, savings bank, savings and loan association, other organization, or agency of the United States qualified as an issuing agent under the provisions of Department Circular, Public Debt Series No. 4–67 (31 CFR Part 317).[2]

SEC. 315.16 *Pledge under Department Circulars No. 154 and Public Debt Series No. 4–67.*—A bond may be pledged by the registered owner in lieu of surety under the provisions of Department Circular No. 154, current revision (31 CFR Part 225), if the bond approving officer is the Secretary of the Treasury, in which case an irrevocable power of attorney shall be executed authorizing the Secretary of the Treasury to request payment. A bond may also be deposited as security with a Federal Reserve bank under the provisions of Department Circular, Public Debt Series No. 4–67 (31 CFR Part 317).[2]

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

Exhibit 8.—Second amendment, August 19, 1966, of Department Circular No. 653, offering of U.S. savings bonds, series E

TREASURY DEPARTMENT,
Washington, August 19, 1966.

Section 316.6, subsection (a), of Department Circular No. 653, Seventh Revision, dated March 18, 1966, as amended (31 CFR Part 316), is hereby amended by renumbering subparagraph (2) as (3), and insertion of the following:

Sec. 316.6(a) *Over-the-counter for cash.* * * *

(2) *Bonds registered in names of trustees of employees' savings plans.* At such incorporated bank, trust company, or other agency, duly qualified as an issuing agent, provided the agent is trustee of an approved employees' savings plan eligible for the special limitation in section 316.5(c) and prior approval to issue the bonds is obtained from the Federal Reserve bank of the agent's district.

GEORGE F. STICKNEY,
Deputy Fiscal Assistant Secretary of the Treasury.

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[1] See exhibit 12.
[2] See exhibit 13.

Exhibit 9.—Third amendment, February 23, 1967, of Department Circular No. 653, offering of U.S. savings bonds, series E

TREASURY DEPARTMENT,
Washington, February 23, 1967.

Section 316.8 of Department Circular No. 653, Seventh Revision, dated March 18, 1966, as amended (31 CFR Part 316), is hereby further amended and revised, as follows:

SEC. 316.8 *Extended terms and improved yields for outstanding bonds.*—(a) *Optional extension privileges.* * * *

(4) *Bonds with issue dates June 1, 1959, or thereafter.*—Owners of Series E bonds with issue dates of June 1, 1959, or thereafter, have the option of retaining their bonds for an extended maturity period of 10 years.[1]

(b) *Improved yields.*[2] * * *

(5) *Bonds with issue dates June 1, 1959, through November 1, 1959.*—The investment yield on all outstanding Series E bonds with issue dates of June 1, 1959, through November 1, 1959, for the *remaining period to the maturity date,* was increased by $\frac{4}{10}$ of 1 percent per annum if held to original maturity and by lesser amounts if redeemed earlier. The investment yield for the *extended maturity period* will be approximately 4.15 percent per annum compounded semiannually for each half-year period. See table below for redemption values and investment yields.

(6) *Bonds with issue dates December 1, 1959, or thereafter.*—The investment yield on all outstanding Series E bonds with issue dates of December 1, 1959, through November 1, 1965, for the *remaining period to the maturity date,* was increased by $\frac{4}{10}$ of 1 percent per annum if held to original maturity and by lesser amounts if redeemed earlier. The investment yield for the *extended maturity period* for bonds bearing issue dates of December 1, 1959, or thereafter, will be approximately 4.15 percent per annum compounded semiannually for each half-year period: *Provided, however,* That the Secretary of the Treasury may at any time prior to their maturity prescribe a different yield for such bonds for which no tables of redemption values and investment yields for the extended maturity period have been previously published. Tables of redemption values and investment yields, which are a part of this circular, will be published periodically for the extended maturity period for bonds bearing issue dates of December 1, 1959, or thereafter.

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[1] See footnote 8, Department Circular No. 653, Seventh Revision (31 CFR Part 316).
[2] See footnote 2, Department Circular No. 653, Seventh Revision (31 CFR Part 316).

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BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1959

Issue price	$18.75	$37.50	$75.00	$150.00	$375.00	$750.00	$7,500	Approximate investment yield	
Original maturity value	25.00	50.00	100.00	200.00	500.00	1,000.00	10,000		
Period after issue date	(1) Redemption values during each half-year period [1] (values increase on first day of period shown)							(2) On purchase price from issue date to beginning of each half-year period [1]	(3) On current redemption value from beginning of each half-year period [1] to maturity
								Percent	*Percent*
First ½ year	$18.75	$37.50	$75.00	$150.00	$375.00	$750.00	$7,500	0.00	*3.75
½ to 1 year	18.91	37.82	75.64	151.28	378.20	756.40	7,564	1.71	*3.89
1 to 1½ years	19.19	38.38	76.76	153.52	383.80	767.60	7,676	2.33	*3.96
1½ to 2 years	19.51	39.02	78.04	156.08	390.20	780.40	7,804	2.67	*4.01
2 to 2½ years	19.90	39.80	79.60	159.20	398.00	796.00	7,960	3.00	*4.01
2½ to 3 years	20.28	40.56	81.12	162.24	405.60	811.20	8,112	3.16	*4.03
3 to 3½ years	20.66	41.32	82.64	165.28	413.20	826.40	8,264	3.26	*4.05
3½ to 4 years	21.07	42.14	84.28	168.56	421.40	842.80	8,428	3.36	*4.06
4 to 4½ years	21.50	43.00	86.00	172.00	430.00	860.00	8,600	3.45	*4.06
4½ to 5 years	21.95	43.90	87.80	175.60	439.00	878.00	8,780	3.53	*4.04
5 to 5½ years	22.40	44.80	89.60	179.20	448.00	896.00	8,960	3.59	*4.03
5½ to 6 years	22.86	45.72	91.44	182.88	457.20	914.40	9,144	3.64	*4.02
6 to 6½ years	23.32	46.64	93.28	186.56	466.40	932.80	9,328	3.67	*4.01
6½ to 7 years	23.79	47.58	95.16	190.32	475.80	951.60	9,516	3.70	†4.43
Redemption values and investment yields to maturity on basis of December 1, 1965, revision									
7 to 7½ years	$24.29	$48.58	$97.16	$194.32	$485.80	$971.60	$9,716	3.73	4.58
7½ years to 7 years and 9 months	24.83	49.66	99.32	198.64	496.60	993.20	9,932	3.78	4.86
MATURITY VALUE (7 years and 9 months from issue date)	**25.13**	**50.26**	**100.52**	**201.04**	**502.60**	**1,005.20**	**10,052**	**3.81**	....
Period after maturity date	EXTENDED MATURITY PERIOD								(b) to extended maturity
First ½ year	$25.13	$50.26	$100.52	$201.04	$502.60	$1,005.20	$10,052	3.81	4.15
½ to 1 year	25.65	51.30	102.60	205.20	513.00	1,026.00	10,260	3.83	4.15
1 to 1½ years	26.18	52.36	104.72	209.44	523.60	1,047.20	10,472	3.85	4.15
1½ to 2 years	26.73	53.46	106.92	213.84	534.60	1,069.20	10,692	3.87	4.15
2 to 2½ years	27.28	54.56	109.12	218.24	545.60	1,091.20	10,912	3.88	4.15
2½ to 3 years	27.85	55.70	111.40	222.80	557.00	1,114.00	11,140	3.90	4.15
3 to 3½ years	28.43	56.86	113.72	227.44	568.60	1,137.20	11,372	3.91	4.15
3½ to 4 years	29.02	58.04	116.08	232.16	580.40	1,160.80	11,608	3.92	4.15
4 to 4½ years	29.62	59.24	118.48	236.96	592.40	1,184.80	11,848	3.93	4.15
4½ to 5 years	30.23	60.46	120.92	241.84	604.60	1,209.20	12,092	3.94	4.15
5 to 5½ years	30.86	61.72	123.44	246.88	617.20	1,234.40	12,344	3.95	4.15
5½ to 6 years	31.50	63.00	126.00	252.00	630.00	1,260.00	12,600	3.95	4.15
6 to 6½ years	32.15	64.30	128.60	257.20	643.00	1,286.00	12,860	3.96	4.15
6½ to 7 years	32.82	65.64	131.28	262.56	656.40	1,312.80	13,128	3.97	4.15
7 to 7½ years	33.50	67.00	134.00	268.00	670.00	1,340.00	13,400	3.97	4.15
7½ to 8 years	34.20	68.40	136.80	273.60	684.00	1,368.00	13,680	3.98	4.14
8 to 8½ years	34.91	69.82	139.64	279.28	698.20	1,396.40	13,964	3.99	4.14
8½ to 9 years	35.63	71.26	142.52	285.04	712.60	1,425.20	14,252	3.99	4.14
9 to 9½ years	36.37	72.74	145.48	290.96	727.40	1,454.80	14,548	3.99	4.14
9½ to 10 years	37.12	74.24	148.48	296.96	742.40	1,484.80	14,848	4.00	4.15
EXTENDED MATURITY VALUE (10 years from original maturity date [2])	**37.89**	**75.78**	**151.56**	**303.12**	**757.80**	**1,515.60**	**15,156**	**4.00**	....

*Yield from beginning of each half-year period to maturity at original maturity value prior to the December 1, 1965, revision.

†Yield from effective date of the December 1, 1965, revision to maturity date.

[1] 3 month period in the case of the 7½ year to 7 year and 9 month period.

[2] 17 years and 9 months from issue date.

Exhibit 10.—Second amendment, August 16, 1966, of Department Circular No. 905, offering of U.S. savings bonds, series H

TREASURY DEPARTMENT,
Washington, August 16, 1966.

Department Circular No. 905, Fourth Revision (31 CFR Part 332), dated April 7, 1966,[1] as revised and amended, is hereby further revised and amended as follows:

SEC. 332.2 *Description of bonds.* * * *

(d) *Term.*—A Series H bond will be dated as of the first day of the month in which payment therefor is received by an agent authorized to issue such bonds. This date is the issue date and the bond will mature and be payable ten years from such issue date. The bond may not be called for redemption by the Secretary of the Treasury prior to maturity, but may be redeemed AT PAR after 6 months from issue date as provided for in section 332.10. The Treasury Department may require reasonable notice of presentation of a bond for redemption prior to maturity or extended maturity.

SEC. 332.8 *Extended term and improved yields for outstanding bonds.*

(a) *Extended maturity period for bonds with issue dates June 1, 1952, through May 1, 1959.*[2]—Owners of Series H bonds with issue dates of June 1, 1952, through January 1, 1957, have the option of retaining their bonds for an extended maturity period of ten years. Owners of Series H bonds with issue dates of February 1, 1957, through May 1, 1959, are hereby granted the option of retaining their bonds for an extended maturity period of ten years.

(b) *Improved yields.* * * *

(3) *Bonds with issue dates February 1, 1957, through May 1, 1959.*[3]—The investment yield on outstanding Series H bonds with issue dates of February 1, 1957, through May 1, 1959, for the *remaining period to the maturity date* was increased by four-tenths of 1 percent per annum if held to original maturity and by lesser amounts if redeemed earlier. The increase, on a graduated basis, began with the first interest period starting on or after December 1, 1965. The investment yield for the *extended maturity period* will be approximately 4.15 percent per annum for each half-year period.

(4) *Bonds with issue dates June 1, 1959, through November 1, 1965.*—The investment yield on outstanding Series H bonds with issue dates of June 1, 1959, through November 1, 1965, was increased by four-tenths of 1 percent per annum if held to *original maturity* and by lesser amounts if redeemed earlier. The increase, on a graduated basis, began with the first interest period starting on or after December 1, 1965.

SEC. 332.10 *Redemption or payment.*—Prior to maturity, or extended maturity for bonds having an extended maturity period, a Series H bond will be redeemed AT PAR at the option of the owner, in whole or in part, in the amount of an authorized denomination or multiple thereof, after six months from issue date, upon presentation and surrender of the bond with a duly executed request for payment to (1) a Federal Reserve bank or branch, (2) the Office of the Treasurer of the United States, Securities Division, Washington, D.C. 20220, or (3) the Bureau of the Public Debt, Division of Loans and Currency Branch, 536 South Clark Street, Chicago, Illinois 60605. However, a bond received for redemption or payment by an agency during the calendar month preceding an interest payment date will not be redeemed or paid until that date. At or after maturity, or extended maturity for bonds having an extended maturity period, a bond presented for redemption will be paid at par.

GEORGE F. STICKNEY,
Deputy Fiscal Assistant Secretary of the Treasury.

[1] See 1966 annual report, pages 259-79.
[2] See footnote 5 of Department Circular No. 905, Fourth Revision.
[3] The tables incorporated herein, arranged according to issue dates, show the current schedules of interest payments and investment yields.

TABLES OF CHECKS ISSUED AND INVESTMENT YIELDS FOR UNITED STATES SAVINGS BONDS OF SERIES H BEARING ISSUE DATES OF FEBRUARY 1, 1957 THROUGH MAY 1, 1959

Each table shows: (1) The amounts of interest check payments during the original maturity period and during the 10-year extension period, on bonds bearing issue dates covered by the table; (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 to next maturity. Yields are expressed in terms of rate per annum, compounded semiannually.

TABLE 13-A—BONDS BEARING ISSUE DATES FROM FEBRUARY 1 THROUGH MAY 1, 1957

Face value: Issue price	$500	$1,000	$5,000	$10,000	Approximate investment yield on face value‡	
Face value: Redemption [1] and maturity value	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 to maturity*
					Percent	Percent
½ year	$4.00	$8.00	$40.00	$80	1.60	*3.35
1 year	7.25	14.50	72.50	145	2.25	*3.38
1½ years	8.45	16.90	84.50	169	2.62	*3.38
2 years	8.45	16.90	84.50	169	2.80	*3.38
2½ years	8.45	16.90	84.50	169	2.92	†3.88
3 years	8.70	17.40	87.00	174	3.01	†3.92
3½ years	8.70	17.40	87.00	174	3.07	†3.95
4 years	8.70	17.40	87.00	174	3.12	†4.00
4½ years	8.70	17.40	87.00	174	3.16	†4.05
5 years	8.70	17.40	87.00	174	3.19	†4.11
5½ years	9.90	19.80	99.00	198	3.25	†4.13
6 years	9.90	19.80	99.00	198	3.30	†4.16
6½ years	9.90	19.80	99.00	198	3.35	†4.19
7 years	9.90	19.80	99.00	198	3.39	†4.23
7½ years	9.90	19.80	99.00	198	3.42	†4.29
8 years	10.50	21.00	105.00	210	3.46	†4.31
8½ years	10.50	21.00	105.00	210	3.50	†4.35
9 years	10.50	21.00	105.00	210	3.53	**4.83
Amounts of interest checks and investment yields to maturity on basis of Dec. 1, 1965 revision						
9½ years	$11.55	$23.10	$115.50	$231	3.58	5.04
10 years (maturity)	12.60	25.20	126.00	252	3.64	
Period of time bond is held after maturity date	Extended maturity period					(b) To extended maturity§
½ year	$10.37	$20.75	$103.75	$207.50	3.66	4.15
1 year	10.37	20.75	103.75	207.50	3.68	4.15
1½ years	10.37	20.75	103.75	207.50	3.70	4.15
2 years	10.37	20.75	103.75	207.50	3.71	4.15
2½ years	10.37	20.75	103.75	207.50	3.72	4.15
3 years	10.37	20.75	103.75	207.50	3.74	4.15
3½ years	10.37	20.75	103.75	207.50	3.75	4.15
4 years	10.37	20.75	103.75	207.50	3.76	4.15
4½ years	10.37	20.75	103.75	207.50	3.77	4.15
5 years	10.38	20.75	103.75	207.50	3.78	4.15
5½ years	10.38	20.75	103.75	207.50	3.79	4.15
6 years	10.38	20.75	103.75	207.50	3.80	4.15
6½ years	10.38	20.75	103.75	207.50	3.80	4.15
7 years	10.38	20.75	103.75	207.50	3.81	4.15
7½ years	10.38	20.75	103.75	207.50	3.82	4.15
8 years	10.38	20.75	103.75	207.50	3.82	4.15
8½ years	10.38	20.75	103.75	207.50	3.83	4.15
9 years	10.38	20.75	103.75	207.50	3.84	4.15
9½ years	10.38	20.75	103.75	207.50	3.84	4.15
10 years (extended maturity) [2]	10.38	20.75	103.75	207.50	3.85	

‡ Calculated on basis of $1,000 bond.
* Yields on the basis of the original schedule of interest checks prior to the June 1, 1959 revision are: (1) 3.25 percent for entire period from issuance to maturity; (2) as shown for any period from each interest payment date to maturity.
† Starting with the effective date of the June 1, 1959 revision yields for any remaining period from each interest payment date to maturity prior to the December 1, 1965 revision.
** Yield from the effective date of the December 1, 1965 revision to maturity.
§ 4.15 percent per annum yield for the full 10-year extension period.
[1] At all times, except that bond was not redeemable during first 6 months.
[2] 20 years from issue date.

TABLE 14-A—BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1957

Face value: Issue price / Redemption [1] and maturity value	$500 / 500	$1,000 / 1,000	$5,000 / 5,000	$10,000 / 10,000	Approximate investment yield on face value‡	
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 to maturity*
					Percent	*Percent*
½ year	$4.00	$8.00	$40.00	$80	1.60	*3.35
1 year	7.25	14.50	72.50	145	2.25	*3.38
1½ years	8.45	16.90	84.50	169	2.62	*3.38
2 years	8.45	16.90	84.50	169	2.80	†3.88
2½ years	8.70	17.40	87.00	174	2.94	†3.91
3 years	8.70	17.40	87.00	174	3.02	†3.95
3½ years	8.70	17.40	87.00	174	3.08	†3.99
4 years	8.70	17.40	87.00	174	3.13	†4.03
4½ years	8.70	17.40	87.00	174	3.17	†4.09
5 years	9.75	19.50	97.50	195	3.24	†4.11
5½ years	9.75	19.50	97.50	195	3.29	†4.14
6 years	9.75	19.50	97.50	195	3.34	†4.17
6½ years	9.75	19.50	97.50	195	3.38	†4.21
7 years	9.75	19.50	97.50	195	3.41	†4.27
7½ years	10.45	20.90	104.50	209	3.45	†4.29
8 years	10.45	20.90	104.50	209	3.49	†4.31
8½ years	10.45	20.90	104.50	209	3.53	**4.76
Amounts of interest checks and investment yields to maturity on basis of Dec. 1, 1965 revision						
9 years	$11.40	$22.80	$114.00	$228	3.58	4.87
9½ years	11.40	22.80	114.00	228	3.62	5.18
10 years (maturity)	12.95	25.90	129.50	259	3.68	....
Period of time bond is held after issue date	Extended maturity period					(b) To extended maturity§
½ year	$10.37	$20.75	$103.75	$207.50	3.70	4.15
1 year	10.37	20.75	103.75	207.50	3.72	4.15
1½ years	10.37	20.75	103.75	207.50	3.73	4.15
2 years	10.37	20.75	103.75	207.50	3.75	4.15
2½ years	10.37	20.75	103.75	207.50	3.76	4.15
3 years	10.37	20.75	103.75	207.50	3.77	4.15
3½ years	10.37	20.75	103.75	207.50	3.78	4.15
4 years	10.37	20.75	103.75	297.50	3.79	4.15
4½ years	10.37	20.75	103.75	207.50	3.80	4.15
5 years	10.38	20.75	103.75	207.50	3.81	4.15
5½ years	10.38	20.75	103.75	207.50	3.82	4.15
6 years	10.38	20.75	103.75	207.50	3.82	4.15
6½ years	10.38	20.75	103.75	207.50	3.83	4.15
7 years	10.38	20.75	103.75	207.50	3.84	4.15
7½ years	10.38	20.75	103.75	207.50	3.84	4.15
8 years	10.38	20.75	103.75	207.50	3.85	4.15
8½ years	10.38	20.75	103.75	207.50	3.86	4.15
9 years	10.38	20.75	103.75	297.50	3.86	4.15
9½ years	10.38	20.75	103.75	207.50	3.87	4.15
10 years (extended maturity) [2]	10.38	20.75	103.75	207.50	3.87	....

For footnotes see table 13-A.

TABLE 15-A—BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1957 THROUGH MAY 1, 1958

Face value: Issue price	$500	$1,000	$5,000	$10,000	Approximate investment yield on face value‡	
Face value: Redemption [1] and maturity value	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 to maturity*
					Percent	Percent
½ year	$4.00	$8.00	$40.00	$80	1.60	*3.35
1 year	7.25	14.50	72.50	145	2.25	*3.38
1½ years	8.45	16.90	84.50	169	2.62	†3.88
2 years	8.70	17.40	87.00	174	2.83	†3.91
2½ years	8.70	17.40	87.00	174	2.96	†3.94
3 years	8.70	17.40	87.00	174	3.04	†3.98
3½ years	8.70	17.40	87.00	174	3.10	†4.02
4 years	8.70	17.40	87.00	174	3.14	†4.07
4½ years	9.65	19.30	96.50	193	3.22	†4.10
5 years	9.65	19.30	96.50	193	3.28	†4.12
5½ years	9.65	19.30	96.50	193	3.33	†4.15
6 years	9.65	19.30	96.50	193	3.37	†4.19
6½ years	9.65	19.30	96.50	193	3.40	†4.25
7 years	10.35	20.70	103.50	207	3.45	†4.27
7½ years	10.35	20.70	103.50	207	3.49	†4.29
8 years	10.35	20.70	103.50	207	3.52	**4.74
Amounts of interest checks and investment yields to maturity on basis of Dec. 1, 1965 revision						
8½ years	$10.65	$21.30	$106.50	$213	3.56	4.90
9 years	11.70	23.40	117.00	234	3.61	5.02
9½ years	12.55	25.10	125.50	251	3.67	5.02
10 years (maturity)	12.55	25.10	125.50	251	3.73	
Period of time bond is held after maturity date	Extended maturity period					(b) To extended maturity§
½ year	$10.37	$20.75	$103.75	$207.50	3.75	4.15
1 year	10.37	20.75	103.75	207.50	3.76	4.15
1½ years	10.37	20.75	103.75	207.50	3.77	4.15
2 years	10.37	20.75	103.75	207.50	3.79	4.15
2½ years	10.37	20.75	103.75	207.50	3.80	4.15
3 years	10.37	20.75	103.75	207.50	3.81	4.15
3½ years	10.37	20.75	103.75	207.50	3.82	4.15
4 years	10.37	20.75	103.75	207.50	3.83	4.15
4½ years	10.37	20.75	103.75	207.50	3.83	4.15
5 years	10.38	20.75	103.75	207.50	3.84	4.15
5½ years	10.38	20.75	103.75	207.50	3.85	4.15
6 years	10.38	20.75	103.75	207.50	3.86	4.15
6½ years	10.38	20.75	103.75	207.50	3.86	4.15
7 years	10.38	20.75	103.75	207.50	3.87	4.15
7½ years	10.38	20.75	103.75	207.50	3.87	4.15
8 years	10.38	20.75	103.75	207.50	3.88	4.15
8½ years	10.38	20.75	103.75	207.50	3.88	4.15
9 years	10.38	20.75	103.75	207.50	3.89	4.15
9½ years	10.38	20.75	103.75	207.50	3.89	4.15
10 years (extended maturity)[2]	10.38	20.75	103.75	207.50	3.90	

TABLE 16-A—BONDS BEARING ISSUE DATES FROM JUNE 1 THROUGH NOVEMBER 1, 1958

Face value: Issue price / Redemption [1] and maturity value	$500 / 500	$1,000 / 1,000	$5,000 / 5,000	$10,000 / 10,000	Approximate investment yield on face value‡	
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 to maturity*
					Percent	Percent
½ year	$4.00	$8.00	$40.00	$80	1.60	*3.35
1 year	7.25	14.50	72.50	145	2.25	†3.88
1½ years	8.70	17.40	87.00	174	2.65	†3.91
2 years	8.70	17.40	87.00	174	2.85	†3.94
2½ years	8.70	17.40	87.00	174	2.98	†3.97
3 years	8.70	17.40	87.00	174	3.06	†4.01
3½ years	8.70	17.40	87.00	174	3.11	†4.06
4 years	9.55	19.10	95.50	191	3.20	†4.08
4½ years	9.55	19.10	95.50	191	3.26	†4.11
5 years	9.55	19.10	95.50	191	3.31	†4.14
5½ years	9.55	19.10	95.50	191	3.35	†4.18
6 years	9.55	19.10	95.50	191	3.39	†4.23
6½ years	10.30	20.60	103.00	206	3.44	†4.25
7 years	10.30	20.60	103.00	206	3.48	†4.27
7½ years	10.30	20.60	103.00	206	3.52	**4.71
Amounts of interest checks and investment yields to maturity on basis of Dec. 1, 1965 revision						
8 years	$10.55	$21.10	$105.50	$211	3.56	4.84
8½ years	10.55	21.10	105.50	211	3.59	5.06
9 years	12.65	25.30	126.50	253	3.66	5.06
9½ years	12.65	25.30	126.50	253	3.72	5.06
10 years (maturity)	12.65	25.30	126.50	253	3.78	
Period of time bond is held after maturity date	Extended maturity period					(b) To extended maturity§
½ year	$10.37	$20.75	$103.75	$207.50	3.79	4.15
1 year	10.37	20.75	103.75	207.50	3.80	4.15
1½ years	10.37	20.75	103.75	207.50	3.82	4.15
2 years	10.37	20.75	103.75	207.50	3.83	4.15
2½ years	10.37	20.75	103.75	207.50	3.84	4.15
3 years	10.37	20.75	103.75	207.50	3.85	4.15
3½ years	10.37	20.75	103.75	207.50	3.85	4.15
4 years	10.37	20.75	103.75	207.50	3.86	4.15
4½ years	10.37	20.75	103.75	207.50	3.87	4.15
5 years	10.38	20.75	103.75	207.50	3.88	4.15
5½ years	10.38	20.75	103.75	207.50	3.88	4.15
6 years	10.38	20.75	103.75	207.50	3.89	4.15
6½ years	10.38	20.75	103.75	207.50	3.89	4.15
7 years	10.38	20.75	103.75	207.50	3.90	4.15
7½ years	10.38	20.75	103.75	207.50	3.90	4.15
8 years	10.38	20.75	103.75	207.50	3.91	4.15
8½ years	10.38	20.75	103.75	207.50	3.91	4.15
9 years	10.38	20.75	103.75	207.50	3.92	4.15
9½ years	10.38	20.75	103.75	207.50	3.92	4.15
10 years (extended maturity) [2]	10.38	20.75	103.75	207.50	3.93	

For footnotes see table 13-A.

TABLE 17-A—BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1958 THROUGH MAY 1, 1959

Face value: Issue price / Redemption[1] and maturity value	$500 / 500	$1,000 / 1,000	$5,000 / 5,000	$10,000 / 10,000	Approximate investment yield on face value‡	
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 to maturity*
					Percent	Percent
½ year	$4.00	$8.00	$40.00	$80	1.60	†3.85
1 years	7.50	15.00	75.00	150	2.30	†3.91
1½ years	8.70	17.40	87.00	174	2.68	†3.94
2 years	8.70	17.40	87.00	174	2.88	†3.97
2½ years	8.70	17.40	87.00	174	3.00	†4.01
3 years	8.70	17.40	87.00	174	3.07	†4.05
3½ years	9.45	18.90	94.50	189	3.17	†4.08
4 years	9.45	18.90	94.50	189	3.24	†4.10
4½ years	9.45	18.90	94.50	189	3.30	†4.14
5 years	9.45	18.90	94.50	189	3.34	†4.18
5½ years	9.45	18.90	94.50	189	3.38	†4.23
6 years	10.25	20.50	102.50	205	3.43	†4.24
6½ years	10.25	20.50	102.50	205	3.48	†4.26
7 years	10.25	20.50	102.50	205	3.52	**4.70
Amounts of interest checks and investment yields to maturity on basis of Dec. 1, 1965 revision						
7½ years	$10.50	$21.00	$105.00	$210	3.56	4.81
8 years	10.50	21.00	105.00	210	3.59	4.97
8½ years	10.50	21.00	105.00	210	3.62	5.24
9 years	13.10	26.20	131.00	262	3.70	5.24
9½ years	13.10	26.20	131.00	262	3.76	5.24
10 years (maturity)	13.10	26.20	131.00	262	3.83	------------
Period of time bond is held after maturity date	Extended maturity period					(b) To extended maturity§
½ year	$10.37	$20.75	$103.75	$207.50	3.84	4.15
1 year	10.37	20.75	103.75	207.50	3.85	4.15
1½ years	10.37	20.75	103.75	207.50	3.86	4.15
2 years	10.37	20.75	103.75	207.50	3.87	4.15
2½ years	10.37	20.75	103.75	207.50	3.88	4.15
3 years	10.37	20.75	103.75	207.50	3.89	4.15
3½ years	10.37	20.75	103.75	207.50	3.89	4.15
4 years	10.37	20.75	103.75	207.50	3.90	4.15
4½ years	10.37	20.75	103.75	207.50	3.91	4.15
5 years	10.38	20.75	103.75	207.50	3.91	4.15
5½ years	10.38	20.75	103.75	207.50	3.92	4.15
6 years	10.38	20.75	103.75	207.50	3.92	4.15
6½ years	10.38	20.75	103.75	207.50	3.93	4.15
7 years	10.38	20.75	103.75	207.50	3.93	4.15
7½ years	10.38	20.75	103.75	207.50	3.94	4.15
8 years	10.38	20.75	103.75	207.50	3.94	4.15
8½ years	10.38	20.75	103.75	207.50	3.94	4.15
9 years	10.38	20.75	103.75	207.50	3.95	4.15
9½ years	10.38	20.75	103.75	207.50	3.95	4.15
10 years (extended maturity)[2]	10.38	20.75	103.75	207.50	3.95	------------

Exhibit 11.—Third amendment, August 16, 1966, of Department Circular No. 906, U.S. savings bonds, series J and series K

TREASURY DEPARTMENT,
Washington, August 16, 1966.

Department Circular No. 906 (31 CFR Part 333), dated April 29, 1952, as amended, is hereby further amended as follows:

SEC. 333.15 *Payment or redemption.*—

(a) *Series J bonds.*—Prior to maturity, a Series J bond will be redeemed, at the option of the owner, at the appropriate redemption value, in whole or in part, in the amount of an authorized denomination or multiple thereof, upon presentation and surrender of the bond with a duly executed request for payment to (1) a Federal Reserve bank or branch, (2) the Office of the Treasurer of the United States, Securities Division, Washington, D.C. 20220, or (3) the Bureau of the Public Debt, Division of Loans and Currency Branch, 536 South Clark Street, Chicago, Illinois 60605. A bond presented for payment at or after maturity will be paid at its face amount.

(b) *Series K bonds.*—Prior to or at maturity, a Series K bond will be redeemed, at the option of the owner, at the appropriate redemption value, upon presentation and surrender of the bond with a duly executed request for payment to an agency described in paragraph (a), above. However, a bond received by an agency during the calendar month preceding an interest payment date will not be redeemed until that date. Prior to maturity, a Series K bond may be redeemed at par, in whole or in part, (1) upon the death of an individual named on the bond as owner or coowner, or (2) if held by a trustee or other fiduciary, upon the death of any person which results in termination of the trust. Redemption at par will be made only to the extent of the pro rata portion of a trust terminated in part, to the next lower multiple of $500. A Series K bond issued in exchange for matured Series E bonds may be redeemed at par, at the owner's option, at any time. A bond presented for payment at maturity will be paid at par, and final interest will be paid with the principal.

GEORGE F. STICKNEY,
Deputy Fiscal Assistant Secretary of the Treasury.

Exhibit 12.—February 22, 1967, Department Circular Public Debt Series No. 3–67, offering of U.S. savings notes

TREASURY DEPARTMENT,
Washington, February 22, 1967.

AUTHORITY: Department Circular, Public Debt Series No. 3–67, dated February 22, 1967, and the table incorporated therein (31 CFR Part 342), are issued under authority of sections 18 and 20 of the Second Liberty Bond Act, as amended (31 U.S.C. 753 and 754b).

SEC. 342.0 *Offering of notes.*—The Secretary of the Treasury, under the authority of the Second Liberty Bond Act, as amended, hereby offers for sale United States Savings Notes which may be purchased only with the simultaneous purchase of Series E bonds under payroll savings plans or through the bond-a-month plan. The investment yield on the notes (hereinafter generally referred to as "savings notes" or "notes") will be approximately 4.74 percent per annum, compounded semiannually, if held to maturity. This offering of notes, which shall be effective May 1, 1967, will continue until terminated by the Secretary of the Treasury.

SEC. 342.1 *Definition of words and terms as used in this offer.*—(a) "Payroll savings plans" refer to voluntary systems maintained by employers whereby their officers and employees authorize regular deductions from their salaries or wages for the purchase of United States Savings Bonds of Series E, referred to herein as "Series E bonds."

(b) "The bond-a-month plan" refers to the plan whereby depositors maintaining accounts with financial institutions authorize regular monthly deductions from such accounts for the purchase of Series E bonds.

(c) "Participants" refer to individuals having regular deductions made from their salaries or wages for the purchase of Series E bonds pursuant to payroll savings plans, or depositors having regular monthly deductions made from their accounts for the purchase of Series E bonds under the bond-a-month plan.

SEC. 342.2 *Description of notes.*—(a) *General.*—Savings notes bear a facsimile of the signature of the Secretary of the Treasury and of the Seal of the Department of the Treasury. They are issued only in registered form and are nontransferable.

(b) *Denominations and prices.*—Savings notes are issued on a discount basis at 81 percent of their face amounts (maturity values). The denominations and purchase prices are:

Denomination (face amount)	*Purchase price*
$25.00	$20.25
$50.00	40.50
$75.00	60.75
$100.00	81.00

(c) *Inscription and issue.*—At the time of issue the authorized issuing agent will (1) inscribe on the face of each savings note the name and address of the owner, and the name of the beneficiary, if any, or the names of the coowners and the address of the first-named coowner,[1] (2) enter the issue date in the right-hand portion of the note in the space provided for that purpose, and (3) imprint thereunder, by use of the agent's validating stamp for the issue of United States Savings Bonds, the date the note is actually inscribed. A note shall be valid only if an authorized issuing agent receives payment therefor and duly inscribes, dates, stamps, and delivers it.

(d) *Term.*—A savings note shall be dated as of the first day of the month in which payment of the purchase price is received by an issuing agent. This date is the issue date and the note will mature and be payable at its maturity value 4 years and 6 months from such issue date. The note may not be called for redemption by the Secretary of the Treasury prior to maturity, and is not redeemable during the first year from issue date. Thereafter, the note may be redeemed at fixed redemption values at the option and request of the owner.

(e) *Investment yield (interest).*—The investment yield on a savings note will be approximately 4.74 percent per annum, compounded semiannually, if the note is held to maturity, but the yield will be less if the note is redeemed prior to maturity. The interest will be paid as part of the redemption value. The note will increase in value 1 year after issue date, and at the beginning of each half-year period thereafter until maturity, at which time interest will cease. If the note is redeemed before maturity, interest will cease at the end of the interest period next preceding the redemption date, except that if redeemed on a date on which the redemption value of the note increases, interest will cease on that date. (See table.)

SEC. 342.3 *Purchase—registration.*—(a) *Purchase.*—Savings notes may be purchased only with the simultaneous purchase of Series E bonds, as provided in section 342.0. Employers may obtain notes for participants in payroll savings plans from authorized issuing agents [2] or from any Federal Reserve bank or branch, or the Office of the Treasurer of the United States, Securities Division, Washington, D.C. 20220. Participants in the bond-a-month plan may obtain the notes from authorized financial institutions. Payments for the notes may be made in the same manner as payments for United States Savings Bonds. Issuing agents will deliver the notes at the time of purchase, or by mail at the risk and expense of the United States, but only within the United States, its territories and possessions, the Commonwealth of Puerto Rico and the Canal Zone. No mail deliveries elsewhere will be made.

(b) *Registration.*—On original issue a savings note (1) is limited to registration in the name of a natural person (whether adult or minor), alone or with another natural person as coowner or beneficiary, and (2) must be identical in registration to the companion Series E bond purchased under the payroll savings plan or the bond-a-month plan.

SEC. 342.4 *Limitations.*—(a) *On deductions.*—Deductions for savings notes shall not exceed \$1.08 for each \$1.00 of deductions for the purchase of Series E bonds. In addition, deductions for the notes, under a payroll savings plan, shall not be more than \$20.25 per weekly pay period, or \$40.50 per biweekly or semimonthly pay period, or \$81.00 per monthly pay period, and under the bond-a-month plan, shall not exceed \$81.00 per month. A participant, upon discontinuing his participation in a payroll savings plan or the bond-a-month plan, becomes ineligible for further purchases of the notes until such time as he again enrolls in a plan.

(b) *On holdings.*—The total face amount of savings notes originally purchased by or issued to any one person during any one calendar year, including those registered in the name of that person as owner and those registered in his name with another person as coowner, that may be held by that person at any one time is limited to \$1,350.

SEC. 342.5 *Taxation.*—(a) *General.*—For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the purchase price and the redemption value received for a savings note will be considered as interest. The interest 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 and interest thereof by any

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[1] When placing a taxpayer identifying number (an individual's social security account number) on a note, the issuing agent should place the number on the note in the same position as on the companion Series E bond.

[2] Generally, incorporated banks, trust companies, and other agencies as have been duly qualified as issuing agents of Series E bonds.

State, or any of the possessions of the United States, or by any local taxing authority.

(b) *Federal income tax on notes.*—An owner of savings notes who is a cash basis taxpayer may use either of two methods for reporting the increase in the redemption value of the notes for Federal income tax purposes, as follows:

(1) Defer reporting of the increase until the year of maturity, actual redemption, or other disposition, whichever is earlier, or

(2) Elect to report the increase for the year in which it accrues, in which case the election will apply also to all Series E bonds then owned by him and those thereafter acquired, as well as to any other similar obligations sold on a discount basis.

If method (1) is used, the taxpayer may change to method (2) without obtaining permission from the Internal Revenue Service. However, once the election to use method (2) is made, the taxpayer may not change the method of reporting, unless he obtains permission to do so from the Internal Revenue Service. Inquiries requesting further information on Federal taxes should be addressed to the District Director, Internal Revenue Service, of the taxpayer's district, or the Internal Revenue Service, Washington, D.C. 20224.

SEC. 342.6 *Payment or redemption.*—(a) *General.*—At any time 1 year or more after the issue date, a savings note may be redeemed upon presentation and surrender of the note with a duly executed request for payment to any Federal Reserve bank or branch, or the Office of the Treasurer of the United States, Securities Division, Washington, D.C. 20220, or to any financial institution which has been designated as paying agent by the Secretary of the Treasury.

(b) *Judgment creditors.*—Payment of a savings note to the purchaser at a sale under a levy or to the officer authorized to levy upon the property of the owner under appropriate process to satisfy a money judgment will not be made until 1 year after the issue date of the note.

SEC. 342.7 *Governing regulations.*—Savings notes are subject to the regulations of the Treasury Department, now or hereafter prescribed, governing United States Savings Bonds, contained in Department Circular No. 530, current revision (31 CFR Part 315),[1] except as otherwise specifically provided herein.

SEC. 342.8 *Fiscal agents.*—Federal Reserve banks and branches, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, redemption, and payment of savings notes.

SEC. 342.9 *Reservations.*—(a) *Issue of notes.*—The Secretary of the Treasury reserves the right to reject any application for purchase of savings notes, in whole or in part, and to refuse to issue or permit to be issued hereunder any such notes in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

(b) *Terms of offer.*—The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this offering of notes, or of any amendments or supplements thereto.

JOSEPH W. BARR,
Acting Secretary of the Treasury.

[1] Copies may be obtained from any Federal Reserve bank or branch, or the Bureau of the Public Debt, Division of Loans and Currency Branch, 536 South Clark St., Chicago, Ill. 60605.

UNITED STATES SAVINGS NOTES—REDEMPTION VALUES AND INVESTMENT YIELDS

Table shows: (1) redemption values, by denomination, during each successive half-year term of holding after first year [1] following the date of issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period [2]; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period [2] to maturity. Yields are expressed in terms of rate percent per annum compounded semiannually.

Maturity value	$25.00	$50.00	$75.00	$100.00	Approximate investment yield	
Issue price	20.25	40.50	60.75	81.00		
Period after issue date	(1) Redemption values during each half-year period after the first year (values increase on first day of period shown)[1]				(2) On purchase price from issue date to beginning of each half-year period [2]	(3) On current redemption value from beginning of each half-year period to maturity [2 3]
					Percent	*Percent*
1 to 1½ years	$21.07	$42.14	$63.21	$84.28	4.01	4.95
1½ to 2 years	21.53	43.06	64.59	86.12	4.13	5.04
2 to 2½ years	22.03	44.06	66.09	88.12	4.26	5.12
2½ to 3 years	22.56	45.12	67.68	90.24	4.37	5.20
3 to 3½ years	23.14	46.28	69.42	92.56	4.50	5.22
3½ to 4 years	23.74	47.48	71.22	94.96	4.60	5.24
4 to 4½ years	24.36	48.72	73.08	97.44	4.67	5.25
MATURITY VALUE (4½ years from issue date)	**25.00**	**50.00**	**75.00**	**100.00**	**4.74**	

[1] Savings notes are not redeemable before 1 year from issue date.
[2] Except the first half-year.
[3] 4.74 percent for entire period from issuance to maturity.

Exhibit 13.—February 24, 1967, Department Circular Public Debt Series No. 4-67, regulations governing agencies for the issue of U.S. savings bonds of Series E and U.S. savings notes

TREASURY DEPARTMENT,
Washington, February 24, 1967.

Department Circular No. 657, dated April 15, 1941, as amended (31 CFR Part 317), is hereby rescinded and replaced by Department Circular, Public Debt Series No. 4–67, as follows:

AUTHORITY: Sections 317.0 through 317.8 issued under sections 18, 20, and 22 of the Second Liberty Bond Act, as amended (40 Stat. 1309, 48 Stat. 383 and 49 Stat. 21, all as amended; 31 U.S.C. 753, 754b, and 757c).

SEC. 317.0 *Purpose.*—These regulations prescribe the procedures whereby (a) banks, trust companies, and savings institutions chartered by or incorporated under the laws of the United States or those of any State or Territory of the United States or the Commonwealth of Puerto Rico, (b) agencies of the United States and of State and local governments, (c) employers operating payroll savings plans for the purchase of United States Savings Bonds, and (d) other entities, may qualify, and thereafter act, as agents for the sale and issue of United States Savings Bonds of Series E and United States Savings Notes, issued pursuant to Treasury Department Circulars No. 653, current revision, and Public Debt Series No. 3–67 (31 CFR Parts 316 and 342), respectively.

SEC. 317.1 *Definitions of words and terms as used in this circular.*—(a) "Bonds" refer to United States Savings Bonds of Series E.

(b) "Federal Reserve bank" refers to the Federal Reserve bank of the Federal Reserve district in which the issuing agent, or the applicant organization, is located, and includes branches to the extent utilized by the parent bank. In the context of these regulations, the reference to the Federal Reserve bank is in its capacity as fiscal agent of the United States.

(c) "Issuing agent" refers to an organization which has been issued a certificate of qualification to sell and issue bonds and notes, or bonds only.

(d) "Notes" refers to United States Savings Notes.

(e) "Organization" refers to any entity described in section 317.0 as eligible to qualify as an issuing agent of the bonds and notes, or bonds only.

SEC. 317.2 *Procedure for qualifying as an issuing agent.*—(a) *General.*—An organization desiring to qualify as an issuing agent shall obtain from and file with the Federal Reserve bank an appropriate application-agreement form. If the organization desires to qualify as an issuing agent for bonds only, it shall before submission, amend the form furnished so that it refers only to bonds. Through use of the appropriate form, the person authorized to act on behalf of the organization will certify that it is authorized by its governing body, or other body authorized to act in the premises, to apply for and act as an issuing agent under the terms of the agreement, these regulations and the circulars offering the bonds and notes for sale, or, if appropriate, bonds only, and that applicable Federal or State law permits or does not prohibit the organization from so acting. The Secretary of the Treasury, either directly or through the Federal Reserve bank, may deny qualification to, or specify the basis of qualification of, any organization.

(b) *Bases on which stock may be obtained.*

(1) *Trust agreement.*—An organization may obtain stocks on the basis of an application-trust agreement. Under the terms of such agreement, the stocks of bonds and notes obtained, together with the proceeds of sale therefrom, are at all times the property of the United States, for which the organization shall be fully accountable.

(2) *Pledge agreement.*

(i) *Pledge of collateral.*—An organization may obtain stock on the basis of a pledge of collateral. Under the terms of the application-pledge agreement, collateral is pledged at the cost price of the maximum amount of stocks of bonds and notes, and the proceeds of sales therefrom, for which the organization may be accountable at any one time.

(ii) *Security.*—Security which may be required under the application-pledge agreement shall consist of either or both of the following:

(A) The amount of insurance directly available to the United States covering the proceeds of the issuing agent's sales of bonds and notes by reason of the agent's coverage by an acceptable Federal or State insurance corporation or fund; for example, in the case of a member bank of the Federal Deposit Insurance Corporation, the amount of security would be $15,000 and would cover approximately $20,000 (face amount) of stocks of bonds and notes.

(B) United States Treasury bonds or other direct obligations of the United States, or obligations unconditionally guaranteed as to both principal and interest by the United States, in negotiable form, which will be accepted at face value; and United States Savings Bonds of any series registered in the name of the issuing agent, which will be accepted at issue price. Savings bonds must be accompanied by an irrevocable power of attorney, executed on behalf of the issuing agent, authorizing the Secretary of the Treasury to request payment of the bonds. All obligations deposited pursuant hereto must be delivered to the Federal Reserve bank before stocks of bonds and notes may be obtained.

(3) *Prepayment of stock.*—An organization whose primary function as an issuing agent will relate to the issue of bonds and notes bought under its payroll savings plan, and which is not qualified under subparagraph (1) or (2) of this paragraph, is required to execute an application-prepayment agreement under the terms of which all stocks of bonds and notes obtained for its issue function are prepaid at cost price.

(c) *Issuing agents of bonds qualified under Treasury Department Circular No. 657, as amended.*—Issuing agents of bonds qualified prior to the rescission of Treasury Department Circular No. 657, as amended, who do not desire to qualify as issuing agents for the notes, may continue to act without requalification and by so doing shall be subject to the terms and conditions of this circular and the agreements under which they qualified in the same manner and to the same extent as though they had requalified hereunder.

SEC. 317.3 *Certificate of qualification.*—Until such time as a certificate of qualification is issued by the Federal Reserve bank, an organization shall not make any effort to or perform any acts as an issuing agent, or advertise in any manner that it is authorized to perform such acts, or that it has applied for qualification as an issuing agent. Upon approval of the application-agreement, the Federal Reserve bank will issue a certificate of qualification to the organization. The organization will be notified if the application-agreement is not approved, or after qualification, at any such time as the certificate of qualification is modified or terminated.

SEC. 317.4 *Modification or termination of qualification.*—(a) *By the United States.*—The Secretary of the Treasury, or the Federal Reserve bank, may modify or terminate the qualification of an issuing agent at any time, upon notice to that effect, and may require the immediate surrender of any part or all of the stocks of bonds and notes held by the agent for sale and not theretofore issued or sold, and any part or all of the proceeds due on account of the stocks issued or sold. The Secretary of the Treasury, or the Federal Reserve bank, may also regulate the amount of stocks of bonds and notes which may be obtained, including temporary increases over the amount of stocks obtainable by the issuing agent regardless of the basis of qualification, and under section 317.2, paragraph (b), subparagraph (2) or (3), without requiring a pledge of additional collateral or additional prepayment for stocks.

(b) *By issuing agent.*—An issuing agent which has fully complied with the terms of its agreement and the regulations and instructions issued pursuant thereto may at any time request the Federal Reserve bank to modify or terminate its qualification.

SEC. 317.5 *Issuance of bonds and notes.*—Issuing agents must comply with all regulations and instructions issued by the Treasury Department or the Federal Reserve bank concerning the sale, inscription, dating, validation and issue of the bonds and notes, and disposition of the registration stubs. No issuing agent shall have authority to sell bonds and notes other than as provided in the offering circulars and the governing regulations.[1]

SEC. 317.6 *Accounting.*—Issuing agents must comply with all regulations and instructions issued by the Treasury Department, governing the accounting for stocks of bonds and notes received as issuing agent and the proceeds of sales thereof. Each issuing agent, other than an agent qualified on the basis of prepayment of stock, shall open and maintain, or continue to maintain, for the Federal Reserve bank, a separate deposit account for the proceeds of all sales of bonds and notes to be known, as appropriate, as the "Savings Bond and Note Account," or the "Series E bond account." An issuing agent which is also a depositary pursuant to Treasury Department Circular No. 92, current revision (31 CFR Part 203), may make payment by credit for the proceeds of its sales of bonds and notes up to any amount for which it shall be qualified under that circular in excess of existing deposits when so authorized by the Federal Reserve bank.

SEC. 317.7 *Fiscal agents.*—The Federal Reserve banks are authorized to perform such duties and prepare and issue such forms and instructions as may be necessary to fulfill the purposes and requirements of these regulations.

SEC. 317.8 *Reservations.*—The Secretary of the Treasury may at any time or from time to time, revise, supplement, amend, or withdraw, in whole or in part, the provisions of these regulations, or of any revisions, supplements, or amendments thereto.

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

Legislation

Exhibit 14.—An act to provide, for the period ending on June 30, 1967, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act.

[Public Law 90-3, 90th Congress, H.R. 4573, March 2, 1967]

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, 1967, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased to $336,000,000,000.

Public debt limit.
Temporary increase.
80 Stat. 221.

Approved March 2, 1967, 10:45 p.m.

[1] Treasury Department Circulars No. 530, current revision (31 CFR Part 315), No. 653, current revision (31 CFR Part 316), and Public Debt Series No. 3-67 (31 CFR Part 342). See exhibits 7, 9, and 12.

Exhibit 15.—An act to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes.

[Public Law 90-39, 90th Congress, H.R. 10867, June 30, 1967]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective July 1, 1967, the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) is amended by striking out "$285,000,000,000" and inserting in lieu thereof "$358,000,000,-000". Public debt limit, increase. 73 Stat. 156; Ante, p. 4.

SEC. 2. The face amount of beneficial interests and participations (except those held by the issuer thereof) issued under section 302(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(c)) during the period beginning on July 1, 1967, and ending on June 30, 1968, and outstanding at any time shall be added to the amount otherwise taken into account in determining whether the requirements of the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) are met at such time. Nothing in the preceding sentence requires any change in the budgetary accounting for beneficial interests and participations. 78 Stat. 800; 80 Stat. 164.

SEC. 3. Effective July 1, 1968, and each July 1 thereafter, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $7,000,000,000 during the period beginning on such July 1 and ending on June 29 of the succeeding calendar year. Temporary annual increase.

SEC. 4. Section 18(a) of the Second Liberty Bond Act (relating to notes of the United States; 31 U.S.C. 753(a)) is amended by striking out "not more than five years" and inserting in lieu thereof "not more than seven years." U.S. notes. 49 Stat. 20.

Approved June 30, 1967, 10:40 a.m.

Financial Policy

Exhibit 16.—Letter from Secretary Fowler to Representative Ullman, July 12, 1966, and Representative Ullman's letter to the President, June 27, 1966, on fiscal and monetary policies and increased interest rates

Hon. AL ULLMAN,
House of Representatives, Washington, D.C.

DEAR AL: Since in your letter to the President, made public, you referred to the extended conference Chairman Ackley and I had with you on the subject of your subsequent letter, several comments are offered to round out the picture.

You refer to the fact that "although they were most cordial and helpful, they did not offer any satisfactory hope that actions would be taken to bring interest rates back into line."

You have put your finger on one of the toughest problems we face today.

There seems little question that the additional demands placed upon the economy as an accompaniment to our expanded operations in Southeast Asia called for a shift from a policy of fiscal and monetary stimulus to one of restraint, if inflationary pressures were to be minimized.

The President has made every effort to hold down expenditures in fiscal 1966 and this together with the rising revenues reduced the budget deficit for the fiscal year ended June 30 to quote his words "less than one-half" of what was expected last January.

The President also made every effort to hold down the fiscal 1967 budget to the bare minimum, but, as you know, the Congress seems to be in the process of adding to it. Present indications are that Congress may add from $3 billion to $4 billion to the President's budget this year. As you know, with his full backing and support, the Director of the Budget and I have been working hard to encourage those responsible for appropriations to hold down the levels of final appropriations to those proposed in the budget.

Moreover, the Congress responding to recommendations from the President has changed our tax policy sharply away from the stimulative direction of past years of 1964 and 1965 to one of moderate restraint. You and your colleagues on the Ways and Means Committee have helped to accomplish this change which was the objective of hearings before the passage of the Tax Adjustment Act in March. As a result of provisions in that act, the speedup in collection of income and social security taxes withheld by employers by Treasury regulation, increases in revenues over previous estimates because of rising levels of income, the impact of social security and medicare taxes which became effective in January and a successful savings bonds campaign, we are drawing out of the economy this calendar year through these fiscal measures approximately $13 billion more than was thought to be the case last December.

This brings us back to the action of the Federal Reserve Board early last December in the field of monetary policy which is the burden of complaint in your letter. In December 1965 the Board announced two actions designed in its words "to dampen mounting demands on banks for still further credit extensions that might add to inflationary pressures." You are fully aware from the statement made by the President thereafter and various public comments I made in congressional hearings and other public statements before and after these actions that the administration opposed the action taken at the time. My own point of view publicly held and privately urged can be summarized in a public statement made on November 29 prior to the action. I said "it is premature and unwise to call for further restrictive monetary action now, in order to curtail the expansion of money and credit and raise interest rates more than the market has already raised them. There may be room for honest differences of opinion among well-informed and unprejudiced persons on this issue. However, it is my strong belief that an orderly adjustment of a properly coordinated mix of fiscal and monetary policies to deal with the period ahead calls for that policy mix to be determined only with full knowledge of the President's new budget."

Then on December 5, in Austin, after the Board action, the President said:

"The Federal Reserve Board is an independent agency. Its decision was an independent decision.

"I regret, as do most Americans, any action that raises the cost of credit, particularly for homes, schools, hospitals, and factories.

"I particularly regret that this action was taken before January when we will have before us the full facts on next year's budget, Vietnam costs, housing starts, State and local spending, and other elements in the economic outlook.

"The decisions to be taken within the next few weeks by the administration will significantly affect the course of economic development.

"My view and the view of the Secretary of the Treasury and the Council of Economic Advisers is that the decision on interest rates should be a coordinated policy decision in January, when the nature and impact of the administration's budgetary and Vietnam decisions are known. This view was apparently shared by three of the seven Board members.

"The action has already been taken. Under the circumstances, I will continue to do my best to give the American people the kind of fully coordinated, well-integrated economic policy to which they are entitled, which has been so successful for the last 58 months, and which I hope will preserve the price stability so necessary for America's continued prosperity."

Subsequent developments have confirmed the need for coordination—in the fiscal, expenditure, monetary and debt management areas in order to arrest the rapid escalation of interest rates which concerns me as much as it concerns you. There are, and have been, pending before the House Banking and Currency Committee a series of proposals designed specifically to minimize the highly selective impact of monetary policy and increasing interest rates on the housing industry about which you have expressed considerable misgivings.

The administration has supported the enactment of legislation to enlarge the borrowing authority of the Federal National Mortgage Association.

In an appearance before the House Banking and Currency Committee on May 19, I urged the enactment of a temporary restraint on excessive competition for consumer-type savings by banks and savings and loan organizations "both to protect the structure of the thrift institutions and to bolster the flow of funds to the home building industry." I submitted specific legislation designed to achieve that objective by authorizing the Federal Reserve Board to set differing rate ceilings on time deposits of differing amounts.

In the light of intervening events it has seemed necessary and desirable to enlarge this program to take into account the apparent unwillingness of the Federal Reserve Board to exercise this power even if granted by the Congress and the lack of authority in the Federal Home Loan Bank Board to prevent excessive rate competition for savings among members of the Home Loan Bank system.

Since the return of Members of the Congress from recess I and members of my Department and others in the Administration have requested the members of that Committee to take prompt legislative action to check the escalating trend of interest rates for commercial bank consumer-type deposits and savings and loan association shares. Our suggestions include: (1) a legislated temporary ceiling at an appropriate level applying to commercial bank time deposit interest rates and to savings and loan association dividend rates in accounts up to $100,000; (2) discretionary authority to the Federal Reserve to differentiate among different kinds of deposits in setting maximum interest rates for member banks; (3) similar discretionary authority to the Federal Deposit Insurance Corporation to cover those banks which are not members of the Federal Reserve System; (4) authority for the Federal Home Loan Bank Board to set maximum dividend rates for members of that system.

I would encourage you and your colleagues to get behind these and related egislative proposals designed to deal specifically with the problem you discussed with Chairman Ackley and me concerning the highly selective impact of monetary policy on the housing industry and the lumber industry in your district.

I can assure you of complete agreement of the Administration with your expressed sentiment that "every medium of government should be marshaled to restore the healthy balance of monetary and fiscal policy required for continued prosperity."

With best regards,

Sincerely,

(S) "Joe"
HENRY H. FOWLER.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 27, 1966.

Hon. LYNDON B. JOHNSON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As a member of the Ways and Means Committee I have strongly supported the "new economics" of your administration, and in my public statements have been an outspoken advocate of policies to promote sustained growth in the economy. I regret very deeply that I now must strongly differ with the administration on what I consider to be an abandonment of the principles we have been following.

In my judgment, unless corrective action is taken soon, the tight money policies imposed by the Federal Reserve Board and supported by recent actions of your administration will destroy the economic gains we have made.

Within the past week, I had an extended conference with Secretary Fowler and Gardner Ackley on this matter. Although they were most cordial and helpful, they did not offer any satisfactory hope that actions would be taken to bring interest rates back into line. Mr. President, the near panic rush throughout the financial community in recent months to hike interest rates has raised a warning of impending consequences that cannot be disregarded. Only direct action by your office can reverse this disastrous trend.

I submit, Mr. President, that this administration cannot afford either politically or economically to be swept along, compounding the initial folly of the Federal Reserve Board, by engaging in such high interest policies as 5¾ percent sales participation offerings and increased Federal loan rates. Every instrument of Government should be marshaled to restore the healthy balance of monetary and fiscal policy required for continued prosperity. Through the successes of the past 5 years, we are on the verge of proving to ourselves and to the world that by enlightened Government policies, a private enterprise economy can avoid the boom and bust cycles and can accelerate growth to meet the challenges of unemployment, expanding population, and economic opportunity for all. The lack of restraint in the use of monetary policy will surely bring this successful era to an end.

Just as a mixed monetary and fiscal policy has proved successful in generating growth, the same mixture is essential in restraining an overheating economy. High interest rates will not do the job. They are inflationary in themselves. They have not succeeded in slowing investment in plant capacity, nor—with the single exception of housing—have they slowed the rising level of personal debt. They have instead contributed significantly to higher costs that are certain to be reflected in the consumer price index.

In the area of fiscal restraints, I recognize that the administration has made a concerted effort to hold down expenditures and to reduce operating costs to a minimum. In addition, however, I hope that consideration will be given to other fiscal tools that will go directly to the danger points in the economy. Revisions in the investment tax credit may be in order, to make its provisions applicable only to businesses and industries where expansion is vital to national defense or to encourage continued growth in other selective areas that are important to the national interest. Because of the sacrifices in lives and resources being made to fulfill our commitment in Vietnam, it may also be appropriate to consider means of curbing excess profits, particularly among defense-oriented industries. A request for standby authority in these and other areas of taxation might well provide the psychological restraint necessary to bring inflationary pressures under control without hindering a desirable rate of growth.

You, Mr. President, are the only one who can effectively express and implement the basic policies and programs to meet this crisis in our economy. I urge you to do so.

Sincerely,

AL ULLMAN,
Member of Congress.

Exhibit 17.—Letter from the Secretary of the Treasury to the chairman of the Senate Banking and Currency Committee, August 2, 1966, concerning the administration's position on pending legislation relative to interest rates of financial institutions

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I appreciated very much your letter of July 28, 1966, advising me of your agreement to expedite action on bills relating to financial institutions in which the Administration is interested. I welcome the opportunity you have afforded me to advise you of the administration's position on the important legislation pending with regard to such institutions.

As you know, there has been a great deal of discussion of ways and means to insure that a significant part of the country's savings will continue to be available for investment in home mortgages, and to insure stability in the interest rate structure within the financial community. It is the view of the administration, and I am pleased to note that it is yours also, that the present authority of the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation to establish maximum interest rates which may be paid on bank deposits should be broadened to enable those agencies to establish different categories of deposits for interest rate limitations and should be made discretionary. For example, they should be permitted to fix different limitations for different size deposits, an authority that is now lacking.

The recent action of the Federal Reserve Board in limiting interest rates payable on "multiple maturity" time deposits and the fact it has recommended enactment of S. 3627 indicates, in my opinion, a willingness on its part to take action to limit undue rate competition. Therefore, I believe it is possible to return to the original idea of granting discretionary authority to the bank regulatory agencies, rather than involving Congress in legislating interest rate ceilings.

It is the administration view also that the Federal Home Loan Bank Board should be granted standby authority to establish maximum rates of interest which may be paid on the share accounts of savings and loan associations; and that provision should be made for coordination of the actions of the three agencies in the exercise of discretionary powers relating to interest rates.

In addition to these provisions, all of which are incorporated in the Federal Reserve Board bill, S. 3627, it is the view of the administration that (1) the

Board of Governors of the Federal Reserve System should be authorized to raise reserve requirements on time and savings deposits to a maximum of 10 percent rather than the present 6 percent; and (2) the authority of the Federal Reserve System should be broadened so that it can purchase the obligations of any agency of the United States. This would enable it to acquire obligations of the Home Loan Bank Board and the Federal National Mortgage Association, among others.

I am sure that I can speak for the entire Coordinating Committee on Bank Regulations, as well as myself, in expressing our gratification that your subcommittee will consider on August 2, 1966, the Financial Institutions Supervisory Act of 1966. As you know, we believe there is a substantial need for this legislation and we are very hopeful that it can be enacted in satisfactory form at this session of the Congress.

Sincerely yours,

HENRY H. FOWLER.

Exhibit 18.—Statement by Secretary Fowler, September 21, 1966, before the National Industrial Conference Board, New York City, on financial and economic policy

I am very pleased indeed to be with you upon so auspicious an occasion as the 50th anniversary of this distinguished organization for economic research.

In my position as Secretary of the Treasury, I am often reminded of the many and profound contributions the National Industrial Conference Board has made to our understanding of how a free economy works—and how it should work. Much that is embodied in public policy today is the result of your 50 years of patient research and illuminating reports.

If I were asked to summarize your work in a line, I would say, and I think that you would not disagree with me, that you have been engaged in exploring the potentials of a partnership for economic well being between the government and the business community of a free nation that wants to remain free.

I believe the idea that a free people can collaborate with their government to get the most out of their economy is one of the most important—and, nowadays one of the fastest spreading—political-economic concepts in the world.

Our public-private partnership has been of unparalleled benefit to this country, and its people, as demonstrated by your chart study made for this occasion.

I hope that before this 50th anniversary meeting closes, you will resolve to carry your work forward at least another full 50 years, for I can see no time in the future when the contributions to knowledge such as you make will not be needed at least as greatly as they have been in the past.

I am glad to note, in this respect, that you have dedicated this meeting to the future. I hope that my remarks, which deal with President Johnson's anti-inflation program, will throw a sidelight of some value upon your theme, "The Future of Capitalism."

It is my view—and your work indicates that it is also your view—that the future of capitalism is a future of responsible economic behavior, by government, by the public, by labor, by farmers, and, as the very existence of NICB suggests, by the business community, great and small.

The President's anti-inflation program is nothing more—and nothing less—than a call to a new level of responsible economic behavior by all segments of the American economy.

It is a program for maintaining and continuing the unprecedented economic gains we have made during the long climb over the past 6 years out of economic stagnation.

It is a program for maintaining and extending those gains by preserving the balance between our various demands for goods and services, and our capacity to satisfy rising demand that has been the unique, and the uniquely beneficial, aspect of our economic growth over the past 6 years.

The economy has now come under special strains that threaten that balance. These strains arise largely, although not exclusively, from two sources: exuberant capital expansion by business, and demands arising from our defense of freedom in Vietnam. I do not think that any of you here today, faced with this problem would choose to curtail the defense of freedom in order to let business plant and equipment expansion go unchecked. Nor did President Johnson. He asked the

Congress to suspend temporarily special tax incentives to business investment during the next 16 months.

Nor did the President stop there. He committed himself to a strong program to reduce lower priority Federal expenditures, including an estimated cut of 10 percent—or approximately $3 billion, depending upon congressional action on remaining appropriation bills—in that limited portion of the budget under direct Presidential control.

The President's program also pointed the way toward balance in another important aspect of economic policy—the application of fiscal and monetary measures in balance, whether in seeking stimulus or restraint. In this connection, he called upon the Federal Reserve Board, in executing its policy of monetary restraint, and our large commercial banks, to cooperate with the President and the Congress to lower interest rates and to ease the inequitable burden of tight money.

He called upon the whole economy, and all those responsible for it, for restraint.

The President's program is designed to:

(1) Contribute to a restraint of inflationary developments that are proving disruptive of the financial markets and placing excessive strain on the capital goods industries.

(2) Promote a more sustainable rate of balanced economic growth in the next 16 months and thereafter.

(3) Suspend special fiscal stimulants to investment, and thereby support a policy of monetary restraint without incurring the burdens and without running the risks of excessively tight money and high interest rates.

(4) Complement other measures enacted by the Congress or pending before it and being undertaken through administrative action to reduce upward pressures on interest rates and minimize the discriminatory impact of tight money and high interest rates on the housing sector of the economy.

The strains on the economy at present show up in three clearly discernible ways:

—in the money and financial markets, excessive demands for credit and monetary restraint together have created severe tightness and a sharp rise in interest rates, with highly selective impact on several sectors, particularly single-family housing;

—in the market for capital goods, the ever-mounting flow of new orders by business firms coming on top of an unprecedented rate of outlays for plant and equipment is generating rising prices, rising wage rates and shortages of some skilled labor, and is augmenting the large demands for capital from banks and the securities market;

—the rising rate of government expenditures, Federal, State and local, highlighted by steadily expanding defense and public works outlays is adding steadily to aggregate demand at a high rate.

These three sources of pressure are interrelated and reinforcing. Accelerating business spending breeds demands for credit from banks and for financing in the capital market. Higher Government spending also generates credit demands—by the Government itself, and by private firms which receive Government orders and work on borrowed funds to fill new contracts. And tight money itself causes additional Government spending, particularly to help finance areas of important economic activity such as homebuilding from which the supply of private capital has been diverted.

The program contained in the President's message is designed to deal with all three pressure points.

This program is primarily economic and financial in its objective and thrust. It represents, I believe, the most carefully chosen and prudent means, consistent with preserving stable economic growth within the framework of a free economy, to ease the strain of the pressures described.

Let me emphasize that the President's proposal to suspend the investment tax credit and accelerated depreciation for the next 16 months is not a tax reform proposal—it is temporary in design and purpose.

Let me emphasize also that it is not a revenue-raising proposal in purpose or objective; any revenue aspects are only incidental.

This proposal, and the entire program announced September 8, is basically an anti-inflationary action designed to relieve the pressures, clearly observable in the money markets and capital goods sector, which have produced the highest interest rates in 40 years, and a perceptible trend toward a general condition of economic instability.

Let me relate the tax aspects to the balance of the President's anti-inflation program:

The proposed suspension of special incentives to undertake major programs of business investment should relieve the credit market by moderating business needs for funds.

The President directed me to review all Federal security sales and present them to the President for approval with the objective of lessening the burden of Federal finance on the markets. The President's memorandum to Federal departments and agencies of September 9, calling for careful and thorough pruning of Federal lending and borrowing activities, should reduce aggregate Federal credit demands on the private market.

It has already been decided to cancel the sale of FNMA participation certificates tentatively scheduled for September, and to have no FNMA participation sale in the market for the rest of 1966 unless market conditions improve. Nor will there be any Export-Import Bank sale of participation certificates in the market in the rest of this calendar year. Market sales of Federal agency securities, meanwhile, will be limited in the aggregate to an amount required to replace maturing issues, while new money, to the extent genuinely needed, will be raised through sales of agency securities to Government investment accounts.

Another important ingredient of the President's program is the legislation passed last week to give the bank regulatory agencies and Federal Home Loan Bank flexible authority to halt and hopefully reverse the harmful process of excessive interest rate escalation in the field of consumer savings.

The announced program for reducing Federal expenditures for fiscal 1967 is yet another related measure to minimize the drain of Federal financing on the credit market in addition to reducing aggregate demand. The President has made clear his firm determination to hold down all lower priority expenditures by means of deferrals, stretching out the pace of spending and otherwise reducing contracts, new orders and commitments—a policy and program with which I have been actively and affirmatively concerned from the initial preparation of the January budget.

Of course, any precise description of the amount and nature of the spending cuts must await action by the Congress on the eight major appropriation bills still pending before it. When Congress gives us the bills, we will do the job of expenditure control.

Let me stress that we have been exercising a vigorous control of Federal expenditures all along.

In the fiscal years 1965, 1966, and as proposed by the President in 1967, Federal budget expenditures—including in the latter years large amounts for Vietnam—were respectively, 14.8 percent, 15.0 percent, and 14.7 percent of our gross national product. With the exception of 1958 and 1951, these are the lowest percentages since 1942—a period spanning 25 years, five Presidents, and a large growth in the responsibilities of the Federal Government.

When President Johnson took office, the budget under which he was operating, that for fiscal 1964, called for $98.8 billion of expenditures. Three years later, exclusive of the costs of Vietnam, his budget called for expenditures of $102.3 billion—an average increase of slightly over $1 billion per year. And this increase in the total of Federal outlays is much smaller than the added costs over this period of Federal pay raises and increases in the public debt alone.

In each of the fiscal years 1965 and 1966, the Federal deficit was lower than the prior year. The deficit in the administrative budget in fiscal 1965 was $4.8 billion lower than the year before, and $8.5 billion below the 1964 estimate prevailing when President Johnson took office. In 1966, despite the added expenses of Vietnam, amounting to $5.8 billion, the deficit was cut another $1.1 billion below that of 1965, to $2.3 billion. In fact, on a national income and product account budget basis, favored by many economists as the true measure of the stimulus or restraint of Federal activities, the 1966 budget was in surplus $1 billion.

The President announced on September 8 that he had directed Federal agencies to defer, stretch out, and otherwise reduce contracts, new orders, and commitments by $1.5 billion in fiscal 1967. The total amount of the reductions which will ultimately be required must await congressional action on the remaining authorization and appropriation bills. But, as I indicated earlier, given our best estimates of likely possibilities, we believe a total of at least $3 billion below the final appropriations figures will be called for. And we are prepared to make such reductions.

Since his anti-inflation program was announced the President has begun implementation of his promise to seek further economies in Government by issuing to the various departments and agencies a new six-point economy program. For example, he has ordered a 25 percent cut in Federal overtime pay.

Now I will turn to the part of the President's anti-inflation program that calls for temporary suspension of the 7 percent investment tax credit for machinery and equipment and of the option to elect accelerated depreciation on buildings, for the period September 1, 1966, through December 31, 1967.

As everyone here is probably well aware, I have been a strong exponent of the investment credit, having worked strenuously to secure its original enactment in the Revenue Act of 1962, along with the administrative liberalization of depreciation.

Our experience to date has justified the faith I had in 1961–62 in the efficacy of the investment credit, and my belief that it should become a permanent part of our tax structure. Since then industrial production has increased three times as fast as in the previous decade, real business fixed investment has increased nearly four times as fast, and our economic growth generally has far surpassed its previous rate. This remarkable achievement is not due solely to the investment credit, but I firmly believe the investment credit has contributed substantially to it. Moreover, looking to the long-term future I am convinced that the encouragement provided to business by the credit to modernize and expand its use of capital equipment is essential to maintaining full employment with stable prices, and to keep our industry competitive with foreign goods. The President and his administration fully share these views.

It is therefore, as I am sure you understand, only with considerable reluctance and after very careful study that we reached the conclusion that suspension of the investment credit is an appropriate measure at this time. I stress suspension—and not repeal—since the credit should be regarded, as President Johnson's message indicated, as an essential and enduring part of our tax structure.

Not only do I regard the investment credit as a permanent structual component of our tax system but also one that should be suspended only in times of active hostilities at least on a scale such as characterizes the present situation. Even under such circumstances I would, as I have in the past made clear, be chary of suspending the investment credit unless the combination of a rapidly expanding civilian economy and increasing and special defense needs made this course compelling. I am opposed to treating the investment credit as a countercyclical device, to be suspended and restored with the normal ups and downs in our economy.

The present situation is unique and was quite unforeseeable when the credit was adopted and stress was put—and properly so—on its permanent character. We then contemplated a peacetime economy and thoughts of a country engaged in hostilities on the present scale were far from our minds. But hostilities can cut ruthlessly across many plans and procedures designed to meet problems of a country at peace. We are deeply committed to an extensive military operation in Southeast Asia which shows no signs of early termination. Its effects on our economy are clearly evident. We are also confronted with a monetary situation of almost unparalleled tightness, which is producing distortions in our economy and the highest levels of interest rates in more than 40 years.

Early in the year when the question of suspending the credit was raised in the Senate, we hoped that this change in the law could be avoided. In March the President invited to the White House more than 100 chief executives of companies which, together, are responsible for making a large portion of business plant and equipment outlays. At that dinner the President made a strong personal appeal to those present to carefully review their investment plans with the objective of screening out and setting aside for deferral whatever projects and expenditures they possibly could. Many of the executives did just that and wrote letters to the President confirming their plans to moderate their investment outlays.

Nevertheless, the level of investment in both plant and equipment has remained too high under present circumstances and it is taking place despite sharp increases in interest rates paid by corporate borrowers which some thought would restrict capital expenditures. Undoubtedly the increase would have been larger without the influence of the President's appeal for restraint. This made clear the need for temporary suspension of special investment incentives, accelerated depreciation as well as the investment tax credit.

It would be dangerous to let the economy proceed on its present course without a release from these pressures that suspension of the investment credit and the companion measure, accelerated depreciation on buildings, will help accomplish along with the remainder of the program set forth in the President's message.

The unforeseeable escalation of Vietnam in mid-1965 gave a strong upward thrust to the demand on our resources. In response, the policy of the administration has been to take fiscal steps designed to meet conditions as they unfolded. This was exemplified in the Tax Adjustment Act of 1966 which applied the degree of restraint that conditions and prospects at that time required. Similarly, we are now proposing another appropriate step again responsive to prevailing conditions. In view of the uncertainties with which we still are confronted, we cannot offer blueprints for future programs. The only prudent course is to maintain a flexible, step-by-step approach which will maintain the stable growth and prosperity of the last 5½ years, and in the President's words, "pay for current expenditures out of current revenues, as we are now doing."

Exhibit 19.—White House press release, October 16, 1966, on memorandum to the President from Secretary Fowler, on the current status of the economy

Before your departure to Southeast Asia to consider regional reconstruction and development in that area, you wanted an up-to-date report on the economic and financial situation at home.

A review of the most recent developments leads me to conclude that the U.S. economy is in healthy and robust condition. There are some imbalances, but measures designed to correct them have been mounted.

The economy can absorb the reasonably foreseeable demands of the Vietnam conflict and essential civilian needs within the framework of a free market economy—without resort to the harsh economic controls that have characterized past wars.

As a former Director of Defense Mobilization during the Korean conflict called in 1 year after that war was underway to help administer all the paraphernalia of limited mobilization, I am struck by the present record. It is one of remarkable achievement in which both Government and the private sector can take considerable satisfaction. This situation reflects the ability of our people to adapt to shifting needs—to make effective use of the Nation's productive capacity to meet changing and enlarged requirements. It also reflects the prudent adaptation of monetary and fiscal policies which have dampened inflationary forces and minimized the inevitable imbalances that characterize a market economy operating under heavy and shifting pressures. One of these adjustments—in residential construction—has been too drastic—but both legislative and administrative measures have been taken recently to ease this special problem.

You will recall that our recent assessment of the economy led to your September 8 recommendations, to supplement our earlier anti-inflationary actions. Congress is nearing enactment of its part of this program. The impact of the total program has already been felt, particularly in relaxing the strain on our money markets and maintaining confidence that the economy is moving into less turbulent waters.

America's capacity to produce, combined with the demonstrated determination of the administration to pursue healthy growth and reasonable price stability, is continuing to pay off:

—The $13.7 billion rise in gross national product during the third quarter extended the period of solid advances scored during the current, record-breaking expansion. But it also reflected a welcome moderation from the feverish rate of late 1965 and early 1966 that produced both imbalance and excess demand with their accompanying price pressures. At a more sustainable pace we are still surpassing most of the other industrial countries not only in the total value of production and incomes but in the real rate of growth as well. Corporate profits and personal income—both before and after taxes—continue to rise extending the most steady, sustained increase in modern times. Aftertax household income is 7 percent higher than a year ago, generating a substantial rise in real purchasing power.

—Unemployment rates have been at or below 4 percent every single month this year.

—Our continued increases in capital facilities, skilled manpower and productivity have made it possible for us to shoulder the burdens of Vietnam without giving up rising living standards or measured advances to our social goals. Our strong, stable rate of growth should continue during 1967, enabling us to meet our responsibilities both at home and abroad without undue strain.

—Our recent price performance shows encouraging signs. The index of raw materials prices, which moves far in advance of wholesale and consumer prices, has dropped 13 percent since March. Wholesale industrial prices have held steady since July. The rise in wholesale food prices has been reversed in recent weeks. These developments should be favorably reflected in consumer prices in coming months.

Despite the added demands of Vietnam with their psychological unsettlement, price stability during the present expansion is superior to that of the longest expansion of the 1950's, 1954–57, when there was no conflict or dislocation resulting from war. The average level of consumer prices during that period rose excessively but these jumps would have been still higher had it not been for declines in farm products and foods. During the current expansion, consumer prices rose less, even though this time we were absorbing increases in farm and food products.

Our record of price stability in the face of the impact of active hostilities and persistently enlarging defense needs is the envy of nations throughout the world. Indeed, a major part of the consumer cost of living increases has not resulted from inflation in our industrial economy but from the adjustment upward of the income of those who have worked the land and provided services at income levels well below those in the industrial sector.

—Even with ever higher wage incomes, rising productivity has resulted in stable labor costs per unit of output in manufacturing during the current expansion, in sharp contrast to the 1954–57 period when these costs rose strongly.

Thus, the ability of American industry to compete in international markets, shackled by rising production costs built in during the mid-1950's, has been set free during the 1960's. Merchandise exports have grown every year since 1960 and are continuing to expand, while there was no net growth at all between 1957 and 1960.

Despite the substantially increased foreign exchange costs of our military expenditures associated with the enlarged activity in Southeast Asia, we are holding our balance of payments deficit to the reduced level of 1965 which was half the average of the preceding years.

Early indications are that the balance-of-payments results in the third quarter will be even more encouraging. However, this is a sector of our financial life which will require the closest continuing attention and effort. We cannot afford increased foreign exchange burdens and must constantly seek arrangements for our external activities that will minimize cash outflows and enable us to regain the equilibrium that is basic to a stable world monetary system so dependent on the dollar.

—The decline in stock market averages appears to reflect more the conditions of money and credit, the very attractive yields on debt securities, and uncertainties over the course of events in connection with developments relating to Vietnam, than a pessimistic economic outlook generally.

—The overall level of interest rates, which had risen so sharply this year, has recently eased. Longer term Treasury, corporate, and municipal bond interest rates have declined from the high levels reached in August.

—Looking ahead, the Nation need not fear recession when Vietnam hostilities come to an end. It can look forward to continuing overall economic growth.

Sources of increasing demand are clearly observable. In the private sector they are derivative from increasing personal income, more jobs, and rising population in the family-forming sector, and surging plant and equipment requirements responsive to a burgeoning technology that calls for a continuing modernization as well as expansion in capacity. Moreover, a resurgence in residential housing should follow easier monetary policy and the dip in housing. The outlook for increased State and local expenditures is clear. You are familiar with the need to hold back and defer worthwhile Federal expenditures which can be released after the termination of major hostilities.

Moreover, tax reductions can be employed to offset reduced military expenditures and help keep demand growing in line with our productive capacity. The percentage of GNP devoted to Vietnam expenditures is much smaller than was the case during World War II and Korea, assuring a much easier transition period. Therefore, peace in Vietnam can lead to even greater progress in living standards.

I am pleased to report, therefore, that the national economy is vigorous and thriving. But we must continue our unceasing vigilance to guard against any development of imbalances. We must continue to foster appropriate policies in keeping with national economic requirements, including tax, budgetary, and monetary policy changes if excessive inflationary or deflationary tendencies become evident.

Particularly, the Federal budget on the national income and product accounts basis—our best measure of the economic impact of fiscal policy—should continue—as long as there are inflationary threats—as it has this year, to remain in balance or in surplus.

In addition to avoiding excessive or deficient demand, economic stability and continued prosperity will require the earnest efforts of those responsible for price and wage determination to avoid the cost-push inflation that can arise not from excessive demand, but from excessive greed and abuse of monopolistic power.

I am firmly convinced that the economy possesses the capacity and the health necessary to continue rapid and stable growth under our free enterprise system without resort to the rigidity of overall controls which we have successfully avoided.

Exhibit 20.—Remarks by Secretary Fowler, November 18, 1966, before the U.S. Savings and Loan League, New York City, on financial and economic policy

I welcome especially the opportunity to meet and talk with this group, representing so great a portion of the savings and loan industry in our country.

During the past year I have been in touch with many of you by letter, and have met with a number of you in smaller groups, in a common effort to devise public policies designed to deal with the special problems you have had to face in recent months.

May I also take this occasion to thank you for the assistance and advice rendered to the Government through the Advisory Committee on Government Securities for the Savings and Loan Industry.

In view of the special problems facing us, I have had the benefit of consultation with your representatives not only at our regular annual meeting with this standing committee, but on two other occasions with ad hoc advisory groups which your leaders were good enough to organize, to give us the benefit of their knowledge and assistance at critical points.

It is timely to look back, and to draw the lessons from the recent past, as we are about to turn towards the opportunities and the problems of the coming year, and that is what I want to do here today. Let us begin, then, before we look ahead, by looking back at the past year.

Two points need particular emphasis, I think, as we consider the months we have just been through.

One is the unusual and temporary nature of the economic setting: we are engaged in active hostilities against armed aggression which, in addition to the unsettling psychological impact on markets has involved a substantial and steadily increasing allocation of real and financial resources.

The other is the fact that, while the Treasury is not in a position to direct those monetary developments that have been, and are, your central interest, the Treasury has been—and is continuing to be—intensely interested and active in developing especial means to minimize the effects of wartime economic tightening of money and credit which always falls heavily upon the mortgage market and the housing industry.

After the most grave and searching consideration, the President decided—and announced—in late July 1965, that the United States must expand its commitment to the cause of freedom in Vietnam.

During the eight quarters that preceded that announcement and the buildup that followed upon it, our economy had enjoyed a much needed expansion that marked the final passing of the stagnant type economy of the late fifties. That expansion had followed a smooth and steady course, averaging approximately $11 billion a quarter. In the 20 quarters of 1961 through 1965 there had been an average expansion of $9.7 billion a quarter, and much had been accomplished.

In the 5 years from mid-1960 through mid-1965, our economy had grown, in real terms—that is, in actual output of goods and services, excluding price rises—more than 23 percent. Actually, there had been little price rise to discount: by the middle of 1965 wholesale prices were only about 2 percent higher than they had been in early 1961. Meanwhile, unemployment had been driven down from nearly 7 percent to 4.5 percent in July 1965. Corporate profits, real personal income, and other returns to the private sector were up sharply. Private saving, by the way, rose 46 percent from 1960 through 1965, by contrast with a rise of 19 percent in the preceding 5 years. Private nonfarm housing starts were some 250,000 units—or 20 percent—higher in 1965 than they were in 1960, whereas in the preceding 5 years, they fell; that is, in 1960 starts were some 396,000 units lower than in 1955. That was a decline of approximately a quarter.

Following the President's announcement that our effort in Vietnam must increase, the expansion of our economy broke away from its smooth, steady, sustainable upward curve. It climbed sharply to a rate of some $16 billion a quarter. That is an increase of close to half. This steep climb absorbed a major share of the country's remaining unemployed and unutilized productive capacity. And, it brought inflationary conditions to bear in an economy that had been making an historic rise in conditions of exceptional economic stability.

The situation was compounded somewhat by a very rapid spurt in the private sector during the fourth quarter of 1965 and the first quarter of this year—a spurt that could only partly be explained by increased military orders.

In the meantime, monetary restraint had been applied, dramatized by an increase in the Federal Reserve's discount rate in early December 1965, that elevated interest rates by the summer of this year to their highest point in 40 years.

The Treasury, as you are probably aware, is not the monetary policymaker, nor does it stand at the focal point of policy toward the mortgage market itself.

The Federal Reserve Board is responsible for monetary policy, and it is an agency answerable to the Congress from which it draws its powers directly. The Federal Home Loan Bank Board, which is an independent agency, is principally responsible for governmental activity affecting the ability of the savings and loan industry to operate in the mortgage market.

However, President Johnson authorized me to set up, under Treasury leadership, in the spring of 1965 a Coordinating Committee on Bank Regulation including the Federal Home Loan Bank Board, the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Comptroller of the Currency. Since last December the Treasury has used its good offices, through this Committee, to encourage these financial agencies to devise means to mitigate the discriminatory effects upon the mortgage market, and the housing industry, of the economic tightening caused by war.

The intense interest, and concern, aroused by the swift rise in interest rates during the spring and summer of this year have obscured the extent to which there has been a shift from a fiscal policy of stimulation to one of restraint since the buildup in Southeast Asia. Fiscal measures of restraint have been affirmatively used to complement the use of monetary policies in a combined program of restraint on the inflationary pressures which accompanied the increase in our military activities.

As the President pointed out in his September 8 message to the Congress, the Government this year—that is, the administration and Congress working together—acted to protect our prosperity by taking $10 billion of excess purchasing power out of the economy in calendar year 1966.

This included $6 billion through increased payroll taxes for social security and medicare; $1 billion through restored excise taxes; $1 billion through graduated withholding of income taxes; $1 billion through a speedup in corporate tax payments; and $1 billion through an administrative acceleration of tax-payments.

In addition a policy of holding back nondefense expenditures beginning in the fiscal year 1966 and carrying through until now has had real fiscal bite.

Economists regard as the best available measure of fiscal policy and its impact on the economy the so-called national income and product accounts budget. This includes the economic impact of money paid into or out of trust funds—which can have just as great an economic impact as current income taxes or spending for defense or space programs. It also nets out the effect of accelerations or decelerations of revenue collections by counting revenue on an accrual basis. It leaves out of account Federal lending or loan repayments.

On this national income basis, there was a surplus of nearly $1 billion for the fiscal year 1966 as a whole. In the January–June 1966 period alone the budget surplus on the national income basis ran at an annual rate of about $3 billion, which represented a sharp shift from the $1.5 billion, in the last 6 months of 1965.

A surplus appears to have continued into the current fisca year through the quarter just ended.

This is clear and undeniable evidence that fiscal restraint has been employed throughout this calendar year. Let us look at the results.

This carefully developed and measured use of public policy to assist the private economy to return to a pattern of more moderate and sustainable growth—together with stability and balance—is bearing visible proof. The recent evidence is reassuring, and is a good sign for the future.

The annual rates of gain in our gross national product in the two latest quarters have been $11.1 billion and $12.3 billion. The increase in the current quarter appears to be running closer to these rates than to the excessively rapid expansion earlier on. This is to say that there is every reason to think that we have returned to rates of gain that we know from experience can be sustained over the long pull and should be relatively free from the inflation that comes from excessive overall demand.

All Americans can take pride in the fact that we have been able to accomplish this cooling off in our economy without a recession, and can have confidence that the economy will continue to climb next year at a healthy rate, given reasonable and responsible economic conduct by all concerned—Government, business, and labor—without inflation.

There is another sense in which, I think, all of us can take real pride. This is the fact that we are able now to manage our economic affairs, even in the presence of large wartime demands, without the harsh and distorting economic controls that marked our last such experience, in the Korean war.

This is especially notable to me because I was called in, a year after the Korean war was underway, as Director of Defense Mobilization, to help administer the many controls that were placed upon the economy at that time. Let me just give you an idea of what was in effect:

—a thoroughgoing system of priorities and allocation of materials and facilities;
—wage and price and salary controls to achieve stabilization;
—consumer credit controls.

Under the above powers, on September 18, 1950, the Federal Reserve Board issued regulations restricting installment buying. And, on October 12 the Reserve Board fastened controls on residential real estate credit.

General wage stabilization and price ceiling regulations were issued by the Economic Stabilization Agency the following January 26.

Let me remind you of what happened under these conditions.

During 1951 and through 1953 the economy grew 16 percent at constant prices.

Meanwhile, in the 1 year, from 1950 through 1951, private nonfarm housing starts fell off by a quarter. They remained at the depressed 1951 level through 1953.

This happened although private savings grew by a fourth, and although interest rate levels rose but gradually.

The very different situation today reflects the ability of the American people—as I noted in a memorandum on the economy to the President made public October 16—to adapt to shifting needs, to make effective use of the Nation's productive capacity to meet changing and enlarged requirements. And, as I noted in this same message, it also reflects the prudent adaptation of monetary and fiscal policies which have dampened inflationary forces and minimized the inevitable imbalances of a wartime economy.

Nevertheless, and despite our best efforts, some serious problems have emerged this year. There have been scarcities in some sectors of the labor market. Farm and food prices were under upward pressures. Extraordinary business demands for capital goods have resulted in some scarcities and have increased delays in capital goods deliveries.

All this, together with a high rate of inventory accumulation, resulted in tremendous demands upon financial markets from the business sector of the economy.

These demands, felt together with the restrictive policy pursued by the Federal Reserve Board, and some slackening in the rate of personal savings, have combined to push up interest rates, as I have already mentioned, to the highest point in four decades.

High interest rates, in turn, along with the increased competitive position of commercial bank time deposits, have led to shifts in savings patterns. This brought on the adverse effects on thrift institutions, including savings and loan associations, that you have confronted in recent months. These shifts have tended to divert funds away from the mortgage market and have had a severe adverse effect on the home building industry.

In the remainder of my talk, I will focus on the emergence of this problem, and how we in the Government—in the executive branch, the Congress, and the bank regulatory agencies—have attempted to deal with it.

Let me take up first the matter of interest rates and keen competition for funds.

There is a temptation to start with and focus solely on the December 1965 revision of regulation Q which allowed commercial banks to pay up to 5½ percent on time deposits. But that would involve an oversimplification. For several years banks have provided increasing competition with savings and loan associations and mutual savings banks for the household savings dollar. Previous revisions in regulation Q and more competitive behavior by banks, primarily through the development and widespread use of many kinds of certificates of deposit, contributed to the fact that savings inflows into savings and loan associations declined absolutely in 1964 and 1965—even though household savings were increasing. However, at more than $8 billion, the growth in savings shares in 1965 still represented a percentage gain of more than 8 percent.

Prior to the December 1965 revision of regulation Q, banks had narrowed the differentials between what they were paying on time deposits and what savings and loans were paying. But in most areas of the country rates paid on savings shares still exceeded rates available on bank time deposits.

The December revision, which raised the ceiling on time deposits from 4½ percent to 5½ percent, made it possible for banks to offer rates above those prevailing at savings and loan associations and above the rates sanctioned by the Federal Home Loan Bank Board.

Whatever the final judgment of history regarding that action last December, I think that virtually all observers were surprised at the speed with which time deposit rates moved up toward the new ceiling levels. Some upward rate adjustments were expected, of course. As early as December 10, 1965—a matter of days after the rise in the discount rate and in the maximum rate payable on time and savings deposits—I moved to convene the Coordinating Committee on Bank Regulation to discuss this new development in the competition for savings. Concern was expressed at that meeting not only about the upward push of interest rates, but also regarding possible repercussions on the financial institutions that would have to seek higher yielding investments to cover the higher cost of money, and about the mortgage market which was vulnerable to a decline in the availability of funds.

Bankers were publicly urged to exercise caution in using their greater margin of leeway under regulation Q, and they were cautioned not to bid up the rate on savings in a fruitless race with other sectors of the market. For a time after the December move it did appear that a cautious approach was being taken. Relatively few banks raised their rates in December and January and earlier concern that large movements of savings funds might occur in January, once the end-of-year interest or dividends had been credited on savings accounts, was not borne out.

A different picture began to develop by March, however, as more and more banks—including some of the largest ones in the country—stepped up their rates on time deposit accounts more actively. Of course, this was not done in a vacuum. Banks were presumably seeking to assure themselves of a supply of funds to meet strong loan demands, as a buoyantly rising economy encountered a policy of increased monetary restraint. The same market forces were evident in the rise in market interest rates on a variety of obligations—including Treasury and Federal agency issues, commercial paper, and tax-exempt offerings of State and local governments.

With a new and aggressive attitude toward competition for time deposits, and with the head room afforded by the December 1965 revision of regulation Q, banks were willing and able to compete effectively for time deposit funds through the summer of 1966. As a result, banks could finance a 19 percent annual rate of expansion in business loans despite restrictive efforts on the part of monetary authorities. Instead of having to ration business credit, banks were able to shift a considerable share of monetary restraint to the financial markets. This contributed considerably to the rise in interest rates through the summer of this year. It also added to the burden placed upon the mortgage market and the home building industry by restrictive monetary policy.

It was against this background that I stated to a meeting of Reserve City Bankers last April, after urging the bankers to be more selective in making loans, and to turn down or scale back the loan applications of lesser priority:

"I would hope, also, that there will be an accompanying disengagement from unreasoning competition for time and savings deposits that ignores the need for caution and the harm that kind of competition can do to our banking and financial system."

It was one thing, in a period when monetary and fiscal policies were directed toward stimulating the economy, to allow and indeed encourage banks to compete effectively for time deposits. This contributed importantly to financing the economic expansion. But in a period when policy goals had shifted to restraint, the same policy of unrestricted competition for financial assets and savings led to some undesired consequences and excesses.

As rates on market instruments rose and as banks offered higher rates on consumer CD's, savings and loan associations and mutual savings banks came under increasing pressure. Particularly heavy outflows, as you know, were encountered in April and July, following the end-of-quarter interest and dividend dates. In those two months combined, savings and loan associations sustained an outflow of $2¼ billion. These outflows led to a sharp curtailment of mortgage lending by the thrift institutions, which in turn dragged down new housing starts.

Although housing starts held up well through April, permits had already begun to decline during that month and information from mortgage lenders had, by March, suggested that a significant decline in starts was on the way. Starts during the summer months averaged, on a seasonally adjusted basis, 30 percent less than during 1965 and the first 4 months of this year. This is about the same order of magnitude of decline that was experienced after the peak housing years of 1950 and 1955.

As 1966 progressed, the developing pressures in financial markets suggested more and more clearly the need for a policy approach that would moderate the impact of rising interest rates and increased rate competition on thrift institutions, the mortgage market, and home building activity.

From the beginning of the year, the Federal National Mortgage Association helped to cushion the developing weakness in the mortgage market through its secondary market operations. During the first half of the year Fannie May increased its holdings of FHA-insured and VA-guaranteed mortgages by more than $1.3 billion. In so doing, it was approaching the point at which its borrowing authority would be exhausted.

In May, legislation was introduced in Congress to expand the borrowing and lending authority of FNMA. This expansion received the support of the administration and in August Congress enacted a bill that enables Fannie May to expand its borrowings, and hence its mortgage holdings by some $4.8 billion. This has enabled Fannie May to continue its mortgage purchases on a sizable scale in the secondary market.

To offset the outflow of funds from savings and loan associations in April the Federal Home Loan Bank Board substantially increased its advances to member associations. Advances outstanding increased by about $800 million, approximately offsetting the outflow of savings shares. This enabled savings and loan associations to maintain at least some moderate flow into the mortgage market from loan repayments and also reduced potential liquidity problems faced by some associations. During the next 3 months—but particularly in July—the Federal home loan banks raised their outstanding advances to member associations by another $800 million and stood ready to make substantially larger advances if that turned out to be necessary. Had those substantially larger advances been needed, the Treasury was prepared to back up the Federal home loans banks with further sums—if necessary going beyond the $1 billion line of credit that the home loan banks have with the Treasury. While the July outflow of funds from savings and loan associations was large, it proved to be less than many had forecast and no extraordinary financial assistance to the home loan bank system was necessary.

Meanwhile it was becoming clear that a more flexible approach was needed with respect to interest rate regulation. This had already been discussed by the Coordinating Committee of the financial supervisory agencies as early as last December, but the absence of significant savings losses in the opening months of the new year had tended to lessen the sense of urgency for a time. After April, the sense of urgency returned with full force.

It was for this reason that in May, and thereafter, I took the firm position that the regulatory authorities needed additional legislation, to be followed by adequate action, to maintain the competition for savings on a sound basis, and avoid the excesses of unrestrained competition.

After a number of days of congressional committee hearings, after some further escalation of interest rates—particularly in late June and July, and after certain limited actions by the regulatory agencies within the powers then at their disposal, a more general feeling had developed throughout the financial community and the Government that additional administrative flexibility was needed.

In this setting, the various proposals that had been under review by the Coordinating Committee provided a background for bringing much closer together the views of the various financial supervisory agencies. And with that degree of unanimity working for it, it was not long before an effective piece of legislation was passed and signed. The principal provisions of H.R. 14026, which was signed by the President on September 21, gave the Federal Reserve Board and the FDIC temporary authority to set different maximum rates on time deposits according to their size and other criteria, and it gave the Federal Home Loan Bank Board temporary authority to set interest ceilings on savings shares of insured savings and loan associations.

The same day the new legislation was signed, new rate ceilings were announced by the Federal Reserve, the FDIC, and Federal Home Loan Bank Board. These ceilings, which were developed with full coordination among the three agencies, had the effect of forcing the more aggressive commercial banks to lower their rates on consumer CD's to 5 percent while requiring practically no rollback of rates paid by savings and loan associations and mutual savings banks.

Less than 2 months has elapsed since the enactment and implementation of this legislation, but the initial experience suggests that on the whole it is working well and is serving to relieve excessive pressures on thrift institutions. I say this in full awareness that significant competitive problems do remain in some areas, but I believe the overall effect has been quite favorable. Early reports indicate that savings and loan associations in the aggregate suffered no outflow in October—a much better result than anyone would have dared to predict in advance.

Enactment of H.R. 14026 and the implementation of its rate ceiling provisions has required considerable cooperation among the regulatory agencies. Our recent experience strongly testifies to the importance and desirability of such cooperation which, hopefully, will be maintained in the future. As we move through the period covered by the September legislation we will all want to consider carefully whether reason remains for retaining flexible authority of this kind before it expires next September.

The interest rate legislation was, of course, but one part of the response that has been developed to relieve financial market congestion. On September 8 the President announced a program designed to ease developing inflationary pressures and imbalances within the economy and at the same time ease existing pressures in financial markets. In addition to the interest rate legislation I have already described, that program included the temporary suspension of the investment tax credit on new equipment purchases and of the use of accelerated depreciation on new buildings and structures. The President also indicated that he would defer and reduce Federal expenditures in lower priority Federal programs. Congress responded quickly and favorably by enacting the administration's tax proposals.

The President also directed in September that the Treasury review all potential Federal agency financings to keep them at a minimum and thereby help reduce pressures on the money market and on interest rates. In recent months there has been a tight rein on Federal agency financings. The September sale of participation certificates in Federal lending programs was canceled, and the Treasury stated that a further sale of these certificates would be made in the market in 1966 only if the market returned to more normal conditions.

The President's program has, in fact, brought about a somewhat better atmosphere in financial markets. Interest rates have declined from the August-September highs; the Treasury was able to conduct a highly successful refunding of its November 15 maturities; and the deep apprehension about financial conditions that existed in August seems to have largely disappeared.

This is a time of year when it is useful to look ahead, as well as back, and I know that the prospects for 1967 and beyond are very much a matter of concern to you, as they are to us in the Government.

I wish that I could lay out a neat blueprint for you that would resolve all the questions and uncertainties that now face us, but I know you do not expect that, and I know that I cannot deliver it. On the positive and hopeful side, we are beginning to see signs that the business sector will not swallow up funds at the pace witnessed earlier this year. Part of this is traceable to the recent impact of monetary restraint on bank lending to business. Partly, it reflects some abatement in the excessive business demand for investment spending, and in turn this is due in some degree to the temporary suspension of the investment tax credit. Whatever the reason, if there is a lesser taking of money by business borrowers, then in due course more should become available for the mortgage market and the financial institutions that are the mainstay of that market.

In the months ahead we should see the beneficial effects of the measures taken to strengthen financial markets and assist the mortgage market directly. In stopping the hemorrhage of savings funds from the thrift institutions that occurred earlier this year an important part of the cure has begun. As the flow of funds into savings and loan associations and mutual savings banks improves—and signs of this are beginning to appear—these funds should find their way into the mortgage market.

In short there need be no question about the concern of the Government for the condition of one of the Nation's major industries—housing, and one of its major groups of financial institutions—the savings and loan associations. That is now a demonstrated concern and I can assure you that it is a continuing concern. Let me interject here just a few words about the current state of our planning for a new savings instrument to accompany the regular Treasury savings bond program in 1967. I can understand that this is a topic of particular interest to you, and while I cannot at this time lay out specific details of what we will offer I can be most emphatic about certain of our objectives.

Our program will be aimed—and will be aimed successfully, I believe—at achieving additional savings and not at diverting savings away from existing accumulations or existing channels of flow. We are thinking not in terms of a permanent change in what is offered to the saver but of a temporary supplement to our savings bond program in this current period.

Experience over the years suggests that the savings industry as a whole has a good deal to gain from the cultivation of regular savings habits among new savers—and that is a group that we are particularly anxious to reach. By directing our efforts mainly at payroll savings, and aiming at signing up new savers—many of whom now have no savings program at all—I believe that our efforts will be entirely consistent with the long term interest of the savings industry.

There remains at this time a question to be answered about the overall economic trend in the year ahead. This depends significantly on the prospects for defense and other Government outlays in the coming months.

But there is no question about the goals for fiscal policy in 1967. They are, clearly:

First, we must maintain the growth of real GNP in line with the growth of our capacity to produce—which means a real annual rate of about 4 percent.

Second, we must do all we can to slow down the rate of price increase and return to price stability as rapidly as possible.

Third, we must do all we can to relieve the current distortions in our economy—which lie principally in the capital goods, housing, and financial sectors.

Although specific measures can help achieve these results, the most fruitful approach would seem to be to shift the mix of policy so as to permit some easing of monetary policy.

The need for balance in the economy is of course a concern that stretches out over a longer time span than just the next year or two. Taking that perspective I am much impressed with the size and variety of investment needs—and opportunities—that lie ahead. In the housing area alone the scope is enormous. Adding to this the needs in the areas of industry, education, health, transportation, and recreation, the prospects are virtually boundless. All of this suggests to me that in order to meet its long-term investment challenge our society must also develop its techniques for channeling savings in the most efficient manner possible. In this effort all expect the savings and loan industry to play a vital and leading role.

Exhibit 21.—Statement by Secretary Fowler, February 6, 1967, before the Joint Economic Committee, on economic and financial policies and programs

We meet after a year of bumpy but successful economic transition. During this time, our fully employed economy has adjusted to the requirements of a rapidly expanding defense effort. From all present indications, the most difficult part of that adjustment now lies behind us.

In the past 18 months, the economy has absorbed a $15 billion increase in national defense expenditures without resort to wartime controls, without disruption of the economy's overall advance, and with smaller price rises than in earlier comparable periods. Last year's successful transition was aided by a significant shift in economic policy from stimulus in the last quarter of 1965 to measured restraint through most of 1966. The shift in policy was instrumental in relieving the economy of growing price pressures induced by the heavy demand of the defense buildup. Nevertheless, some strains and imbalances emerged during the year, and these will require our continuing attention.

Economic achievements were impressive last year:

—Industrial production rose 9 percent;

—Net income per farm rose more than 10 percent;

—2 million more workers found employment;

—Unemployment averaged below 4 percent;

—Corporate profits climbed 8 percent.

And internationally:

—Our gold loss was cut more than 50 percent; the loss was due to purchases by France—except for French purchases we would have added nearly $200 million of gold to our stocks.

—On an "official settlements" basis our international accounts recorded a small surplus for the first time since records were kept on this standard in 1960, and the deficit on a liquidity basis was up only slightly despite the increased drains directly due to Vietnam.

But there were problems, too. On the domestic side, prices rose more than usual, money markets became extremely tight, interest rates rose to excessive heights, and the accustomed flow of mortgage money fell off sharply. A severe adjustment was imposed on the housing industry, only now in process of recovery. On the international side, our trade surplus slipped as a rapid expansion in some sectors of the economy pressed hard on our capacity to produce.

In the last quarter of 1966, it became clear that many of the heavy pressures on the economy had abated. Although unemployment remained low, sales and production increases slowed, larger inventory increases occurred, and surveys indicated a slower growth of investment. This made possible a welcome easing of monetary conditions and our position of fiscal restraint moved to a measured stimulus.

With different conditions facing us this year, we aim at a different mix of monetary and fiscal policies designed to keep the economy moving ahead steadily and safely. As noted, a monetary easing began in late 1966. The President's fiscal program will complement monetary easing by maintaining stimulus in the first half of 1967. Later this year, when less stimulus is expected to be appropriate, the fiscal program is expected to encourage a continued monetary easing by moving toward modest fiscal restraint. This can be done by avoiding tax increases now, but financing through tax revenues the additional expenditure of our defense effort in fiscal 1968. Working in tandem, monetary and fiscal policy can continue to foster the healthy financial environment within which our economy has flourished during the past half dozen years.

Economic developments in 1966

With the President's Economic Report before you, there is no need to review the broad sweep of economic developments during 1966 in any detail. However, I would like to comment on major accomplishments—and unsolved problems.

In the sixth year of the current expansion, our gross national product increased a shade more than 8½ percent in money terms and by about 5½ percent after allowance for rising prices. The enormous productive power of the economy was bolstered by a record increase in industrial capacity, reflecting, in large part, the successful use in past years of investment incentives.

This added capacity helped meet the strong rise in defense and civilian production in 1966. Despite the emergence of the selective pressures that required by late summer the temporary suspension of the investment tax credit and accelerated depreciation, higher production was achieved with only about a 2 percent rise in the industrial component of the wholesale price index. Let me note, in contrast, that industrial prices rose more than 10 percent between 1950 and 1951 under the pressure of the Korean buildup, and by more than last year's 2 percent in both 1956 and 1957, when no comparable defense buildup took place.

We can take satisfaction from the fact that unemployment averaged only 3.9 percent last year. There can, however, be no complacency about the unemployment problem while much higher rates persist for teenagers, minority groups, and the disadvantaged. Significant reduction of these higher rates is unquestionably a matter of high national priority. But further reductions in unemployment must increasingly depend upon our intensified efforts to improve training and educational facilities, upgrade skills, and remove remaining discriminatory barriers to job opportunities.

The economy cannot continue to grow as rapidly now as it did earlier in the expansion when there were relatively large amounts of unutilized industrial capacity and unemployed labor upon which to draw. Were we to permit or encourage total spending in the economy to rise as rapidly as it did last year, the result could only be sharply rising prices, undue strain on the balance of payments, and likely an eventual recession with a retreat to much higher rates of unemployment.

With the combined impact of sharply higher defense requirements, and the business plant and equipment boom, the economy did begin to pick up too much speed in late 1965 and early 1966. The need this posed for a shift away from fiscal stimulus was fully recognized last year when I appeared before your committee, and in the economic program we placed before the Congress at the outset of the year. A program of fiscal restraint, additional to the January 1966 increase of $6 billion in payroll taxes, was contained in President Johnson's budgetary recommendations of a year ago. Prompt congressional action on the Tax Adjustment Act of 1966 enabled fiscal policy to move to a more restraining position early in the year.

Monetary restraint—signaled by the December 1965 discount rate increase by the Federal Reserve—was applied with increasing effect as the year proceeded. By late summer, strong credit demands and monetary restraint had led to an intensification and concentration of pressures which called at one and the same time for further fiscal action to restrain certain areas of excessive demand—notably in the business borrowing sector—and also for action to relieve the excessive burden of monetary restraint that was threatening the very functioning of our financial markets. President Johnson's anti-inflationary program of September 8 and responsive action by the Congress led to a dramatic improvement in financial markets and a lessening of inflationary strains.

This fiscal restraint—its nature, timing, and amount—was measured with care against the most realistic and updated picture of the Nation's economic condition that we could obtain. Our problem during most of last year was not primarily one of overall excess demand or insufficient total restraint. This is illustrated by the much slower advance in gross national product beginning by the second quarter of 1966, and by the flat trend in overall unemployment and industrial utilization rates during the same period. Rather the problems were those of selective imbalance and the financial strains that can develop with a sharply increasing degree of monetary restraint.

Some intensification of price pressures—aggravated by a rise in food prices due primarily to special and largely temporary agricultural difficulties—could not be avoided under the circumstances. But by yearend, the price situation was much improved. Wholesale prices had fallen back from their August peak, and the rise in consumer prices was slowing. The year-to-year increase in the consumer price index was a little less than 3 percent, certainly more than we wished to see—but far less than the 8.0 percent between 1950 and 1951 during early stages of the Korean defense buildup, and even less than the 3½ percent between the peacetime years 1956 and 1957.

Flexibility in fiscal policies

In summarizing last year's fiscal action and that planned for the year to come, it is convenient to focus on the Federal sector in the national income accounts. This is the best single measure of Federal fiscal stimulus or restraint. Over time, it tracks the changing course of the Federal Government's fiscal impact, which

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both influences, and is influenced by, the pace of private spending and taxable income. As you know, the administrative and cash budget positions, while important from other standpoints, do not provide as meaningful information on the Federal fiscal impact in terms of current spending on the output of the economy.

A year ago when I appeared before your committee, I emphasized that there was a clear need for a shift away from the stimulative fiscal policies of earlier years. That shift took place as planned and is mirrored in the swing from stimulus in the second half of 1965 to a restraining posture through the first half of 1966.

Last fall, with further selective fiscal action being taken in reduction of nondefense spending and suspension of the investment tax credit, the need for overall restraint had clearly lessened. Monetary policy was beginning a shift in the direction of ease. And, by that time, the national income budget had arrived at a mildly stimulating position that was also appropriate to the general economic situation.

Thus the general contours of fiscal stimulus and restraint over the past year coincided closely with the requirements of the economy. Restraint was needed early in the year, and it was there. As the need decreased, so did the restraint. I will not argue that fiscal perfection was attained in 1966. But I do contend that the overall pattern of fiscal action was prudent and responsible in view of the manifold uncertainties that were present throughout much of the year.

The President's fiscal program for this calendar year has been carefully framed to provide maximum flexibility. It will continue to be important to apply restraint and stimulus cautiously and at the proper time. During the first half of this calendar year, we expect to see some adjustments taking place within the context of a generally rising and prosperous private economy. Defense expenditures will still be moving up, and a moderate advance should be taking place in other components of demand. But some moderation in the rate of growth in inventories, in line with recent sales trends, may well occur in certain industries. During this same period, the housing industry should be gaining momentum but will not have reached full speed.

All told, during this first half of the year, we are likely to need to complement a continuation of monetary ease with a moderate degree of fiscal support while some sectors of the economy are shifting gears. And that is what fiscal policy is designed to provide.

By the second half of 1967, the economy is expected to pick up added steam and be in much less need of a fiscal push. An easing of monetary policy should lead to a significant revival in housing. Assuming favorable congressional action, personal incomes will be augmented at midyear by a rising stream of social security benefits, with higher payroll taxes to follow in 1968. And on current estimates, Federal expenditures for Vietnam and other defense outlays, as measured in the national income accounts, will rise by another $5.8 billion during the fiscal year that begins this July.

The President has recommended a 6 percent surcharge on both corporate and individual income taxes to be effective at midyear and to last for 2 years or for so long as the unusual expenditures associated with our efforts in Vietnam continue. An exemption is provided for low-income taxpayers. The revenue effect of the surcharge would increase calendar year 1967 tax liabilities by $2.8 billion—$1.9 individual and $0.9 corporate. In calendar year 1968, tax liabilities would be increased by $5.8 billion—$3.9 individual and $1.9 corporate. In addition, legislation will be recommended to provide a further acceleration of certain corporate tax payments commencing in calendar 1968.

Assuming favorable action on the President's program, the national income budget would move into a smaller deficit position during the last half of this calendar year than otherwise would be the case. And, on current projections, the budget would exert an essentially neutral influence in early 1968, reaching balance, and possibly a surplus, by mid-1968.

As we learned from 1966 experience, projections cannot always hit the mark. The prudent course is to maintain a maximum degree of flexibility in order to meet unforeseen developments. But, our best judgment now is that the moderate tax increase the President has proposed will be consistent with the needs of the economy in order to prevent any resurgence of inflationary pressures. Furthermore, that increase would meet the fiscal 1968 increase in defense costs, keep our cash and administrative deficits within reasonable bounds, and provide extra leeway for a continued easing of money and credit, giving some insurance against a return to the monetary stringency of 1966.

By late summer, interest rates had reached their highest levels in four decades. With the announcement of the President's September 8 anti-inflationary program and the benefit of subsequent steps taken by the Congress and the financial regulatory agencies, a concerted easing of interest rates was set in motion. Since early October, there has also been a rise in average stock market prices.

From early December 1965—just before the discount rate rise—to the August–September peaks of last year, 3-month Treasury bills rose by nearly 1½ percentage points, and long-term issues also rose substantially. New issues of AA-rated corporate bonds rose about 1½ percentage points reaching almost 6⅜ percent. The commercial bank prime lending rate also rose 1½ percent. Yields on new municipal bonds advanced about three-fourths percent. Rates on conventional new home mortgages as reported by FHA also rose about three-fourths percent, and the availability of funds to the mortgage market was drastically reduced.

Not quite 6 months later, rates have fallen back impressively. Three-month Treasury bills are lower by about 1 percent and long-term Treasury rates have returned to the level which prevailed before the discount rate rise. I am pleased to report that on our current successful $7.5 billion refunding the rates are the lowest offered in a Treasury refunding since November 1965.

Financial policies and debt management

Financial markets through the first two-thirds of last year were marked by extraordinarily heavy credit demands pushing against increasing monetary restraint. Interest rates rushed higher and at times the orderly functioning of the financial markets was threatened—especially in the late summer period. The avoidance of severe disruption testifies to the great strength and resiliency of our financial system—but the test was not one that bears repetition.

The heavy credit demands of 1966 came mainly from the private sector. Business borrowing, especially, made huge claims on the capital markets. Net debt and equity issues of corporations came to an estimated $12½ billion, while business borrowing from banks rose $10 billion. State and local government debt rose $7 billion, and mortgage debt by $25 billion (but this was $5½ billion less than in 1965). Federal credit demands on the private sector (netting out purchases by the Government investment accounts and the Federal Reserve) came to just $3 billion, as a $2 billion decline in Treasury issues in the hands of the public partly offset the $5 billion increase in Federal agency debt and participation certificates.

Federal agency securities and participation certificates are also finding the markets much more receptive than a few months ago. Corporate and municipal yields have moved down substantially from earlier peaks, and the average cost of new State and local borrowing is below the levels of December 1965. Bank lending rates have begun to recede. Rate declines have been somewhat slower to come in the mortgage area, but there are signs that they are on their way, and there is welcome evidence of improvement in the flow of funds to the mortgage market.

Special measures were needed—and were taken—last year to cope with an abrupt hiatus in the normal flow of funds to thrift institutions and the mortgage market. Aggressive competition among financial institutions for time deposits contributed to an overall escalation of interest rates, and shunted funds away from the mortgage market. The Coordinating Committee on Bank Regulation—which President Johnson directed me to set up in the spring of 1965—provided a useful forum within which the regulatory authorities were able to hammer out an effective program to deescalate savings rates from their highest levels and mitigate adverse effects on the mortgage market.

A key element in that program was the legislation providing the regulatory agencies with temporary authority—which was immediately exercised—to set maximum rates on time and savings accounts. In addition, important offsets to the reduced flow of money into mortgage markets were achieved through expanded Federal Home Loan Bank and Federal National Mortgage Association operations—in the latter case with the help of congressional action to expand FNMA's borrowing capacity.

As 1966 progressed, increasingly close coordination was achieved in the financial area. It should serve us well in the future. Last year's experience does emphasize the need to consider carefully how in the future the mortgage market might be spared the burden of excessive restriction in the wake of monetary tightening.

The transition back to cost-price stability

One consequence of the pace of expansion in 1966 was the extra pressure on costs and prices. The result was an unwelcome lapse from the remarkable record of stability that has prevailed throughout most of the current expansion. Against the standards of previous defense buildups or the investment boom of the mid-1950's, last year's performance was remarkably good. But, the upward drift in our price indexes since mid-1965 is cause for concern. We have acted, and will continue to act, to avoid price increases that would endanger an enviable record of stable economic growth and progress toward balance of international payments equilibrium in the 1960's.

The consumer price index increase of 2.9 percent between the full year 1965 and 1966 was about twice the size of the average increase of recent years. Between December 1965 and December 1966, the index rose somewhat more—by 3.3 percent—but the rate of advance had slowed appreciably by late 1966. Wholesale prices rose by 3.2 percent between the full year 1965 and 1966, but by only 1.7 percent between December 1965 and 1966, reflecting the downward trend that developed after midyear.

While there were signs that price pressures were abating by late 1966, labor costs per unit of output in manufacturing—and in other major sectors—were drifting upward. This, too, marked a departure from virtual stability earlier in the expansion. As yet, the increases are moderate by comparison with earlier expansions. However, it is essential to achieve an early restoration of cost stability in order to avoid a further push on prices.

We expect the more moderate advance of the economy this year to relieve selective pressures and provide the environment within which a transition to better cost-price performance can proceed. And, the Government will continue its other efforts to relieve cost-price pressures—through its training and employment service program, and in the areas of procurement, stockpile disposal, and farm programs.

But efforts of the Government alone will not be enough. As President Johnson has stated in his Economic Message, improvement will require the responsible conduct of those in business and labor who have the power to make price and wage decisions.

Before turning to a discussion of the balance of payments, I would like to take note of the recent study by your Subcommittee on Economic Progress entitled "U.S. Economic Growth to 1975: Potentials and Problems." Your committee is extending its record of involvement with important economic issues. As I indicated in my remarks at a Loeb Award luncheon last May, our rate of overall economic growth must increasingly rest almost entirely upon the rate of growth in quantity and quality of new capacity and new manpower. Therefore, your study—and others—of our growth potential is welcome indeed.

Balance of payments

While full information on last year's balance-of-payments results will not be available for several weeks, I can outline the general picture. Our "liquidity" deficit last year was somewhat over $1.4 billion—roughly $100 million more than in 1965. This minor increase must be viewed against the far greater rise in direct foreign exchange costs associated with Vietnam—not to mention the increase in indirect balance-of-payments cost in the form of additional imports resulting from higher defense spending at home.

Our "official settlements" balance, in contrast, actually showed a slight surplus of about $175 million on the basis of preliminary figures—the first surplus since 1960 when we first kept figures on this basis. This surplus was attributable to heavy borrowings from abroad by U.S. banks and the consequent accumulation of liquid dollar claims by foreign commercial banks, including foreign branches of U.S. banks. It reflected the tight credit situation in the United States and the unsettled condition of sterling during part of the year. Ordinarily many of these dollars would have moved into foreign official reserves and some of them would possibly have been converted into U.S. gold. As it was, our gold loss for the year was $571 million, in contrast to $1.4 billion in 1965, excluding the $259 million gold payment in connection with the increase in IMF quotas.

Last year our overall reserve loss—gold, convertible currencies, and IMF gold tranche position—was $568 million. The comparable figure in 1965 was $1.2 billion. It is worth noting that even with an official settlements surplus our net reserve position showed a decline—due mainly to continued heavy conversions of dollars into gold by France during the first 8 months of the year.

On trade account, our surplus declined by somewhat over $1 billion—from $4.8 billion in 1965 to about $3.7 billion last year. Our exports rose by more than 11 percent, but our imports rose by almost 19 percent because of:

—a rapid rise in gross national product,

—near-capacity operation in some sectors of the economy, and selected shortages of skilled labor,

—a high level of military orders for specialized items, and

—certain special situations such as that arising from the elimination of duties on automobiles produced in Canada under the recent United States-Canadian auto agreement.

With the lessening of selective pressures in the economy and a more moderate pace of advance, growth in imports can be expected to taper off. In fact they showed almost no change between the third and fourth quarters of last year.

On the export side, the U.S. competitive position was maintained. U.S. wholesale prices rose faster than in some advanced countries but slower than in others. Unit value of U.S. exports in the second quarter of last year showed a decline from the comparable quarter in 1965, whereas the movement was upward for most advanced countries.

While we appear to be holding our ground, competitively, we are not making the gains we did up to mid-1965. To insure renewed progress toward a balanced payments position, an early return to cost-price stability is essential.

In the capital sector, incomplete data point to some decline in total private outflow for the year as a whole. We know, for example, that banks reduced their claims on foreigners by about $300 million.

The spectacular change, however, in the capital accounts last year was on the receipts side. Long-term capital receipts included:

—investments of over $400 million by international lending institutions in long-term CD's and in U.S. agency issues, and

—investments of over $700 million by foreign official agencies in long-term CD's.

Some of the latter investment was made out of large dollar accruals to certain countries from our military spending abroad. Some represented shifts out of foreign official liquid dollar holdings in response to the high rates of return on time certificates of deposit and Federal agency securities.

The official reserve transactions balance, but not the liquidity balance, benefited from an unusually large accumulation ($2.8 billion) of liquid dollar holdings by private foreigners, mainly banks—and including foreign branches of U.S. banks.

In very broad terms, last year's worsening in the trade and military expenditure accounts was offset by unusually large receipts of foreign capital. In 1965 when there was also a worsening in the trade and military expenditure accounts, the major offset was a reduction in the outflow of U.S. private capital.

We must strive for a better balance in the years ahead. The United States is normally a large net capital exporter—and it should be. It generates substantial savings, its capital markets are highly developed, and its business management invests heavily abroad.

But for the time being, the United States must be prepared to hold its net capital outflows to reasonable proportions. Our balance-of-payments program is tailored to this end. And, if net capital export is to be large in the future, we must achieve a strongly growing current account surplus.

In the current account area, we have:

—made the expansion of U.S. commercial exports a major activity of missions abroad.

—established a special rediscount facility at the Export-Import Bank.

—to attract more foreign tourists to our shores, we are establishing a special task force of Government and business executives to make specific recommendations in this vital area. The lack of funds available to the U.S. Travel Service has been an inhibiting factor here.

In the Government area, we have:

—taken further steps to insure that AID-financed exports are "additional" to our normal commercial exports, and

—worked closely with the international monetary institutions to insure that their financing in the U.S. market was consistent with our balance-of-payment policy.

In the capital area, recent actions include:

—the request for authority from the Congress to adjust the rates of the interest equalization tax between zero and 2 percent, as relative interest rate changes and our balance of payments warrant.

—the meeting last month with the Finance Ministers of the United Kingdom, West Germany, France, and Italy in Chequers to determine how interest rate policies might be better coordinated, and particularly to deescalate interest rates on an international scale.

—tightening of the guidelines under the Federal Reserve and Commerce Department voluntary cooperation programs.

—establishing a program for informing foreign investors of the benefits of the recently enacted Foreign Investors Act. This will involve intensive effort in the months ahead as we establish new channels through which foreigners may take advantage of attractive investment opportunities here.

Other advanced countries have an important role in achieving a viable international payments pattern. The industrialized countries of continental Western Europe, as a group, tend to run continual and substantial current account surpluses with the rest of the world. In the period since 1957, they have imported more capital than they have exported. They have preferred to accumulate gold and other official reserve assets in payment for their current account surpluses rather than offset them with medium- and long-term capital outflows.

The United States has played the opposite role. It has supplied large amounts of capital to the rest of the world, financing not only its own current account surplus but also, indirectly, part of the current account surplus of the continental Western European countries.

A report on improving the adjustment process was made by Working Party 3 of the OECD in August 1966. It emphasized the responsibility of both surplus and deficit countries for proper international adjustment, and the special need for international consultation in the field of monetary policy to avoid undesirable levels of interest rates. Recently you have seen the efforts that have been made to develop and carry further this aspect of international cooperation.

As you will recall, the Treasury was asked some time ago by your committee to comment on a proposal that wider exchange rate margins around parity might be useful in facilitating short-term adjustment. I hope shortly to submit our reply to this request, but I can say in general that this proposal does not seem to be a very promising one.

Better international financial arrangements

In the Economic Message, the President called attention to the significant progress made during the past year toward strengthening the international monetary system. In that year the Fund quotas were increased by 25 percent, the General Arrangements To Borrow were renewed for another 4 years, and the network of bilateral swap arrangements between monetary authorities of the United States and other leading countries was enlarged from a total of $2.8 billion to $4.5 billion. These actions taken together have effectively broadened and strengthened the credit facilities that may be called upon to meet payments imbalances.

The President has placed major emphasis on the importance of reaching full agreement on a constructive contingency plan in the coming year. Two major forward steps were taken in 1966.

The first was to reach a wide consensus on basic principles for creating reserves, among the Group of Ten, as set forth in the Report of the Deputies in July 1966 and the Ministerial Communique of July 26, 1966.

The second was the broadening of the negotiations to include all members of the IMF through joint meetings between representatives of the Group of Ten and the Executive Directors of the IMF. The first joint meeting was held in Washington at the end of November, and the second took place in London on January 25 and 26, 1967.

Two major remaining problems concern the provisions regarding the acceptability and the holding and use of new reserve assets, and the procedures under which decisions are to be taken. These matters will be the subject of intensive negotiations during the spring of this year, and I believe there are already some signs that opinions are converging.

The outlines of a contingency plan are beginning to emerge, and I hope that the major elements will become sufficiently clarified for them to be presented to the annual meeting of the Board of Governors in Rio de Janeiro in September.

It is important to understand both what we can expect from a contingency plan for reserve creation, and what we cannot expect from such a plan. Over time, the new reserve assets, like any other reserves, will provide substantial resources that countries may on occasion use to meet short- and medium-term exigencies arising out of fluctuations in their international accounts. But they should not be regarded as a means for financing persistent deficits.

Nor should we regard reserve creation as a form of international assistance to developing areas. This, I believe, is fully recognized by the representatives of these developing countries. There is no doubt, however, that these countries need reserves and that an adequate growth in their reserves is one of their legitimate concerns. One of the major benefits which these countries may expect to derive from an adequate system of reserve creation is the indirect effect of a more liberal trading and investing pattern on the part of industrial countries, thereby enlarging the scope of their own trade and their capital availabilities.

These considerations have a bearing on a second aspect of the question of reserve creation—its urgency. This committee and its members have made timely and imaginative suggestions in the field of international economic and financial cooperation, and they have recently called attention to the urgency of the problem. We are in full agreement that the events of the past year underline the desirability of establishing a contingency plan as early as possible. There is a growing recognition of this need in international circles.

Conclusion

As we enter the seventh year of the current expansion, the economy remains strong and further progress has been made toward better international financial arrangements. Domestically, last year's shift from fiscal stimulus to restraint helped place the economy on a more sustainable path of advance. Now, we must maintain the forward momentum of the economy while restoring relative stability in costs and prices.

New challenges may be ahead. As in the past, these will require our best efforts. I am confident that flexible and sensible adaptation of our economic and financial policies will enable us to meet our responsibilities—at home and abroad.

SUPPLEMENTARY STATEMENT OF THE SECRETARY OF THE TREASURY BEFORE THE JOINT ECONOMIC COMMITTEE, FEBRUARY 6, 1967

It has not been my practice in the past to spend time and energy answering Monday morning quarterbacks particularly when subsequent events have proven that the play they would have had called in the game would have lost rather than gained yardage.

Nor have I made it a practice to answer partisan criticism. My firm belief is that economic and financial policies and programs are good or bad on their merits and not because they happen to bear a Republican label or a Democratic label.

However, two circumstances cause me to depart from this past practice. First, because the reasoning and analysis as applied to a past event, i.e., the absence of an increase in income tax rates in 1966, seems to be designed to prejudice a key element of what I believe to be the right economic and financial program for 1967—the levying of surtaxes on individual and corporate income taxes beginning next July 1 for the next 2 fiscal years. Second, these hearings before the Joint Economic Committee of the Congress were opened by a statement from Senator Javits "on behalf of the minority on the committee."

I believe it important to correct the record that Senator Javits purports to make on behalf of the minority when he characterizes the year 1966 in the following terms: "With restraint lacking on the fiscal side, without some genuine spending cuts or a modest tax increase early in the year, monetary policy necessarily was drawn in to fill a vacuum."

This statement is full of error in all of its aspects: The primary fact is that there was restraint on the fiscal side. All facts, figures, and subsequent events make this clear. The compelling proof is that the NIA budget shifted from a stimulative deficit in the latter part of calendar 1965 to a restraining surplus in the first half of calendar 1966.

Senator Javits is also in error in purporting to speak for the minority because, as I will demonstrate from the record, his espousal of income tax increases in the spring of 1966 found him in the not unaccustomed posture of being completely and unanimously overruled by his own party. The Republican Coordinating Committee, the Republican House leader, and the House Republican conference in March and April announced their opposition to any further tax increase than the one some of them had supported in the Tax Adjustment Act signed March 16, 1966. This position was reaffirmed formally in the report of the Republican members of the House Ways and Means Committee on the debt ceiling extension in June.

As I commented last week to the House Ways and Means Committee, the administration, including the Secretary of the Treasury, was in accord with the repeatedly stated policy of the official Republican spokesmen on tax and fiscal matters in refraining from requesting any income tax increases in calendar 1966, while urging that we hold down increases in appropriations and expenditures in fiscal 1967 as well as 1966.

The President espoused that same position in 1966 on many public and private occasions. During the spring and summer he met a number of times with the leaders of the Senate and House from both parties on holding down nondefense appropriations to the overall totals in his budget and whether or not an income tax increase proposal would gain congressional approval. He was told an equal number of times that there was little support for an income tax increase and that a recommendation would be defeated by an overwhelming margin.

Therefore, I find myself in the unusual position of having to defend the elements of fiscal policy followed and espoused by the Republican and Democratic leadership and a Democratic administration from the attack of one who purports to speak for the minority party which was in fact a minority of one.

Finally, Senator Javits is in grave error in asserting that "monetary policy necessarily was drawn in to fill a vacuum" that existed early in the year.

The fact is, as everybody knows, that the country had been committed initially to a monetary policy of restraint involving tight money and higher interest rates by action of the Federal Reserve System early in December 1965. As I stated before this committee last year, it became the role of fiscal policy to shift to a course of moderate restraint following the steps already taken by the monetary authority, without risking economic overkill.

Looking ahead to the debate this spring on the President's surtax proposals, let me note that there is a great deal of economic difference in advocating increased income taxes to pay the increased costs of war when monetary policy is on the path toward ease than when monetary policy was moving in the direction of clear, positive, and increasing restraint. There is a fundamental consistency in the position of those concerned with maintaining full employment and growth in refusing to advocate income tax increases when monetary policy is highly restrained and increasing income taxes to pay for increased costs of war when monetary policy is moving towards ease.

So I welcome this opportunity to comment on the current folklore that the U.S. Government "made a mistake" in not raising taxes early in 1966.

This is no more true than is the usual easy explanation of a complicated course of events. But I do not want to be understood by this as saying that this allegation is even partly correct.

It is not.

It is wrong, as I shall show you here.

It is wrong first of all because it begins by ignoring the fact that we did raise taxes by legislative action early in 1966—to the tune of $6 billion.

It is wrong in the second place because this criticism means that it was a mistake not to impose a broad, blunt, general income tax increase on individuals and corporations at that time. In this respect let me just point out:

—few of our critics, if any, were themselves convinced a year ago that a general income tax was needed, or, if they were convinced of it, they were not saying so in public, and

—the condition of the economy early last year—as indeed the condition of the economy throughout the year—was a condition of selective excesses—together with selective softnesses— calling for the careful use of selective constraints. That is exactly what we used, in the Tax Adjustment Act in the winter, and under the President's Anti-Inflation Message in September, including a specific new program for additional cuts in Federal expenditures in this fiscal year.

Third and most important of all, the assertion that it was a mistake on the administration's part not to propose a general tax depressant early last year is clearly and evidently wrong—as I shall be demonstrating—for the reason that some softnesses were already apparent in the economy at that time. These soft spots suggested to us—as they should have suggested to our critics, especially to some of the prominent economic analysts who took issue with us—that a general tax increase a year ago would very likely have resulted in a private economy that was softer in late 1966 and early 1967 than the current one which is now a concern to many of these same analysts.

This is now getting belated recognition. It was acknowledged in an article on January 17, 1967, in the Wall Street Journal—a paper that often disagrees with the Government's economic policies. This stated, among other things:

"A question raised by many commentators after President Johnson proposed a 6-percent income-tax surcharge was whether such a levy might not bring on a recession in business.

"Actually, the time to ask this question—as few then did—was early last year, when tax-increase proposals were already being made by analysts outside the Government.

"At that time * * * signs that the rate of business activity might turn down were not lacking, although they were being given little attention.

"The two clearest signs were declines in bond prices and in stock prices * * *. Such joint action is typical of the tops of booms.

"Thus, it could be argued, as few analysts did, that if a tax increase were imposed it might aggravate a business downturn which, although not yet present, already seemed possible if not probable. The correctness of this analysis has since been confirmed, at least to the extent that a recession has occurred in much of the private sector even without a tax increase."

The author went on to point to declines, all but one of them as early as last spring, in automobile production, housing, commercial and industrial construction, appliance manufacturing, and steelmaking. He concluded from this that "a recession in private industry has been underway for months * * *" and he wound up his analysis:

"Private business may well be dragging bottom or even turning up before the Johnson 6 percent surcharge is passed or takes effect. If so, the tax may merely slow the recovery and keep prices from climbing, rather than aggravating a new downtrend as so many now fear."

The key word in that last sentence is "'now' * * * as so many now fear." It suggests the central difficulty, that critics of the Government's economic policy are suffering from an analytical lag, that has them currently applying their economic calipers to the conditions of a year ago, just as they were then applying them to conditions of unmitigated boom that was already receding perceptibly in the second quarter of 1966.

I want to go a little further into the economic record in support of the policy mix we used in 1966 to show you in somewhat more detail the real—as distinguished from the imaginary—conditions to which we tried to minister. Before I do, however, let me turn to a very recent article in the Journal of Commerce that puts the same kind of cautionary light upon the folklore concerning inflation in 1966 that the analysis I have just quoted thrust upon the herd-thinking that took place last year with respect to the need for tax action. Once again, I am calling upon the researches and conclusions of a newspaper not noted for its tender concern for governmental economic policy.

This article, on January 4, 1967, headed "Records Show 'Inflation' Last Year Was More Imaginary Than Real" said:

"A year ago, it may be remembered, there was much clamor for a substantial income tax increase to cool down the economy and check inflation.

"We didn't get the income tax increase. And, we didn't get much inflation. This latter is contrary to the general impression going the rounds that the inflationary kettle all but boiled over last year.

"Actually, the records show, the heat under the general commodity price structure was lowered quite a bit last year.

"From December 1965 to December 1966 the Bureau of Labor Statistics wholesale commodity price index rose from 104.1 (average 1957–59 equals 100) to 105.7 * * *.

"In the previous 12-month period, from December 1964 to December 1965 the BLS index rose from 100.7 to 104.1 * * *.

"The rise during 1966 was less than one half that during 1965. In August last year, the BLS index worked up to a record high of 106.8 before it leveled off and then began to ease. But, even at the August rate, the rise was less than in 1965."

The author went on to point out that at the retail level prices rose by 2.7 percent from December 1965 to December 1966 as compared with 1.6 percent in the previous 12 months, but he noted:

1. That much of this occurred in meats and vegetables, due to weather and other conditions not connected with the general business picture, and

2. That the real villain in last year's price picture was the sharp rise—some 5 percent—in the cost of consumer services, heavily influenced by the adoption of medicare.

Now, I do not go bail for either of these analyses. They are newspaper articles, and as such can have neither the length nor the breadth to support fully accurate examination of the development of the entire U.S. economy over a full year, and they are not, of course, the full nor the unmitigated truth.

I cite them, however, as illustrations of the dark side of the moon that we as the responsible policymaking officers of the Government of this Nation knew existed, and took into account, in our policy choices throughout the year.

Whatever they may lack in completeness, these articles point to the essential fact about the economy in 1966—we were not on a one-way street to inflation and bust in 1966. Rather, we were picking our way along a high and narrow ridge, with substantial risks on either side—risks that those actually responsible for the well being of the Nation could not ignore, however blithely they could be ignored by those not actually responsible.

I do not join in spirit with our critics and claim that we were always right. My claim is much more modest—and it is my only wish, where our critics are concerned, that they would show a like modesty, perhaps by adopting the same policy: I claim only that at all stages along the way of the terra incognita through which our unexampled economy, growing and benefiting the Nation it serves in unparalleled fashion and degree, passed during 1966—we were at all times prudent.

What stands out—what I emphasize, what prudence always reminded those of us responsible at the bar of history, is the fact that at no time during the year was there a clear signal for general tax restraint, as distinct from the selective fiscal restraints employed.

Let us look for a moment at a few of the details of the pilgrimage of the American economy in 1966 as it felt its way through economic uplands higher, richer and more beneficial to more people than was ever the case before with any economy, while at the same time it was bled and buffeted by the economic ravages of a war conducted under conditions of uncertainty common to all wars.

It was a year in which very little was unequivocally certain—about the U.S. economy, about the world economy, about our international payments, or the national economy or the international payments of others, or about the economic portent of our defense of freedom in Vietnam—except to our critics.

To our critics—academic, political, journalistic, and institutional—all was clarity.

At the outset of the year it was clear to them that something needed to be done, but—with the exception of some bank letters notable for consistency if not accuracy—they had nothing to recommend except the time-tested cliche of cutting Federal spending. They put this forth without the slightest nod—much less bow—to the fact that President Johnson had been rigorously holding down Federal outlays, which contributed to a far smaller deficit in the administrative budget in fiscal 1966 ending June 30 than had been previously estimated and an actual surplus in the NIA budget. They put this forth without regard for the fact that the President's new budget continued to call for increases almost balanced by cuts and new revenues.

In the spring of the year, it suddenly became clear to some outside analysts—I say it was clear to them because they all said the same thing all at once—that the U.S. economy had to have an income tax increase to be saved. It was not clear what kind of tax increase, and their demands were now put forward with little regard for the fact that we had in fact had large tax increases early in 1966, beginning with payroll tax collections for medicare and other social security benefits in January and with the effects of the Tax Adjustment Act in March, amounting to some $10 billion in calendar 1966.

In the summer, it began to be clear to many tax increase proponents that their previous insistence that a tax increase, and only a tax increase, could keep the U.S. economy from bursting the bounds of reason might have been wrong.

In the fall, it became clear to them that whereas they previously could see nothing but an economy puffing up to the bursting point, there had been factors at work all along creating the conditions for a possible recession, and this—it is currently clear to some of the earlier proponents of a tax increase—makes the idea of a tax increase clearly unacceptable.

There may be a small element of exaggeration in this thumbnail description of economic criticism during the past year. But I indulge in it, if that is the case, only for the sake of clarity.

Before we take a brief look at what in fact happened, let me direct attention to the record of comments on this subject by a spokesman for the Republican minority in Congress.

On March 21 last year Senator Javits, as reported in the New York Times, called President Johnson's anti-inflation policies "timid" and suggested a "modest and temporary tax increase"—which, together with Federal spending cuts, should come to some $6 billion over and above what had already been provided in the Tax Adjustment Act of 1966. It might be noted that this was in fact approximately the effect of the increased social security collections that had begun in January.

Senator Javits soon found himself overruled and lonely in his own party.

On March 25, March 29, April 4, April 6, and June 6 press reports reflected the view that the Republican Coordinating Committee, the Republican House leader, the House Republican Conference and the Republican members of the House Ways and Means Committee were opposed to any further tax increase than the one some of them had supported in the Tax Adjustment Act signed March 16.

The Republican leadership preferred—at this time—the policy that was in fact being followed by the administration: a policy of holding down Federal outlays to the full extent possible consistent with the increasing requirements of Vietnam.

But, all undismayed by growing evidence of economic uncertainty, as by his party leadership's concurrence in this field and at this moment with administration policy, Senator Javits took lance in hand, and charged again, in August. He offered legislation calling for depressants in the form of deep cuts in Federal construction and space projects (where President Johnson had already put in force a careful economy program), a special temporary increase, across the board, in income taxes, and a credit restraint program modeled upon the economic controls put in force during the Korean war. This last added to the growing list of realities the Senator's policy suggestions ignored: the fact that in the Korean war we had to use 12 to 14 percent of our gross national product for defense purposes, compared with 8 percent in 1966, and the fact that during the Korean war we had to reset and build up a military establishment that had been all but dismantled, whereas we confronted the Vietnam crisis with the finest military establishment, at the highest point of readiness, ever known.

Finally, to complete this brief summary of Republican disarray, Governor Romney—whose silence had until then been his chief distinction on this subject—came upon the scene in December entirely innocent of what had been transpiring during the previous 11 months of the year and recommended the very policy mix the administration had been following throughout the year: "* * * a combination of tax increases and firm budgetary policy."

So much for positions taken last year.

Let us take a closer look, although a brief one, at some of the main developments in 1966. I would like to start with a review of expectations at the outset of the year, for these expectations set the tone of the year.

The program of fiscal restraint proposed in the January 1966 budget was developed against Government expectations for economic activity in 1966 that was far more realistic than those of nearly all private forecasters.

In January 1966 the Government projected a 6.9 percent increase in 1966 GNP—a rise of $46 billion to $722 billion on the basis of the national account levels then prevailing.

In contrast, the median private economist's forecast of 1966 GNP made during the September 1, 1965, to January 24, 1966, period was $713 billion, according to a survey of forecasts made by the Federal Reserve Bank of Philadelphia. At the end of September, a poll of the National Association of Business Economists projected 1966 GNP at $700 billion; the Pittsburgh Conference on Business Prospects in October projected slower 1966 growth than in 1965; Steel's Panel of Experts projected $702 billion in October; the Michigan University econometric model projected $712 billion in November; Prudential Insurance projected $714 billion in November; McGraw-Hill projected $711 billion in December 1965; Moody's Investor Service projected $710 billion in December; etc.

Signals of slow up in 1966

A large number of developments signaling the need for caution in economic policy emerged during the course of 1966, in contrast to the dominant pattern of overall expansion. A chronology of those developments includes:

While first quarter 1966 GNP scored one of the largest increases since the Korean war:

—Standard and Poor's stock price index declined in February, initiating a descent which continued throughout 1966. Stock prices in March declined nearly 5 percent below the January peak.

—Contracts for construction included in the commercial and industrial building statistics declined 6.0 percent in March, and thereafter continued down through most of 1966. Until late in the year, when the effects of the suspension of the accelerated depreciation provisions for building under the President's anti-inflation program were felt, this decline was chiefly felt in commercial building, such as shopping center projects, due to tight money.

—Among so-called leading indicators of business activity, February or March marked a peak for nonagricultural placements, business formations, ratio of profits to income originating in corporate business, and industrial materials prices.

Second quarter GNP rose only $11 billion, down from $16.8 billion in the first quarter, the smallest increase since the auto strike-affected fourth quarter 1964. Many economic projections appearing in the press began to be revised downward in view of cutbacks in production and sales of consumer durables, the weakening in housing starts and higher-than-anticipated income tax yields which moderated the rise in disposable personal income.

—Personal consumption expenditures rose only $3¼ billion in the initial national account estimates, compared with increases of $10 billion in each of the two preceding quarters. Consumer purchases of automobiles declined $3 billion from the first quarter, exceeding even the large drop in auto purchases in the strike-affected fourth quarter of 1964.

—Output of passenger cars in May and June declined 7 percent below the January–April average, after seasonal adjustment. Announcements were made of earlier-than-usual automobile factory shutdowns for 1967 model changeover.

—Housing starts averaged 1,368,000 units, annual rate, from 1,518,000 units in the first quarter, initiating a decline which was to continue throughout 1966. On a monthly basis, starts fell 12 percent in May and 3 percent in June. The statistics on housing permits presaged an even sharper drop in 1966 housing activity.

—The gain in fixed business investment was below that of previous quarters. However, inventory investment rose by a third to a rate of $12 billion a year, from an annual rate of $9 billion in the first quarter, with much concern generated by the involuntary accumulation of automobiles at car dealers.

—The unemployment rate in May and June rose to 4.0 percent, up from 3.7 percent or 3.8 percent rates of the previous 3 months.

—Following accelerated increases in late 1965 and early 1966, wholesale prices rose slightly in May, June, and July, as prices for the quarter averaged only 0.2 percent over the February and March level. Wholesale prices of farm products fell during each month of the quarter, and averaged 1.7 percent less than March prices.

Among "leading indicators" which declined in the second quarter were nonagricultural placements, construction contracts, housing starts and permits, business formations, ratio of profit to income originating in corporate business, stock prices, and industrial materials prices.

In the third quarter, the signals coming in from the economy changed sharply: GNP registered a brisk rise, with personal consumption, defense, and business fixed investment expenditures the principal constituents. Unemployment rates turned down, capacity utilization edged up, and prices rose.

Nevertheless, some contrary signals were also registered.

—Outlays on residential and nonresidential structures declined sharply.

—Total industrial production declined in September, as the production of nondurable goods eased together with the decline in housing and commercial construction. Production slipped at least one month during the quarter in such industries as primary metals, fabricated metal products, machinery, and lumber and wood products. Steel production for the quarter averaged 6½ percent less than that for the second quarter.

—Wholesale prices of all commodities registered no change from August to September following a rise of 0.4 percent in August. Wholesale prices of industrial commodities, exclusive of farm and foods, remained unchanged throughout the 3 months of the quarter.

Fourth quarter GNP also rose sharply, although some evidence emerged of strains and imbalances.

—Industrial production fell in November, largely due to declining production of durable goods. Primary metals production continued the slide initiated in the previous quarter and lumber and wood products remained below previous quarter levels due to the continued sagging in construction activities.

—Retail sales declined in October largely due to reduced sales at durable goods stores. November sales were a bit higher but December again registered a decline, after seasonal adjustment.

—Surveys of planned plant and equipment expenditures indicated a smaller increase than in previous quarters.

—Among production declines registered during the fourth quarter were steel production, auto production, wholesale prices, new orders for durable goods, and prices of industrial materials.

I do not think that anyone disposed to look with reason upon this record would attempt to maintain that the administration's fiscal policy in 1966 was mistaken.

I think, on the contrary that the administration's economic policy as a whole in 1966, including our prudent use of selective fiscal tools as supplementary to general and severe monetary restraint, brought the economy through a trying time of transition and uncertainties with minimum damage, and—what the prudent man is always supposed to achieve—with minimum risk of damage at all times.

This was no accident. We changed directions early and consciously, trying at all times to keep the economy in balance despite radical changes in the forces affecting it and despite uncertainties such as the always unpredictable course and costs of war. Let me, if I may, cite some of the voluminous evidence, available to anyone who wants to get the facts, indicating that we were in touch with reality, and that we bent our sail quickly and selectively to winds bearing down upon the national well being.

First: President Johnson went to the Congress with a budget, and with a tax program at the outset of the year that shifted administration policy from stimulus to moderate and selective economic restraint. This was at a time when those who now say our policy was mistaken, had little or nothing to suggest.

The President continued and increased the pressure he had been exerting for years upon Federal spending.

The Tax Adjustment Act of 1966, sent to the Congress in January and signed into law in March, together with other measures, used the fiscal tool to take some $10 billion out of the economy in calendar 1966.

On March 22, when he was reminded at a news conference that "a lot of economists would like you to raise taxes" and was asked what he was going to do, President Johnson reminded reporters of the tax increases already in effect through social security and the Tax Adjustment Act.

And he disclosed—but those who were demanding severe tax action were apparently not listening—that there was evidence suggesting that the economy was in an uncertain condition, calling for caution in handling it, such as declines in retail sales, in new orders for durable manufacturers, and in housing starts, while some farm and food prices were leveling off, the growth of business loans had slowed, and many municipal and some corporate bond issues had been postponed, thereby reducing potential new orders and other activity of many kinds, and that unemployment was still above 6 percent in almost a score of major labor markets.

He told reporters that he had just asked all departments and agencies of the Government to take a new look at expenditures, and to forego what could be foregone. And he concluded:

"We will watch very closely and see what happens in these employment markets, in retail sales, in housing, and in the money market, and then take whatever action is indicated.

"We don't want to act prematurely. We don't want to put on the brakes too fast, but it is something that requires study every day, and we are doing that."

Speaking on March 23 at the National Press Club, I reminded my audience that the President had warned against acting prematurely or putting on the brakes too fast.

I said that we expected the very recently signed Tax Adjustment Act to "serve as a growing force for economic restraint" over the coming year, together with the restraining influences of monetary policy and the $6 billion annual rate increase in social security and medicare taxes in effect since the beginning of the year.

I stressed the uncertainties of Vietnam, saying that "no one can predict whether we will need to schedule additional expenditures—expenditures beyond those contemplated in the fiscal 1966 and 1967 budgets—to meet our commitments in Vietnam. And Vietnam remains, therefore, an inevitable element of uncertainty in our budgetary as in our overall economic picture."

I reminded my audience that in 1957 and 1959 overzealous use of anti-inflation measures had turned expansions into recessions.

And I concluded that, "In our domestic economy there is still room for reasonable doubt as to whether additional restraints should be imposed by public action on private demand in our economy."

That reasonable doubt persisted. By fall it was clear that we had a boom that was threatening to run beyond the bounds of our capacities to produce in terms of business investment and in the face of competing demands from the war in Vietnam, while at the same time there were, as I have indicated earlier, many persistent signs of economic weakness wrapped up and hidden away by the continued overall advance.

In the face of this very special situation, with danger on all sides, and in the face of concomitant tightness in the money market that forced interest rates to their highest point in four decades, we took special and carefully selective action in the anti-inflation program announced by the President September 8. This took pinpoint action against the business investment boom by asking the Congress to suspend—as it did—tax incentives to business plant and equipment investment. And it took pinpoint action to relieve the money markets, by reducing the effects of Federal borrowing through postponement of participation certificate sales and scaling down of agency borrowing from the public, and by giving the bank regulating agencies powers designed to correct the distorted flow of savings.

The consequence of this year of timely and prudent economic policy change is an economy that still has great strength for new growth, that is proceeding under its own competitive powers, free of the apparatus of economic controls that ordinarily weighs down and distorts an economy in war times, an economy in which productivity remains high, unemployment remains low, an economy that gives every sign of correcting the imbalances that crept into it, and an economy in which prices and money rates are giving signs of easing.

Let me ask four questions in conclusion, and supply the answers that I believe the record just cited makes imperative:

1. Would additional restraint, say, an income tax increase effective in mid-1966 over and above other fiscal increases taken, and the strong monetary policy measures then in being have involved the risk of a recession in 1966 or early 1967?

Yes.

2. Would you approve in retrospect adding sharp fiscal restraint to the movement to sharp monetary restraint that characterized 1966 up until October?

I think not, if you were a responsible public official.

3. What assurance would you have had that the Federal Reserve System would have shifted its policy from increasing restraint to the direction of ease in the spring or summer of 1966 if the President had proposed a general income tax increase?

None, since neither the President nor the Secretary of the Treasury could guarantee congressional passage of a general tax increase had one been submitted. Therefore, there would have been every prospect of any income tax increase becoming effective when the full effect of the monetary restraint was being felt by the private economy.

4. Even if that delicate arrangement had been effected through coordination of the Federal Reserve System and the Congress, how would you have been sure that the move toward monetary ease would have had sufficient time to free up the private sector of the economy so that it could absorb the restraint of an income tax increase without a serious risk of recession?

You could not be sure, and you would have had to conclude that imposing an income tax rise on an economy stretched rigid by monetary policy would have run a serious risk of inflicting damage much greater than any of your other risks seriously threatened.

Happily that risk is no longer present since the Federal Reserve System had already shifted last fall from a policy of rigid restraint to the direction of ease, and, hopefully, the surtax proposal can be appraised this spring in the context of an economy long removed from the monetary stringency of last year.

Exhibit 22.—Other Treasury testimony published in hearings before congressional committees, July 1, 1966–June 30, 1967

Secretary Fowler

Statement on "The Budget for 1968," published in hearings before the Committee on Appropriations:

1. House of Representatives, 90th Congress, 1st session, February 7, 1967, pages 7–26.
2. Senate, 90th Congress, 1st session, February 17, 1967, pages 2–18.

Statement on the public debt and recent fiscal and economic developments, published in hearings before the Committee on Banking and Currency, House of Representatives, 90th Congress, 1st session (meetings with department and agency officials), March 13, 1967, pages 2–17.

Under Secretary Barr

Statement on legislation to restrain excessive competition for savings, published in "Interest Rate and Mortgage Credit" hearings before the Committee on Banking and Currency, Senate, 89th Congress, 2d session, August 4, 1966, pages 2–7.

Statement on regulation of maximum rates of interest paid on savings, published in hearings before the Committee on Banking and Currency, Senate, 89th Congress, 2d session, August 13, 1966, pages 3–4.

Statement on S. 5, a bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with the extension of credit (Truth in Lending, 1967), published in hearings before the Subcommittee on Financial Institutions of the Committee on Banking and Currency, Senate, 90th Congress, 1st session, April 13, 1967, pages 83–100.

Public Debt and Financial Management

Exhibit 23.—Press Release, September 10, 1966, concerning Federal agency financing and participation sales

Secretary of the Treasury Fowler announced today the completion of a preliminary review of all potential Federal security sales. He also announced decisions already taken that will reduce substantially contemplated offerings of participation sales and Federal agency securities to the private market and hold those offerings to a minimum for the remainder of the calendar year.

He said that this review and the decisions announced were taken pursuant to the President's message of Thursday, September 8, and should help reduce current pressures on the money market and on interest rates.

The Treasury's announced plans will affect the flow into the private market of various Federal agency securities and participation certificates in pools of federally owned financial assets during the balance of this calendar year. A list of the agencies covered by the new program and a list of the federally owned financial assets projected for disposition in the fiscal year 1967 in the President's budget message last January are attached.

The sale of participation certificates through FNMA tentatively scheduled for September has been canceled and will not be offered at another time in this calendar year. In addition, further sales of participation certificates through FNMA will be made into the private market during the remainder of 1966 only if the market returns to more normal conditions.

Also, there will be no public offering of additional participation certificates by the Export-Import Bank for the balance of this calendar year.

The Treasury also reported that it has had several meetings with advisers in the financial community, and with officials of other Government agencies, in order to improve the design and marketability of participation certificates, and thus reduce their market impact and interest cost. A number of suggestions are being scrutinized and some of these will be adopted on the next occasion when participation sales are offered to the market.

With respect to Federal agency security issues, it is planned that, in the aggregate, the agencies will borrow no additional money in the private market between now and yearend. Any offerings to the market will be confined to the amount necessary to replace existing issues scheduled to mature. To accomplish this result, an intensive effort will be made to reduce the overall new money needs of the Federal credit agencies to a minimum consistent with the Nation's economic well-being. This effort is in line with a Presidential memorandum sent on September 9 to all Government departments and Federal credit agencies. A copy of the memorandum appears below.

Even after applying rigid standards, there is expected to be some need for additional financing by Federal credit agencies beyond the replacement of maturing issues. At least for the balance of this calendar year, it is planned to raise these additional funds, in the aggregate, through the sale of Federal agency securities to various Government investment accounts.

The interest yields available on these high quality agency securities clearly make these securities attractive investments for the trust accounts. Furthermore, such placement assists the objective of reducing strains on capital markets. Around mid-1966 an increased volume of agency issues involving considerable amounts of new money were sold, bringing rates of return in excess of their normal relationship with direct Treasury issues. In the months ahead, by providing the agencies' new money needs through securities purchases by the Government investment accounts, the type of pressure experienced earlier this year should be avoided.

In August and September, it may be noted, the Government investment accounts have already arranged to purchase a portion of the securities offered by the Federal home loan banks, the Federal National Mortgage Association (to support its operations in the secondary mortgage market), and the Federal land banks. Purchases of these securities by the Government investment accounts totaled $223 million.

The President directed the Secretary of the Treasury on September 8 to ask each Federal credit agency to present to the Secretary, for final review by the President, all proposals for sales of securities during the rest of this year.

In several cases, the Secretary of the Treasury already has the authority to approve the financing arrangements made by Federal credit agencies. In those cases where the Treasury does not have this authority, the President in the attached memorandum is asking that the Treasury and the Bureau of the Budget be consulted in regard to the credit agencies' lending programs and financing arrangements, and that proposed agency financing operations in the market be approved by the President.

A table attached summarizing "Federal Agency Security Issues and Participation Sales" at 6-month intervals beginning with the fiscal year of 1965 provides some measure of the increasing market impact of the sales of these securities which the announced program is designed to alleviate.

This table shows that agency and participation certificate sales in the first 6 months of this year raised more than $5 billion in additional money.

In the next 4 months there will be no additional money raised by agency sales in the market, and no sales of participation certificates in the market unless market conditions improve materially.

Memorandum for the Heads of Departments and Federal Lending Agencies, September 9, 1966

After over 5 years of uninterrupted growth in our economy, we face the threat that inflation will take away some of our hard won gains. To the record level of private and public demands have been added the costs of fulfilling our commitments in Vietnam. We cannot allow these demands to thwart our objective of continued healthy growth, and we must not buy price stability at the expense of a stagnant economy.

Restraint in private and public demands is essential at this time or we may fall short in our objectives. Because we cannot fail to supply the needs in Vietnam the burden of restraint must be carried by the remainder of the public sector and by the private sector of our economy.

I have strongly urged upon labor and management the need for self-discipline. At the Federal level expenditures are being eliminated, reduced, or postponed on a case by case examination of all programs and activities, as outlined in my message to the Congress of September 8, 1966.

Federal credit programs—programs created to serve legitimate and important credit needs of our economy which are not adequately served by the private financial markets—must also share in the difficult process of restraint. Monetary policy, as you know, is now restrictive. Pressures on the availability of funds are reflected in the highest level of interest rates in the last 45 years. A part of the enormous demand for funds, after being denied in the private sector, is seeking accommodation from Federal credit sources. This is to be expected, and to some extent the very purpose of the Federal credit programs is to help distribute limited resources more equitably.

But Federal credit resources cannot be allowed simply to substitute for private resources. To do this would undermine the whole objective of reducing total demands on the capital markets and pressures on interest rates.

I am therefore requesting the head of each department and lending agency to review his operations to assure that direct loans or loans insured or guaranteed by the agency are for essential and nonpostponable needs. Each loan should be examined in terms of whether it promotes present national objectives and not just in terms of whether the loan is a sound loan. Heads of agencies that help finance private credit institutions should examine policies and operations with a view to reducing the need for the agency borrowings in the capital markets and minimizing the need for borrowing from the Treasury. Essential credit needs will have to be met, but the objective should be a sizable net reduction in demands upon credit markets.

I am further requesting agency heads to present their reviews and reduced schedule of needs to the Secretary of the Treasury and the Director of the Bureau of the Budget to insure a coordination of the programs and a reduction in credit demands.

LYNDON B. JOHNSON.

LIST OF DEPARTMENTS AND FEDERAL AGENCIES WITH LENDING AND BORROWING ACTIVITIES COVERED BY NEW PROGRAM

DEPARTMENTS

Agriculture
Commerce
Defense
Health, Education, and Welfare
Housing and Urban Development
Interior
Labor
State
Treasury

AGENCIES

Export-Import Bank of Washington
Farm Credit Administration
Federal Deposit Insurance Corporation
Federal Home Loan Bank Board
General Services Administration
Interstate Commerce Commission
National Capital Planning Commission
Office of Economic Opportunity
Small Business Administration
Tennessee Valley Authority
Veterans' Administration

277-468—68——17

Federally owned financial assets projected in the President's budget message in January for disposition by participation sales in the fiscal year 1967

[In millions of dollars]

Farmers Home Administration	600
HEW: Office of Education	100
Federal National Mortgage Association	520
Federal Housing Administration	
Public housing program	
College housing loans	820
Public facility loans	80
Veterans' Administration:	
Direct loan revolving fund	154
Loan guarantee revolving fund	106
Export-Import Bank	975
Small Business Administration	850
Total	4,205

Federal agency security issues and participation sales

[In millions of dollars]

	Total offerings	Maturities [1]	Additional money [2]
FISCAL YEAR 1965			
July to December 1964:			
Agency securities	4,629	4,539	261
Participation sales	750	86	664
Total	5,379	4,625	925
January to June 1965:			
Agency securities	5,461	4,456	1,334
Participation sales	-----------	168	−168
Total	5,461	4,624	1,166
FISCAL YEAR 1966			
July to December 1965:			
Agency securities	5,623	4,856	724
Participation sales	900	325	575
Total	6,523	5,181	1,299
January to June 1966:			
Agency securities	8,643	5,901	3,476
Participation sales	1,700	103	1,598
Total	10,343	6,004	5,074
FISCAL YEAR 1967			
July to August 1966:			
Agency securities	2,928	2,000	[3] 582
Participation sales	-----------	89	−89
Total	2,928	2,089	[3] 493
September to December 1966:			
Agency securities	n.a.	4,196	n.a.
Participation sales	n.a.	333	n.a.
Total	n.a.	4,529	n.a.

[1] Includes "puts" and redemptions prior to maturity.
[2] Includes short-term financing by FNMA and TVA not shown separately: on a net basis these amounted to $172 million July–December 1964, $329 million January–June 1965, −$44 million July–December 1965, $734 million January–June 1966, and −$206 million July–August 1966.
[3] In addition $140 million was taken by Federal trust funds.
n.a. Not available.

Exhibit 24.—Report by Secretary Fowler to the Congress, November 24, 1966, on the feasibility, advantages, and disadvantages of direct loan programs compared to guaranteed or insured loan programs

LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
Washington, November 24, 1966.

Hon. HUBERT H. HUMPHREY,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith my report to the Congress, pursuant to section 8 of the Participation Sales Act of 1966 (Public Law 89–429, May 24, 1966), on the feasibility, advantages, and disadvantages of direct loan programs compared to guaranteed or insured loan programs.

Federal credit programs have rapidly increased in size, complexity, and scope in the two decades since the end of World War II, but most of this growth has been in guaranteed or insured loans rather than in direct loans. In the first decade immediately after World War II, the expansion of Federal credit programs was especially marked in relation to the general expansion of the economy. Since 1956, however, their growth has roughly paralleled the growth of the economy and the increase in the use of credit in all economic sectors. This growth has been accompanied by an increase in the number and variety of financial institutions and the development of more sophisticated financing techniques.

Outstanding direct Federal loans, which are largely financed through the Treasury, now total about $33 billion, compared to $5 billion at the end of 1946. Outstanding guaranteed and insured loans, which add to the contingent liabilities of the Government but do not require direct Treasury financing, have increased from about $8 billion to around $100 billion in the same period. On June 30, 1965, about 10.4 percent of the outstanding gross private domestic debt represented direct Federal loans or private loans guaranteed or insured by Federal credit agencies; this figure was below the 12 percent figure for June 30, 1955. On the other hand, in the same period the share of State and local government borrowings directly or indirectly financed by Federal credit agencies increased from 6.8 percent to 8.3 percent.

While there has been relatively less reliance on direct Treasury financing of Federal credit programs in recent years, the continuing growth of these programs not only has consequences for Treasury debt management but also affects the general performance of the financial markets and the economy at large. Because of the Department's financial responsibilities to the President, to the Congress, and to the public, there must be a continuing Treasury interest in the policies governing these programs and in their administration.

In recent years there have been three major studies of Federal credit programs.

In 1961 a general analysis of Federal credit programs from the standpoint of overall monetary and financial policy was included in the report of the private Commission on Money and Credit, on which I was privileged to serve until my appointment as Under Secretary of the Treasury. The Commission's report was the subject of hearings by the Joint Economic Committee of the Congress in August of 1961.

In 1962, as an outgrowth of the Commission's report, an interagency Committee on Federal Credit Programs, appointed by President Kennedy and chaired by Secretary Dillon, made an intensive review of the policies and principles applicable to Federal credit programs. As one of its major assignments, the Committee considered at length the broad criteria governing the appropriate choice between direct and guaranteed or insured lending programs, but because of the wide scope of its review, the committee did not attempt a full exploration of this question, nor did it investigate the administration of each program in great detail.

In 1963 a staff study was conducted by the Subcommittee on Domestic Finance of the House Banking and Currency Committee. This study in two volumes contains much valuable information on a program-by-program basis for all Federal credit programs active at that time.

Whether a Federal credit program is more appropriately conducted as a direct lending program or on a guaranteed or insured loan basis raises a number of difficult questions which are complicated by the variety of purposes for which these programs have been established. The basic principles and guidelines applicable to Federal credit programs, which were set down by the Committee on Federal Credit Programs in its 1962 report, were endorsed by President Kennedy as a statement of administration policies. President Johnson also affirmed his support of these policies in approving the issuance of Bureau of the Budget Circular No. A-70, February 1, 1965, setting out certain guidelines for Federal credit program legislation.

Experience gained in the past 4 years in implementing these credit program policies has demonstrated their validity and importance. We have also found, however, that the application of these general principles to specific credit programs must be carefully considered to assure that there is no interference with vital program objectives. At times, implementation of the general policies has been handicapped by special statutory provisions. Many of these problems have been given added urgency at this time as we have attempted to harmonize credit program activities with overall fiscal and financial policy and the program of restraint in Federal lending activities which was instituted by the President on September 8, 1966.

In this report I have not attempted to repeat all of the relevant observations of the Committee on Federal Credit Programs. Instead, I have focused on a limited number of specific questions most directly relating to the feasibility, advantages, and disadvantages of direct loan programs compared to guaranteed or insured loan programs. I have also attempted to draw upon actual program experience so that my findings may be most helpful to the Congress.

References in my report to specific programs should not be construed as critical of any agency or program. Current Federal credit programs were established during different periods of war and peace, prosperity and depression. They were established for various purposes which have evolved over time. The present structure of Federal credit programs, therefore, understandably contains some inconsistent elements. In this context, the problem is to learn what changes may be needed to deal flexibly with changing program needs or varying economic and financial conditions, to offer appropriate incentives for maximum private participation, and to assure the most effective congressional and executive review and control.

As required by the act, various questions relating to the feasibility, advantages, and disadvantages of direct loan programs compared to guaranteed or insured loan programs were discussed with the Federal credit agencies. The Bureau of the Budget and the Council of Economic Advisers have reviewed this report.

Sincerely yours,

HENRY H. FOWLER.

REPORT ON THE FEASIBILITY, ADVANTAGES, AND DISADVANTAGES OF DIRECT LOAN PROGRAMS COMPARED TO GUARANTEED OR INSURED LOAN PROGRAMS

SECTION I. INTRODUCTION

A. Statutory reporting requirements

This report has been prepared pursuant to section 8 of the Participation Sales Act of 1966 (Public Law 89-429, May 24, 1966):

Section 8. The Secretary of the Treasury, in consultation with heads of agencies of the United States carrying on direct loan programs, shall conduct a study, in such manner as he shall determine, on the feasibility, advantages, and disadvantages of direct loan programs compared to guaranteed or insured loan programs and shall report his findings together with specific legislative proposals to the Congress not later than 6 months after the effective date of this act. There are authorized to be appropriated such sums as necessary for the purpose of this section.

B. Current credit program activity

The total volume of federally assisted credit outstanding is expanding at a rate of roughly 6 percent annually. (See appendix A, special analysis E—Federal credit programs.[1]) Outstanding direct and guaranteed and insured loans were estimated in the January 1966 budget to increase from $124.5 billion on June 30, 1965, to approximately $131.7 billion on June 30, 1966, and $139.3 billion on June 30, 1967. Final figures for fiscal year 1966 and new estimates for fiscal years 1967 and 1968 will be contained in the January 1967 budget.

The detailed Treasury Department report also attached (appendix B[1]) lists all direct, guaranteed, and insured loan programs, including a number of small and liquidating programs, as of June 30, 1965. Part I of the report shows the amounts outstanding, the means of financing, and the terms for each of the separate programs administered by wholly owned Government enterprises. Part II of the report provides similar information for Government-sponsored enterprises and other credit activities. A similar report as of June 30, 1966, will be available shortly after the 90th Congress convenes.

C. Prior studies

A substantial body of data and analysis of Federal credit programs has been assembled over the past two decades:

Several major credit programs were among the business-type activities extensively reviewed by the Congress in 1945 prior to the enactment of the Government Corporation Control Act of 1945. This act deals primarily with the financial control of Government corporations and contains a requirement for the preparation of business-type budgets by all wholly owned Government corporations (which has been extended to most other credit programs). It has contributed to more effective congressional and executive control of these programs. Other requirements in the act have helped to improve coordination of agency security issues with Treasury debt management policies.

The organizational aspects of credit programs were reviewed by both the First and Second Hoover Commissions, established by the Congress in 1947 and 1953.

Since January 1951, credit programs have been the subject of special analyses in or accompanying the President's annual budgets.

In 1961 a broad analysis of Federal credit programs from the standpoint of overall monetary and financial policy was included in the report of the Commission on Money and Credit sponsored by the Committee for Economic Development. Two volumes of supporting studies dealing with Federal credit agencies and programs were also published.

The Joint Economic Committee of the Congress held hearings in August 1961 on the Report of the Commission on Money and Credit.

An intensive investigation of credit program policies and principles was conducted in 1962 by the Interagency Committee on Federal Credit Programs appointed by President Kennedy and chaired by the Secretary of the Treasury.

In 1963 a staff study was conducted by the Subcommittee on Domestic Finance of the House Banking and Currency Committee. The study contains much valuable information on a program-by-program basis for all Federal credit programs active at that time.

The financing of Federal credit programs was also given consideration in the congressional hearings and public debate preceding the enactment of the Participation Sales Act of 1966.

D. Scope of report

This report outlines and discusses the major considerations which underlie the choice between providing Federal credit assistance through direct loans and providing it by guarantees or insurance of private loans.

While the Committee on Federal Credit Programs investigated the broad criteria governing the appropriate choice between direct and guaranteed or insured lending programs, it did not attempt a full exploration of the problems involved in applying these criteria nor did it investigate in detail the administration of each program.

The Report of the Committee on Federal Credit Programs (supplemented by the related Bureau of the Budget Circular No. A-70, Feb. 1, 1965) provides a basic statement of the credit program policies of this administration (appendix C[1]).

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[1] Omitted from this exhibit; for document reference see note at end of this exhibit.

The principal focus of this report is on a limited number of specific questions most directly related to the feasibility, advantages, and disadvantages of direct loan programs compared to guaranteed or insured loan programs. The report does not discuss all of the issues considered by the Committee on Federal Credit Programs, nor does the report attempt a full or systematic discussion of the variety of broad purposes for which specific Federal credit programs have been adopted; i.e., (1) to overcome market imperfections and the lack of access to credit markets by particular borrowers, (2) to serve as a buffer for particular groups against tight credit, (3) to subsidize particular types of activities or borrowers, (4) to minimize needs of certain groups of borrowers for equity financing, and (5) to facilitate management to technical assistance. Full consideration of these issues is essential, however, for developing the necessary perspective for choosing between the direct or the guaranteed or insured approach in specific programs.

Section II. Conclusions

1. Federal credit programs should generally be conducted as guaranteed or insured loan programs whenever private lenders are willing to originate and service loans on a reasonable basis.

2. Federal credit assistance extended to public bodies, wherever feasible, should be in the form of direct loans to avoid Federal guarantees of tax-exempt obligations. Such guarantees result in excessive Federal revenue losses without achieving comparable cost savings for the borrowing units.

(*a*) Loans at a formula interest rate, taking into account the value of the tax-exemption privilege, could be authorized without increasing the net cost to the Federal Government of the credit assistance provided.

(*b*) Additional subsidies, if required, could take the form of capital or debt service grants. The latter may be particularly useful when continuing close Federal supervision of a project is desirable.

3. Direct loans to private borrowers also may be most appropriate when (i) the services of private lenders are not available on reasonable terms, (ii) extraordinary supervision or management assistance is required and can be provided effectively and economically by the Federal agency only if the agency also provides the credit directly, or (iii) private lenders are not willing to make credit available even with Federal guarantees or insurance.

4. To encourage private participation in Federal credit programs, interest rate ceilings on guaranteed and insured loans should be determined on the basis of competitive market rates to the greatest extent possible. Direct loans should not be made available on more favorable terms than the prevailing terms on similar guaranteed or insured loans.

5. Subsidies, when appropriate, can be provided in either direct or guaranteed or insured loan programs.

(*a*) Subsidies can be provided without discouraging immediate private participation in a guaranteed or insured loan program by (i) waiver of insurance premiums, (ii) absorption by the Government of the administrative costs of the program agency, or (iii) direct Federal payment of part of the interest or principal.

(*b*) A degree of private participation in subsidy interest rate programs can be accomplished through the sale of participations in such loans.

6. Credit program activities and related administrative expenses (including the cost of extraordinary supervision) should be reported in a business-type budget and accounted for on a revolving fund basis to identify the relevant costs incurred by the Government.

(*a*) Interest should be payable to the Treasury on the Federal investment as a business expense. The rate of such interest should be calculated on the basis of the current cost to the Federal Government for new borrowing for periods comparable to the average maturity of the loans made under the program.

(*b*) However provided, the amount of any subsidies in a program, such as below market interest rates, interest forgiveness, et cetera, should be identified on the books of the agency and included in the cost of the program to the Federal Government.

7. The effectiveness of loan guarantee and insurance programs could be increased by various technical changes in these programs.

(*a*) Program effectiveness could be enhanced by (i) more flexible authority to establish ceiling interest rates for guaranteed or insured loans, (ii) discretion to establish guarantee and insurance fee schedules which will encourage private lenders to assume a part of the loan risk, and (iii) authority to alter the terms of guarantee or insurance agreements and down payment and repayment requirements within statutory limitations in accordance with program needs and changing credit conditions.

(*b*) Advance provision of new obligational authority to meet contingencies arising from actual defaults would enhance the market acceptability of Federal agency guarantees and insurance. Such additional authority could be limited to avoid unintended provisions of additional loan funds.

8. The use of participation certificates to help finance additional types of Federal credit activities should be explored. The possible establishment of a Federal credit management corporation, to build on the experience of participation sales through the Federal National Mortgage Association and further coordinate Federal credit activities, should also be studied.

Section III. General Findings

1. *The three essential functions performed in any lending operation, public or private, are: (i) Loan origination and servicing, (ii) financing, and (iii) risk bearing.*

For the great bulk of the credit operations of our economic system all three of these functions are performed by private institutions. Frequently, however, the origination and servicing function is performed by one private institution, such as a mortgage banker, while the financing and risk bearing is provided by another, such as a life insurance company.

Almost 90 percent of the estimated gross private domestic debt of $935 billion outstanding on June 30, 1965, represented loans from private lenders without benefit of Federal guarantees or insurance. Direct Government loans and guarantees of private loans to domestic private borrowers accounted for about 10 percent. Federal assistance to domestic borrowers was concentrated primarily in the fields of housing credit and agricultural credit.

2. *In most Federal direct loan programs, all three lending functions are performed, at least initially, by a Government agency.*

For example, the Rural Electrification Administration provides the necessary administrative services involved in loan origination and servicing, including appraisals, inspections, supervision of the borrower, and collections; it obtains loan funds from the Treasury; and it assumes the loan risk.

3. *In the major guaranteed and insured loan programs, the Federal Government performs only one of the lending functions, namely, the assumption of all or part of the loan risk.*

Thus, in the regular FHA loan insurance and VA loan guarantee programs, the Government assumes almost all of the risk, but the loan funds are provided by private lending institutions and the origination and servicing function is also largely performed by private institutions (although both FHA and VA conduct inspections and appraisals).

4. *The sharp distinction between the role of the Federal Government in direct loans and its role in guaranteed or insured loan programs has been disappearing over the past decade or so, as many new techniques have modified the types of participation by the Federal Government and by private lenders.*

Three major examples illustrate these developments:

(*a*) In certain FHA-insured loan programs supported by the special assistance functions of FNMA, when loans are made with immediate Government purchase commitments, private lenders often only temporarily provide the loan funds. In these cases, the Government both assumes the risk and provides the loan funds. The private lender, in effect, serves only as the loan originating and servicing agent for the Federal agency.

(*b*) Most of the insured loans of the Farmers Home Administration are, in fact, originated and serviced by the Federal agency, rather than by a private lender. Moreover, much of the financing for these loans has been provided by large urban financial institutions having no direct contact with the rural borrowers. In effect, therefore, the Farmers Home Administration has conducted its insured loan programs mainly as direct loan programs financed by reselling loans in packages to large investors. It originates and services the loans, agrees to repurchase them after a specified holding period, and guarantees the private investor against any loss arising from loan defaults.

(*c*) As one of several examples, the college housing loans, although made and serviced directly by the Department of Housing and Urban Development, can now be sold to private lenders on a guaranteed basis through issuance of participation certificates by the Federal National Mortgage Association as trustee.

The loan origination and servicing function performed by the Farmers Home Administration in its *insured* loan programs and by the Department of Housing and Urban Development in the *direct* college housing loan program may thus be essentially the same, and similar to that performed by a private mortgage banker.

5. *While several guaranteed or insured loan programs have significant elements of coinsurance, the Federal Government bears the full credit risk in many programs.* Three types of situations can be identified:

(*a*) Most insurance programs of the Federal Housing Administration—including all property improvement insurance and mortgage insurance for the basic single family and multifamily mortgages—involve significant risk of loss to the lender, although the risk is only a small fraction of the risk entailed in an uninsured loan. Similarly, guarantees and insurance by the Veterans' Administration, the Export-Import Bank, the Small Business Administration and various smaller programs involve some coinsurance.

(*b*) Loans insured by the Farmers Home Administration or guaranteed by the Commodity Credit Corporation and loans backed by pledges of public housing contributions or urban renewal refinancing entail no risk whatever for the private lender.

(*c*) In at least three programs—ship mortgage insurance, AID guarantees of Latin American housing loans, and certain newer insurance programs of the Federal Housing Administration—the degree of risk-sharing has been reduced or removed as the programs have developed primarily because private lenders proved unwilling to assume a portion of the loan risk on terms acceptable to the Federal Government. Also, the Federal Housing Administration has in recent years been authorized in some of its programs to absorb foreclosure costs, to permit insured lenders to assign defaulted mortgages to FHA rather than carry out default proceedings, to make payments on defaulted mortgages in cash rather than in the low interest FHA debentures, and to accept debentures issued under certain FHA programs for payment of insurance premiums under other FHA programs.

6. *There is no essential difference between the Government's exposure to loss in a fully guaranteed or insured loan program and its risk in a direct loan program.* When the Government fully guarantees or insures a loan, the Government lends its credit standing to a borrower so that he can borrow directly from a private lender. In a direct loan program the Government itself may borrow from private lenders by issuing Treasury securities to finance loans to private borrowers. In either case, the ultimate security is provided by the Federal Government and is based on the taxing power. In considering the security of funds, the investor in fully guaranteed or insured loans is likely to concern himself more with the procedure, timing, and other mechanics of the Federal guarantee or insurance than with the purpose of the loan or the credit worthiness of the private borrower being assisted.

7. *When subsidies are necessary, they can be provided either for direct loans or insured loans, or both.*

There are two prime examples of such subsidies long made available in conjunction with both direct loans and guaranteed loans:

(*a*) Under long-term contracts made with local public housing authorities, the Federal Government provides annual contributions up to the amount of the debt service on either direct or guaranteed loans made to finance low-rent public housing projects.

(*b*) Capital grants provided for local urban renewal authorities up to two-thirds or three-fourths of the net project cost are to help defray costs of projects financed with either direct or guaranteed loans.

In the past the provision of subsidies through submarket interest rates has been confined largely to direct loan programs. However, the authority provided in 1965 for payment by the Office of Education of a substantial portion of the interest charged by private lenders on guaranteed student loans has demonstrated that this type of subsidy also can be provided for both direct loans and guaranteed or insured loans. Moreover, under the Participation Sales Act of 1966, direct loans bearing subsidy rates of interest can be sold to private lenders by offering guaranteed certificates of participation in such loans supported by supplemental appropriations sufficient to provide a market rate of return to the investor.

In each of these cases the Federal Government assumes most or all of the loan risk, as well as providing substantial subsidies, but the financing is either immediately or ultimately provided by private lenders.

8. *A secondary market operation, such as that of the Federal National Mortgage Association (and to some extent the Farmers Home Administration and the Export-*

Import Bank), may enhance liquidity or improve the geographical mobility of investment funds, with the originating lender continuing to service the loan and perhaps retaining part of the loan.

Experience with secondary market operations may demonstrate the further feasibility of involving private lenders, both as sources of funds and as loan servicing agents, in loans which have hitherto been financed and serviced by the Federal Government. FNMA has also gained considerable experience in special assistance financing of subsidized loans originated and serviced by private lenders and may develop improved marketing techniques through its management and liquidating functions under the Participation Sales Act of 1966.

9. *Close contact with the borrower and surveillance over his operations, including his use of the borrowed funds, may be required under either direct or guaranteed loan programs.*

Some of the Farmers Home Administration programs involve detailed and intensive Federal technical assistance to the borrower, such as farm management advice, which is intended to make the borrower better able to manage his own affairs. Similar technical assistance may be provided by the Small Business Administration, the Office of Economic Opportunity, and the Economic Development Administration, particularly to very small and inexperienced business borrowers.

The need to provide management assistance may initially require use of direct loans. However, if the need for extraordinary surveillance, including management assistance, is temporary, there may be advantages in involving a private lender at an early point—especially if the borrower will be required to refinance privately when his circumstances have improved, as under the stated policy for Farmers Home Administration loans. Moreover, the provision of technical assistance by the Federal agency is often possible even when the loan is privately originated and serviced.

10. *In some instances there may be need to improve the market acceptability of Federal loan guarantees and insurance.*

In some programs cumbersome guarantee procedures tend to discourage private participation. The possibility that funds will not be available without further congressional action to make guarantee or insurance payments in the event of default can also handicap the acceptability of the program. The market may be unfavorable for a guarantee that rests, in the investor's eyes, upon the maintenance of adequate reserves in the particular program.

The Attorney General has ruled in several instances that in the absence of statutory provisions to the contrary, a guarantee by a Federal agency contracted pursuant to a congressional grant of authority is an obligation fully binding on the United States, whether or not a source of funds for fulfillment of the guarantee obligation has been specified. The advance provision of new obligational authority to assure the ability of a guaranteeing or insuring agency to make timely payments would, therefore, not necessarily enlarge the ultimate liability of the Federal Government. The provision of such authority would increase the acceptability of Federal loan guarantees and insurance and reduce the cost of carrying the program forward. Such authority, if accompanied by rescission of funds now reserved to meet guarantee liabilities, would not lead to an unintended release of funds not previously available for lending purposes.

11. *In the past 2 years fixed or relatively inflexible statutory interest rates have been established in a number of direct loan programs. These include loans for urban rehabilitation, housing for the elderly and handicapped, multifamily housing for moderate income families, college housing, academic facilities, and small reclamation projects. In all cases the rates are well below market rates of interest.*

Such fixed statutory interest rates insulate the programs from market influences. In addition, they limit the possibility of converting such direct loans to an insured or guaranteed basis to periods when market rates are unusually low, or to the sale of guaranteed certificates of participations in a pool of loans which the Government subsidizes and continues to service. Thus, the full participation of private lenders in credit programs is frustrated. In the case of college housing loans, for example, enactment of a 3-percent ceiling has greatly increased the demand for direct loans, especially by public institutions which formerly could borrow through tax-exempt issues at rates below the Federal lending rate, but more recently have found it advantageous to use the Government program at the 3-percent rate. This has limited private participation and adversely affected the total supply of credit for college housing.

12. *Unrealistically low interest ceilings on guaranteed and insured loan programs likewise can lead to pressure for unnecessary direct Federal lending because of the unavailability of guaranteed or insured loans.*

One of the principal obstacles to the conversion of a direct loan program to a guaranteed or insured basis can be a rate of interest for direct loans below prevailing market rates of interest for comparable private loans. In addition, unrealistic ceiling rates of interest have reduced the availability of private credit in some guaranteed or insured loan programs so that these programs have been, in effect, converted to a direct loan basis. Examples are loans of the Farmers Home Administration and FNMA special assistance programs.

This problem can be avoided if equivalent terms are provided in guaranteed or insured loan programs, and in any matching direct loan programs. The purpose of the direct loan program would be to meet the problems of an unavailability of private financing because of credit restraints, lack of origination and servicing facilities, or other reasons and providing credit assistance to public bodies in a manner which would not result in Federal guarantees of tax-exempt obligations.

13. *Federal guarantees of tax-exempt obligations are inefficient and costly as means of providing financial assistance to State and local public bodies.*

Federal guarantees encourage the issuance of tax-exempt obligations and thus add to the total volume of such issues. The tax revenue lost by the Federal Government as a result of the tax exemption of interest on State and municipal obligations is only partly reflected in lower borrowing costs for the State and local governments. Much of the benefit from tax exemption, which was intended to assist local public bodies, accrues to the private investors—especially high-income investors—resulting in unnecessary increases in program costs to the Federal and local governments.

14. *When the accounting for a program fails to disclose the full Federal costs of the program, congressional and Executive appraisals and decisions on program levels may be handicapped.*

Many direct loan programs—examples would be REA and college housing—involve substantial costs that are not explicitly identified and disclosed, since funds are made available to the lending agencies from Treasury at a rate of interest substantially below the Treasury's own borrowing costs. On the other hand, the Participation Sales Act of 1966 provides for full disclosure of costs by requiring the appropriation of supplementary amounts.

15. *The choice between the direct and guaranteed or insured loan techniques is most appropriately determined by whether one technique better serves the particular program objectives and better meets overall budgetary and financial objectives—that is, by benefit-cost comparisons, rather than exclusively by the willingness of private lenders to assume a part of the loan risk.*

If private lending institutions can perform a useful function on terms advantageous to the borrower or the Federal Government, maximum private lender involvement is desirable in programs requiring Federal assistance. Moreover, since private credit institutions are an integral part of the private enterprise economy and account for the bulk of credit extensions, there should be a presumption in favor of guaranteed or insured loan programs compared to direct loan programs.

16. *Reduction in budget expenditures and other savings in Federal costs may result from wider use of loan guarantees and insurance in preference to direct Federal lending.*

The relevant costs in each situation require detailed examination. Unless proper accounting records are maintained, total budgetary costs may be difficult to identify. Direct lending programs may require a higher level of Federal employment per dollar of credit provided than guaranteed or insured loan programs. Other costs may include a dilution of effective executive management, demands on the Federal Government that could be met through the private market, and failures to accomplish improvements in the private market that would reduce the need for Federal involvement. On the other hand, guaranteed or insured loan programs may involve duplication of Federal and private efforts and lead to greater overall costs for the economy.

17. *The extent and methods of control over the level of guaranteed and insured loan programs need further review.*

Budgetary control over nonsubsidized guaranteed and insured loan programs may not always be appropriate. The real control problem in such cases is more largely one of allocating resources. If Federal credit assistance is effective, it tends to shift resources to the favored uses. Moreover, excessive reliance on insurance or guarantees of private loans could, in the long run, have adverse effects on the viability of private financing institutions.

18. *If it is desirable or essential to retain a high degree of Federal control over the making of individual loans, or if the services of private lenders are not available or likely to become available on reasonable terms in certain areas or for certain types of loans, it would seem more appropriate for the Federal Government to make and service the loans directly and to obtain the funds in the most economic manner.*

In at least some foreign-aid programs, foreign policy considerations, the cost of securing American investor participation, and the inadequacy of servicing facilities indicate that the loans should be made and serviced by the Federal Government and financed by borrowing from the Treasury. In certain other programs that are now on a direct basis—for example, college housing, academic facilities, and Farmers Home Administration loans—it may be more appropriate to seek the participation of private lenders as agents to perform the loan origination and servicing function and as sources of loan funds. In still other instances, if private lenders are not currently willing to originate and service loans, it may be most appropriate to refinance direct loans through participation sales.

Section IV. Characteristics of Direct, Guaranteed, and Insured Loan Programs

In a direct loan program, a Federal credit agency (1) originates and services the loans, (2) provides the financing (at least initially), and (3) assumes the entire risk of loss. In a guaranteed or insured loan program, in contrast, a private lender performs the first two of these functions and, depending upon the specific loan guarantee or insurance agreement, may also assume a part of the loan risk (coinsurance).

Federal loan guarantee and insurance programs vary considerably in risk coverage and in arrangements for financing guarantee or insurance payments to the private lender in the event of default. Whenever the guarantee or insurance agreement does not protect the private lender fully against loss of principal and interest, whenever the private lender is not fully compensated for any costs incurred in the course of securing payment, or whenever he is not certain to receive timely payment by the Federal agency, an element of coinsurance is present in the program.

The labels on the programs do not always accurately describe their characteristics. For example, while certain programs of the Farmers Home Administration are defined in the law as insured loan programs, they are in fact more nearly direct loan programs, since the Federal agency directly performs the loan origination and servicing functions, provides the initial financing, and bears all losses.

The wholly owned special assistance functions of the Federal National Mortgage Association offer take-out commitments to private lenders who originate and service insured loans under certain Federal Housing Administration programs. Since private lenders would not make some of these loans without the prior take-out commitment, such loans could reasonably be classified as direct loans in which private lenders act as agents for FNMA–SA in performing the loan origination and servicing functions.

On the other hand, most of the loans insured by the Federal Housing Administration belong unequivocally in the "insured" category, since they are normally originated, serviced, and held by private lenders.

Guaranteed versus insured programs

The words "guaranteed" and "insured" are often used interchangeably in describing Federal credit programs. The characteristics of these two types of programs, however, differ.

Loan *insurance* programs are generally intended to be self-supporting. The role of the Federal Government is ordinarily similar to that of a private insurer who charges an insurance premium or fee intended over the long run to cover expenses and losses arising from defaults. For example, the insurance claims and expenses under the regular 1–4 family insurance program of the Federal Housing Administration are financed through receipts from insurance premiums of one-half of 1 percent per year paid by the borrowers and deposited in the Mutual Mortgage Insurance Fund. The Mutual Mortgage Insurance Fund accumulates reserves against losses; should such reserves prove inadequate, it may also borrow from the Treasury to pay insurance claims. Any residual surplus in the Fund not required for general reserves will ultimately be redistributed to the mortgagors who have paid the premiums, and such distributions have been made periodically.

On the other hand, in some "insured" loan programs of the Farmers Home Administration, when market interest rates rose the initial statutory requirement that one-half of 1 percent of the interest charged the borrower be retained in the Agricultural Credit Insurance Fund was repealed in lieu of increasing the interest rate ceiling on the loans.

A private insurer is motivated by the opportunity to realize a profit through his operations and will usually, to avoid or limit the risk of bankrupting losses, make provision for unusual losses by setting aside substantial amounts of income into a loss reserve. The possibility of setting premiums on Federal insurance programs for the deliberate purpose of realizing profit has not been examined, and the danger of bankruptcy from excessive losses is likewise not as serious for Federal agencies as for private insurers.

In *guaranteed* loan programs there may or may not be charges, such as appraisal charges or guarantee fees, to the borrower or lender, and such charges, if any, are not necessarily expected to be sufficient to cover losses and other expenses. For example, as a matter of deliberate public policy, no guarantee fees are charged in the Veterans' Administration guaranteed loan program, and the program is operated on a basis that does not fully cover costs. On the other hand, guarantee fees, which may or may not cover total administrative expenses and losses, are found in the AID Latin American housing guarantee program and in the Federal ship mortgage insurance program.

In the AID housing loan guarantee program, the fee is set arbitrarily: there is no reasonable way to assess the political risks, and experience under the program has been inadequate to establish the business risks. This program is intended to demonstrate better methods of mortgage financing. Determining the guarantee fee by the difference between yields on comparable guaranteed obligations in the United States and prevailing competitive rates of interest in the local countries might encourage local lender participation. Guarantee fees could also be scaled to discourage excessive reliance on a Federal program.

In the public housing program, a full Federal guarantee is provided the private lender through contracts pledging annual debt service contributions; no guarantee fee is charged. Since the Federal contributions have risen to exceed 90 percent of interest and principal due on local public housing authority bonds, however, this program is predominantly a subsidy program carried out by means of debt service grants.

In the "insured" student loan program, no premium or fee is charged, and Federal payments cover a large share of the interest nominally payable by the student.

Forms of coinsurance

The usual type of coinsurance in Federal loan guarantee and insurance programs comes from providing only partial coverage of loan principal, accrued interest, and costs incurred by a private lender. Usually the guarantee or insurance runs to each loan, but in a few programs it also extends to specified percentages of the investor's loan portfolio; e.g., the FHA title I property improvement loan insurance program.

In some instances, as in the VA program in which the guarantee runs to the top 60 percent or $7,500 of the unpaid balance, the coverage for most loans in effect is total coverage. In other instances, as in certain AID guarantees, the initial coverage may be partial, but, as the loan is reduced, the nonguaranteed portion is paid off first by the borrower and the coverage becomes total. In other AID cases the guaranteed and nonguaranteed portions of a loan may be separable; one lender obtains a full guarantee on his share of the loan, while the other holds the nonguaranteed portion. In such cases, the guarantee coverage may run directly from the Federal agency to the guaranteed lender or through a private intermediary.

Guarantees against loss of interest income on a loan also vary. In some cases there is a statutory prohibition against the guarantee of interest income, but the investor may still have his return guaranteed by the Federal Government up until the time of loan default, since the nonpayment of interest is generally regarded as an occasion for default proceedings. Even when the Federal Government expressly guarantees the payment of interest, there may be a loss of interest income to the investor arising from the mechanics of the default proceedings or a delay in the actual payment by the Federal Government. Thus, the lender may be required to wait for a specific period, say 30 days or 3 months, before presenting his claim or he may be required to institute time-consuming default proceedings, rather than simply assigning the defaulted note to the Federal agency.

Administrative expenses are another form of risk which may be borne by either the Federal Government or the lender. Such expenses can be substantial in default and foreclosure proceedings.

Uncertainty of timely payment

Apart from explicitly intended coinsurance arrangements, a degree of uncertainty is assumed by private lenders in programs in which there may be a question as to the immediate availability of funds to discharge a Federal agency's guarantee or insurance liability. This element of uncertainty is lacking when the insuring or guaranteeing agency has prior appropriations covering its entire potential liability, broad authority to borrow from the Treasury, or authority to borrow from the Treasury for insurance purposes.

Some uncertainty as to the timely availability of funds may exist when the agency supports its loan insurance or guarantee program with a loss reserve, as does SBA. In established programs, in which a substantial amount of loss experience has been developed, private lenders may be willing to accept the remaining residual uncertainty involved in the potential inadequacy of the loss reserve as a backstop for the insurance or guarantees. Even so, a serious deterioration in the general economic situation could raise questions about the adequacy of the loss reserve and reduce the acceptability of the Federal guarantee or insurance at a time when a stimulus to activity under the program is most desirable. In new programs in which the risks are untested, moreover, the adequacy of a loss reserve may be more uncertain.

Uncertainty as to timely payments is greatest when the insuring or guaranteeing agency pays its claims from annual appropriations or other limited sources. For example, for a temporary period in 1965 the VA was unable to make payments on its guarantees because it had exhausted its spending authorization. This incident did not noticeably affect the general acceptability of the VA guarantee, possibly because of an underlying confidence in the program generated over many years of experience. Nonetheless, failure to make timely payments in a new program could have a strongly adverse influence on the willingness of private lenders to accept the guarantee or insurance offered at its full value.

Unless a conscious decision is made to introduce coinsurance by providing for other than a cash payment, adequate provision should be made to assure the ability of the insuring or guaranteeing agency to make timely cash payments. Providing new obligational authority in advance to cover the Federal insurance or guarantee liability would not increase the ultimate liability of the Government but would assure greater market acceptability of the guarantee or insurance. This is particularly important if the program is subsidized since in subsidized programs much or all of the risk premium charged by private lenders may be paid ultimately by the Federal Government.

It also appears that in subsidized programs the Federal insurance or guarantee liability should be absolute except for fraud and not contingent upon any specific performance. The services of insured lenders related to acquisition of title of the collateral could be obtained on a reimbursable basis rather than as a condition of the guarantee.

Lender liquidity

In most Federal guarantee or insurance programs the insured lender has no recourse to the Federal Government except in the event of default. However, repurchase options, or "puts," are offered regularly under the Farmers Home Administration insured loan program and the Export-Import Bank program of guaranteed participation certificates. In the latter case a "call" option is used to protect the agency's interests. In the Farmers Home Administration program the rise in interest rates has substantially reduced the attractiveness of automatic extension as a hedge for the purchaser, since the automatic extension would be at rates below presently prevailing market rates of interest. Obligations with "puts" have, therefore, become essentially short-term obligations. Liquidity guarantees have also in the past been offered in various forms by the Small Business Administration and by the defense production loan guarantee program.

With the foregoing exceptions Federal credit programs have generally avoided offering "puts." The problems encountered during the past year indicate the wisdom of avoiding this type of guarantee.

Income guarantees

Under some programs the insured lender is provided a partial guarantee of continued investment income; that is, he may be protected against some types of early prepayment which might be regarded as undesirable, particularly in a period of declining interest rates, either because of institutional reasons or because of the need to reinvest at frequent intervals, or short notice, or in small amounts. Complete assurance of continued investment income is provided under the participation sales program through substitution of collateral and other arrangements, including advance appropriations, to provide for the regular payment of interest and repayment of principal regardless of defaults or inadequate income from the underlying loans in the pool.

Insurance or guarantee fees

The Committee on Federal Credit Programs suggested that private lenders should be encouraged to assume a larger share of the loan risk by providing a sliding scale of insurance or guarantee fees. Considerable success has been achieved in the defense production loan guarantee program in which a sharply graduated schedule of guarantee fees is provided. Efforts along these lines in various SBA programs have thus far been less successful.

Lack of success in encouraging a larger private assumption of risk can result from unrealistically low ceilings on guarantee or insurance fees, since they cannot be varied enough to provide an adequate incentive to the lender for taking more risk. If fees are low in terms of the prevailing market assessment of the risks in similar but uninsured or nonguaranteed loans, borrowers able to secure insured or guaranteed loans—even in programs designed primarily to close a credit gap in which there is little or no intended element of subsidy—secure a subsidized interest rate, although not necessarily at an out-of-pocket cost to the Federal Government. Thus, if the governing statute limits the guarantee or insurance fee, the administering Federal agency may be faced with a serious dilemma in encouraging private participation. In addition, a subsidized fee or rate will tend to cause borrowers to prefer insured or guaranteed loans, even if credit is elsewhere available on reasonable terms. The result is an unnecessary expansion of Federal intervention in the credit markets.

In part, inadequate guarantee or insurance fees may reflect rejection by the Congress and the credit agencies of the market's judgment of credit risks—either on objective grounds or because of "just price" views as to proper levels of guarantee fees. The problem may be compounded, moreover, because a Federal agency may not have adequate data on the cost of originating and servicing loans.

Private lenders sometimes tend to exaggerate loan risks, particularly for new or unusual types of credit. Moreover, Federal credit programs, by and large, deal with borrowers whom private lenders consider only marginally eligible for credit. In addition, particularly in programs in which loan risks are relatively high because of a high default rate—or in which costs are high because of the size of individual loans—private lenders in attempting to limit or avoid the risk of capital impairment can reasonably charge a higher risk premium than the Federal Government would require, since the Government can spread its risks over many more loans and can fall back on its taxing power. Lenders with limited capital have to be concerned with short-run patterns of losses; the Federal Government, in contrast, does not have to take into account the time distribution of losses but can afford to base its operations on long-run loss expectations.

An inadequate loss premium in a direct loan program, in conjunction with a failure to allow private lenders a competitive return in insured or guaranteed loan programs also has the perverse effect of encouraging borrowers to rely on direct loans rather than either insured or guaranteed or private financing without either a Federal guarantee or insurance.

In contrast, the maximum rate of interest that may be charged by the private lender on V-loans under the Defense Production Loan Guarantee program was raised on September 29, 1966, to 7½ percent to bring the net return to financing institutions more in line with current lending and money market rates and thus to help assure financing from commercial sources for contractors and subcontractors engaged in defense work. The fee schedule in this program runs from 3 percent for fully guaranteed loans to 1 percent of the guaranteed percentage for 75 percent guaranteed loans. Thus, the maximum rate of return to the lender rises from 4½ percent on a fully guaranteed loan to 6¾ percent on a 75 percent guaranteed loan. A consequence of the sharply graduated fee schedule has been to induce private lenders, on the average, to assume 20 percent of the loan risk.

When the goals of a program involve a sufficient public interest to warrant a subsidy to the borrower, there is generally no immediate advantage to the Federal Government in charging insurance or guarantee fees or by introducing uncertainty into the timeliness of guarantee or insurance payments. The advantage in conducting the program as an insured or guaranteed loan program, therefore, is to be found primarily in the cost savings and other advantages that may arise from private loan origination, servicing, and financing.

In the programs in which the public interest is less or in which the provision of a subsidy is less important to the achievement of program objectives, unnecessary reliance on the Federal Government can be avoided if (i) the cost of the loan to the borrower is determined on the basis of prevailing interest rates for generally similar types of nonguaranteed or uninsured loans, (ii) the rate of return to the lender is determined on the basis of his assumption of risk, the liquidity of his investment, and the services he performs; that is, as a competitive rate of return; and (iii) the insurance or guarantee fee charged is determined as the difference between (i) and (ii) rather than solely on the basis of the estimated risk assumed by the Federal Government.

Successful conversion of a direct loan program to an insured or guaranteed basis is likely to be dependent on the extent of the guarantee or insurance offered, the nature of the financing provided for the payment of guarantee or insurance claims, and may require that lenders be allowed to earn a rate of return which could appear relatively high based on an objective analysis of costs and risks. Other public policy objectives, however, may warrant this approach, particularly in programs in which a subsidy is not essential to the achievement of program objectives. In subsidized programs, the additional subsidy cost can be balanced against other savings to determine whether a program should be conducted as a direct loan program or as a guaranteed or insured loan program.

Insured loan programs by definition are likely to be most feasible when no subsidy elements are involved in the program and when the type of credit is standardized and is not otherwise unusual.

Guaranteed loan programs are usually more appropriate when any subsidy involved can be provided through absorption of the guarantee fee.

Either guaranteed loans or direct loans may be appropriate when larger subsidies or lower carrying charges are needed to bring the loan within the borrower's capacity to pay.

Direct loans may be most appropriate when the type of credit is unusual, or special management supervision of borrowers is essential.

Even when substantial subsidies are required to achieve program objectives, private lenders can be utilized for loan origination and servicing and, through special arrangements for payment of the subsidies, also for the financing. In such instances, the program can nominally be placed on a guaranteed basis. Experience with certain Federal Housing Administration insured loan programs appears to indicate that Federal agencies can provide management assistance in guaranteed or insured loan programs as well as in direct loan programs.

Section V. Interest Rates and Subsidies

One of the principal obstacles to the conversion of a direct loan program to a guaranteed or insured basis may be a rate of interest for direct loans below prevailing market rates of interest for comparable private loans. In some instances, unrealistic ceiling rates of interest have so adversely affected the availability of private credit in guaranteed or insured loan programs that these programs have been, in effect, converted to a direct loan basis; for example, various programs of the Farmers Home Administration and those types of FHA-insured mortgages supported by FNMA special assistance programs.

Return to the lender

Unless the net yield to a private lender on a guaranteed or insured loan is approximately equal to (or greater than) competitive yields on nonguaranteed loans, private lender participation in a Federal guaranteed or insured loan program is likely to be limited. From the viewpoint of a Federal agency, however, a competitive rate of return may appear to be unreasonable in terms of lender costs and the protection against risk afforded by the Federal guarantee or insurance. Moreover, if the rate of return allowed in a guaranteed or insured loan program is, in fact, excessive compared to yields on competitive investments, the result may be to foster unwarranted use of the Federal program and to cause an uneconomic diversion of resources to the favored area of activity.

The Commission on Money and Credit recommended that interest rate ceilings or limitations on VA and FHA mortgages and in agricultural credit should be eliminated. The Commission said that such ceilings are not effective in protecting the borrower and interfere with and distort the adjustment mechanism. In particular, the Commission argued that if rates allowed on guaranteed or insured loans are not attractive in relation to yields on alternative investments, access to private funds under the program is denied and the intended beneficiaries are forced to higher cost sources if they are to be accommodated.

The Committee on Federal Credit Programs, on the other hand, recommended that Federal agencies continue to exercise administrative control over maximum interest rates in guaranteed or insured loan programs, with flexible ceilings which could be adjusted in accordance with changes in market rates of interest.

The only fully objective test of whether participation in the Federal program is relatively attractive is the extent to which private lenders actually participate. Some judgment on reasonable rates of return, however, can be reached by conducting cost analyses and by comparing rates with other rates in the market either for Federal guaranteed obligations or for nonguaranteed forms of credit. Current data are available, for example, on rates of interest charged prime borrowers by large commercial banks. Further data classified by size of loan, region, and maturity are provided quarterly through the Federal Reserve Board's survey of interest rates on business loans. In addition, there are abundant statistics on market rates of interest for various private obligations, as well as Government securities and other loan rate data, such as conventional mortgage rates collected by the Federal Home Loan Banks.

A Federal agency can make a direct loan at a rate below prevailing market rates without entailing an out-of-pocket cost to the Federal Government, because the cost of money for the Federal Government is lower than for private lenders and the Federal Government does not have to be concerned with short-run adverse experience. Thus, if substantial immediate private participation in a credit program is to be achieved, the ceiling rate on competitive direct loans will need to exceed the formula rate based on the current cost of money to the Treasury plus an allowance covering administrative expenses of the Federal agency and probable losses.

If each guaranteed or insured loan program were backed up by a direct loan program under which loans were available at an interest rate which was not more favorable than the rate at which private lenders were generally making guaranteed or insured loans, this would provide a better mechanism for enforcing a ceiling rate on insured or guaranteed loans than is afforded through regulations intended to control the loan agreements. Such a direct loan backstop, in conjunction with secondary market operations or participation sales, would also provide a means for channeling funds to capital shortage areas. As a byproduct a substantial rise or fall in the proportion of loans made directly would provide a signal for the possible adjustment of the ceiling rate. Direct loans at interest rates substantially in excess of prevailing guaranteed rates might, however, be inequitable in cases where imperfections in the private market prevent borrowers from obtaining guaranteed loans.

An objection to providing a backup direct loan program is that it would provide a mechanism which could encourage unnecessary credit subsidies. However, proper budgetary and accounting procedures at least clearly identify and publicize the costs of such programs.

Cost to the borrower

In some instances, very low interest rates have been provided in direct loan programs as the result of a deliberate decision by the Congress to give an interest rate subsidy to borrowers under the program. Prime examples are provided by the disaster loan programs, such as those administered by the Small Business Administration, in which loans are made at a 3-percent rate with generous maturities and repayment terms, and the 2-percent loans for family needs of low-income families provided under the Economic Opportunity Act Amendments of 1966. Such programs, however, do not provide for tailoring the relief offered to the relative needs of the victims; that is, the administering agencies have discretion with regard to the amount of the loan provided but not with regard to the terms on which it is offered.

Interest rates below market rates are also provided in the economic development loan programs administered by OEO, EDA, SBA, and the Farmers Home Administration in the expectation that favorable financing terms will induce economic activity which otherwise would not be undertaken or would be undertaken in another location. Again, however, the administering agencies are limited in their discretionary authority and may consequently, in some instances, provide a greater incentive than necessary while, in other instances, they may be unable to offer a sufficient inducement to a private entrepreneur to identify himself with a well conceived economic development program.

Thus, while subsidies are clearly a legitimate means for achieving program objectives, certain types of subsidies—e.g., an interest rate subsidy fixed by statute—do not necessarily accomplish the program objectives as efficiently and economically as variable subsidies tailored to the borrowers' needs and ability to pay. Subsidies provided by statutory interest rate formulas which vary with market rates can be more efficient than fixed submarket rates. Moreover, if interest rates and other terms in Federal credit programs were varied in line with variations in private markets, when such variations did not conflict with recognized program objectives or introduce inefficiencies, this would help not only to reduce excessive demands upon Federal lending agencies during inflationary periods but would also reduce the inequities resulting from variations in the amounts of interest rate subsidies provided borrowers under each program at different stages of the cycle. Neither type of interest rate subsidy, however, provides sufficient flexibility to adjust to variations in the needs of individual borrowers under a program.

In addition to programs in which subsidy interest rates have deliberately been provided, submarket rates of interest are also offered, in effect, in a number of other programs. For example, direct and insured loans are made in various Farmers Home Administration programs at an interest rate of 5 percent, which had been reasonably in line with rates generally available to farmers and rural residents from cooperative and private lenders until the recent rise in interest rates. Nonetheless, the rapid growth in these programs suggest that even a moderate subsidy attracted borrowers who could have obtained sufficient credit at competitive rates and terms, either with or without Federal guarantees, from other lenders such as banks, insurance companies, mortgage companies, and cooperative farm credit institutions. In addition, in order to keep the insured loan program operative there have been direct supplementary payments by Farmers Home to insured lenders. In these marginal cases, it becomes especially important to have effective procedures to assure that Federal credit assistance is not provided to borrowers who could have financed privately at interest rates they could afford to pay.

Perhaps the largest interest rate subsidy in current domestic credit programs is provided through the 2-percent REA loans to rural electric and telephone cooperatives. The 2-percent rate in this program was adopted in 1944 to reduce the previous formula rate to a level more in line with then current Treasury borrowing costs. With the subsequent general rise in interest rates, however, a very substantial subsidy has developed in this program.

The programs of those lending agencies intended to be self-supporting generally tailor their lending rates to market rates of interest, but because of relatively high administrative expenses, losses, or an inappropriate formula for the payment of interest to the Treasury on the Federal investment, they may not fully cover Federal costs.

Experience indicates that any agency will have great difficulty in limiting its program to its intended role of a supplement to other sources of credit if it offers direct loans on a subsidized basis, even if the subsidy is moderate and not of overwhelming economic importance to the borrower. A subsidy will attract borrowers to the program despite statutory or administrative measures taken to assure that like credit is not available from other sources. In turn, this demand has the effect of creating an apparent credit shortage, since the direct loan program is subject to budgetary limitations.

From the viewpoint of the Federal Government, a clear determination regarding the essentiality of a subsidy in a loan program is a matter of great importance. If the program objectives can be achieved without a subsidy, Federal budgetary resources can be released for other important purposes. In addition, the program can be administered so as to increase the total availability of credit in the particular area of economic activity without a commensurate increase in Federal cost. In any event, however, program objectives are more likely to be realized if the administering agency has rate flexibility and its lending rate is not fixed by statute.

The question of the need for a subsidy, moreover, has two general implications for the conversion of direct loan programs to an insured or guaranteed basis. Clearly if direct loans are made at a rate below prevailing market rates, private lenders are not likely to be interested in making such loans—even with a Federal guarantee—unless special subsidy arrangements, such as debt service grants, are used to provide an appropriate rate of return to the lender while limiting the cost of the loan to the borrower.

On a broader view, the availability of direct Federal loans may tend to discourage private lenders from entering a field of credit activity, even though there is a volume of loan demand which is unsatisfied by the Federal program. The direct Federal lending activity may subtract a sufficient amount from potential private activity, particularly in limited geographical areas, to make it unprofitable—because of overhead costs—for private lenders to enter or remain in the lending field. That is, private lenders may be discouraged by the Federal competition.

Economies of scale may also suggest that it is desirable to use private lenders in loan origination and servicing, even when narrow considerations of cost might support a direct lending program. As a corollary benefit, in some programs particularly in the business area, early involvement of a private lender will help to establish a continuing financial relationship which can be of great value to the borrower when he graduates from the need for Federal credit assistance.

Variable grants

Variable grants, including payments of part or all of the interest on a loan, potentially offer substantial advantages not provided by fixed subsidy interest rates or lump-sum grants. In comparison to fixed subsidy interest rates, such grants may be tailored to the relative needs of the borrowers, currently and in later years, and can be increased or decreased to stimulate or depress demand or to allocate available funds. In some cases, adjusting the grants to the needs of the borrower could involve onerous means tests, although it must be recognized that a means test is already involved in the limitations on eligibility for Federal credit assistance. In certain Farmers Home Administration programs, for example, if the borrower loses his eligibility for a subsidized loan as a result of an improvement in his circumstances, he is required to refinance. In addition, variable grants can be adjusted for changes in a borrower's economic status, a possibility which is not allowed if a lump-sum grant is made.

If any necessary subsidies can be provided with either direct or guaranteed loans, then the other factors listed by the Committee on Federal Credit Programs become more significant in choosing between the two approaches. These include the availability of private origination and servicing facilities, the provision of management assistance, and the question whether the Federal interest is such that the decision with regard to each loan must be made by the Federal Government.

Section VI. Credit Aids to States and Local Governments

Conversion of a direct loan program to an insured basis involves serious public policy problems when the borrower is a State or local government and the insured lender is subject to Federal income taxation. These tax and debt management policy and cost problems are likely to become more significant in the future. Demands for State and local government services, which require construction of new facilities usually financed through borrowing, are continuing to rise without any apparent limit beyond the ability of the jurisdictions to meet their current operating costs and debt service charges. This trend reflects not only the rise in population and increased urbanization of the Nation, but also demands for higher standards of public services in both urban and rural areas. Moreover, it is apparent that many Federal programs with matching requirements will provide further incentives for State and local government borrowing. In turn, this will tend to increase demands for Federal credit assistance.

Impact of tax exemption

The obligations of State and local governments differ from other debt in the United States primarily in the exemption from Federal income taxation of interest income from these obligations. Because of this exemption, States and localities benefit from lower borrowing costs in the capital markets and their securities are most attractive to investors subject to high marginal tax rates.

The tax revenue lost by the Federal Government, however, is only partly reflected in lower borrowing costs for these governmental units. On the basis of the new issue rates on municipals and corporate securities of similar quality, the point of investor indifference is presently at a marginal tax bracket in the 25 to 30 percent range. The marginal tax rate applying to commercial banks and other corporate investors is 48 percent. These institutions and upper tax bracket individuals; i.e., those with marginal rates well above 25 to 30 percent, are large purchasers of tax-exempt obligations. As a result, the lower borrowing costs are achieved by means of a tax subsidy to upper bracket taxpayers which costs the Federal Government substantially more than the benefit secured by the borrowing jurisdictions. As with any income tax exemption, the tax subsidy produces larger benefits the higher the bracket of the taxpayer.

The volume of tax-exempt obligations outstanding has risen tremendously since the end of World War II, from $16½ billion as of December 31, 1946, to $102 billion as of December 31, 1965. This growth has required tax-exempt securities to be placed with a wider and wider range of investors for many of whom the tax-exemption privilege has lower values. As a result, the savings in borrowing costs realized by State and local governments from tax exemption have declined. At the same time, the cost to the Federal Government in terms of foregone tax revenues has risen.

In addition to the general downward trend in the value of the tax exemption to State and local governments, the value of the tax exemption at any particular point in time is influenced by many market factors unrelated to the financing needs of these jurisdictions. Commercial bank demand for tax-exempt securities, including those guaranteed by the Federal Government, has fluctuated widely from year to year, rising during periods of recession when monetary policy has been expansionary and loan demand has been slack and declining in periods of economic expansion. During the periods in which commercial bank demand for State and local government obligations has been weaker, yields have had to rise substantially in order to attract funds from nonbank institutional investors, who have less tax incentive for these purchases, and individuals with lower marginal tax rates. Consequently, yields on State and local government obligations have tended to fluctuate more widely than yields on taxable securities. These erratic fluctuations in State and local borrowing costs impede planning and add to the costs of Federal assistance programs, including programs such as public housing and urban renewal, which involve substantial Federal outlays and Federal guarantees of local government obligations.

Federal guarantees apparently have not reduced the erratic fluctuations in State and local borrowing costs; nor have such guarantees eliminated the significant differences in the borrowing costs of local public bodies.

The value of the tax exemption is also influenced by the volume of tax-exempt securities coming to the market at any time and by changes in Federal tax rates. In addition, because of the selective appeal of tax exemption to particular investor groups, secondary markets are quite limited.

State and local government borrowing is carried out not only by general taxing authorities but also by a wide variety of numerous separate authorities, special districts, and other governmental entities which finance largely through obligations which are not backed by the general taxing authority but payable solely from pledged earnings of specific activities or facilities or from specific nonproperty taxes. This development has arisen, in part, from the creation of business-type activities to which State and local governments have not extended their basic full faith and general credit. In part, it has also arisen from efforts to avoid the legal restrictions that in many instances limit the activities of basic State and local governmental units. To some extent, Federal programs have also encouraged the creation of new special districts.

While any State or local governmental unit which maintains a strong credit position can probably borrow readily at a relatively favorable rate at any time, all units are subject to the erratic fluctuations in borrowing costs and the generally declining value of the tax-exemption feature. Moreover, the least favored jurisdictions can be those both with the most pressing needs and with the least ability to meet debt service charges. Jurisdictions undergoing rapid growth may also secure less benefit, since the market tends to look at the current relationships between their indebtedness and fiscal capacity rather than their future growth prospects.

Federal guarantees of tax exempts

Federal guarantees of tax-exempt obligations raise a number of issues which led the President's Committee on Federal Credit Programs to recommend strongly that such guarantees be avoided in future programs. The Committee suggested that Federal credit assistance to public bodies should be limited to direct loans and to capital grants to reduce their borrowing and debt service requirements. Only if the tax-exempt privilege were waived by the public body, would a Federal guarantee of its obligations be appropriate.

In this connection, the Committee observed that:

"* * * From time to time, guarantees of * * * municipal obligations are proposed. This raises the question of whether the Federal Government should guarantee tax-exempt obligations, especially since under the Public Debt Act of 1941, it cannot issue direct obligations exempt from Federal income taxation.

"(2) State and local governments now receive substantial indirect benefits from the Federal income tax exemption on income from municipal obligations. As a result, these governments can usually sell their obligations on a much lower yield basis than other issues of comparable quality. The tax exemption makes such obligations very attractive to institutions and individuals in relatively high income brackets. As a result, a sizable loss in Federal revenues occurs, which is greater than the saving in the cost of State and local financing.

"(3) Guarantees of tax-exempt obligations tend to expand the volume of such securities issued. *The Committee, therefore, recommends* that no program in the future be authorized which involves guarantee of tax-exempt obligations because (a) the cost in tax revenues to the Federal Government would generally exceed the benefits of tax exemption received by borrowers, (b) such federally guaranteed tax-exempt securities would be superior to direct Federal obligations themselves, and their increasing volume would adversely affect Treasury financing, and (c) the availability of increasing amounts of high-grade, tax-exempt issues would tend to attract funds from investors that should appropriately seek risk-bearing opportunities.

"(4) In addition to the substantial advantages from the tax exemption privileges available for State and local borrowing, two additional types of aid which do not involve guarantee of tax-exempt obligations could provide any additional necessary credit assistance:

"(*a*) Any local community waiving its tax exemption privilege might be authorized to borrow for specific high-priority needs with the aid of a Federal guarantee; and

"(*b*) Local communities might be authorized to receive capital grants sufficient to permit borrowing the remainder in the market on reasonable terms."

Existing guarantee programs

Several existing Federal programs involve the guarantee of obligations of local public bodies. The largest of these are the public housing and urban renewal programs administered by the Department of Housing and Urban Development. In addition, obligations of public bodies may be guaranteed in the soil and water program administered by the Farmers Home Administration and in several other programs.

The interest rates on local public housing authority bonds—despite the pledge of the Federal Government to meet annual principal and interest payments—vary with the rates on nonguaranteed State and local issues. Moreover, the public housing issues do not always sell on as favorable a basis as high-grade State and local government obligations with no Federal guarantee. The reason for this is not obvious although it may reflect the large volume of public housing offerings in the postwar period. Also, the market distinguishes in rate among the issues of the different local housing authorities even though they bear the same Federal guarantee. Despite the Federal guarantee, recent public housing temporary notes and bonds have sold in the market at yields which are clearly excessive in view of the tax exemption. The competition of these issues has also tended to raise the cost of other State and local government borrowing.

Waiver of tax exemption

Removal or modifications of the tax-exemption feature have sometimes been proposed, either generally or with respect to particular types of obligations, such as industrial revenue bonds. Any step as broad as complete removal of the tax exemption has, of course, been strongly opposed by State and local governments. It may be possible, however, without compromising the general principle, to arrange a waiver of tax exemption as a condition for obtaining a Federal guarantee, at the option of the borrowing jurisdiction.

Capital grants

The use of capital grants increases the "equity investment" of the public body and thus reduces its borrowing requirements. Such Federal grants, however, tend to encourage tax-exempt borrowing, and the total Federal cost, including revenue loss, is generally substantially greater than if the project were financed by taxable borrowing. Thus, considerable joint savings could be realized by the Federal and local governments through the use of taxable borrowing supported, if necessary, by larger initial Federal grants.

Direct Federal loans

The availability of partial Federal grants does not necessarily assure that the necessary loan funds will be available from private lenders. In the case of college housing, the availability problem had been met in the earlier years of the Federal program through the use of backup bids by the Federal agency. The agency acquired obligations of the borrowing institution which could not be sold at acceptable rates to private investors. Prior to the enactment of the Housing and Urban Development Act of 1965, the Community Facilities Administration generally acquired the longer maturities, particularly of the obligations of private institutions, in this fashion. This had the effect of providing an indirect partial guarantee for the shorter issues taken by the private market, especially since CFA stood ready to renegotiate the terms of a loan to protect its own interest or further its general program.

The Housing and Urban Development Act of 1965, however, reduced the interest rate on direct college housing loans to 3 percent and has had the practical effect of eliminating private investor participation in the program. Under present market conditions the Federal backup bid at 3 percent is significantly below the market, even for tax exempts, so that the Department of Housing and Urban Development has become the only bidder. Thus, there has been a substantial increase in the demand for Federal loans which the Department is unable to meet under its current loan authorization. At the same time the total funds available for college housing have been reduced since public borrowers—who would otherwise have issued their obligations in the market and drawn in private funds at very little additional cost—have now been required, because of State laws, to go to the most favorable lender, the Department of Housing and Urban Development, in competition with private institutions which can borrow in the private market only at substantially higher interest rates.

Direct Federal loans to tax-exempt public bodies avoid the guarantee problem, but at the cost of creating an initial budget expenditure. Through the participation sales technique, however, the budget expenditure may be offset in the same or a succeeding fiscal year by selling the loans through a FNMA-administered trust without a pass-through of the tax exemption. Thus, the tax loss to the Federal Government can be avoided, and substantial savings can be realized by both the Federal Government and the local public body. Further refinements may make possible additional reductions in Federal costs and broaden the support of State and local borrowing.

NOTE.—The appendixes omitted from this exhibit are contained in "Federal Credit Programs," a report by the Secretary of the Treasury to the Congress as required by the Participation Sales Act of 1966, published by the Committee on Banking and Currency, U.S. Senate, January 21, 1967.

Exhibit 25.—Statement by Secretary Fowler, before the Senate Finance Committee, February 15, 1967, on the public debt limit

I appreciate this opportunity to appear before this committee and press our request for prompt action to raise the limit on the public debt. This request is for a $6 billion increase in the temporary debt ceiling, to raise that ceiling level to $336 billion for the balance of fiscal year 1967.

Let no one mistake the realities, and the urgency of our present situation. If congressional authority permitting additional cash borrowing is not provided before the end of February—less than 2 weeks from today—the Treasury will be in the untenable position of having to reduce sharply the outpayments for goods and services approved by the Congress and vital to the Nation's well-being. For the first half of March we will be able to pay only about one-half of the total amount of the anticipated bills.

The potential harm to this Nation's economy and to our position in the world economy which would result from a failure to honor our legal and contractual obligations is self-evident. Unless the debt limit is increased by the end of February at which time our outstanding obligations will exceed that which we could legally borrow, the possibility of an economic and monetary derangement could be a grim reality.

Because of the short time available we are asking at this time only for a revision of the debt limit applicable to the remaining months of fiscal year 1967. I would prefer, of course, to have sufficient leeway to cover these months and the ensuing fiscal year 1968 but I do not believe I should burden the present request with anything that could delay speedy and favorable action on the immediate need for a higher ceiling.

For this reason, as well as the other reasons referred to, I believe I am justified in urging that the Congress in committee or in floor action not burden the present request with anything that could delay necessary action by introducing highly controversial amendments or proposals.

I am aware that there are some aspects of the present state of law and Government practice relating to the debt limit and budgetary accounting that many Members would like to see the subject of legislative proposals, hearings, and possible changes in law or practice. Many of these proposals are highly controversial. To handle them adequately and with full legislative process would take much time both here and in the other body.

For example, there have been Members in both Houses who have urged from time to time that the practice of periodic extension of the temporary debt limit be abandoned and that the permanent limit at its present figure of $285 billion should be modified.

It is clear from examination of the record of sessions of this committee that this is a subject which, if it is to be handled, should not be disposed of in haste and without searching appraisal.

We are all aware that there is, and continues to be a good deal of contention about the way in which the budget is presented. Statements continue to be made about so-called budget gimmickry. A good deal of this attaches to the running dispute about participation certificates and the sale of assets—how they should be treated in the budget presentation. They are now, under standard procedures followed by administrations for the last 12 years, treated as reductions in expenditures. Some would propose that they be included under the debt limit.

Let me suggest the proper approach to this problem. On page 36 of the Budget Message presented on January 24, 1967, the President said:

"For many years—under many administrations—particular aspects of the overall budget presentation, or the treatment of individual accounts, have been questioned on one ground or another.

"In the light of these facts, I believe a thorough and objective review of budgetary concepts is warranted. I therefore intend to seek advice on this subject from a bipartisan group of informed individuals with a background in budgetary matters. It is my hope that this group can undertake a thorough review of the budget and recommend an approach to budgetary presentation which will assist both public and congressional understanding of this vital document."

This Commission has been proposed by the President partly in response to the concern of Members of Congress regarding budgetary practice, and partly because it is desirable in any event to seek improvement in our governmental operations from a bipartisan or nonpartisan point of view. Its establishment, and a study of the results of its efforts, offer a clearly preferable alternative to any attempt to reform the budget in connection with this debt limit extension, where timing is a vital factor.

This is equally true of efforts to include the participation certificates under the debt limit, of proposals to change the permanent debt ceiling, and of suggestions to modify the 4¼ percent ceiling on issues of Treasury bonds—much as I sympathize with the need to take some steps soon on this latter point.

Now let me move to the question of why we are here today asking for an increase in the debt limit when the Congress acted last June, presumably to take care of this matter for this fiscal year.

Last May, the administration requested a $4 billion increase in the existing $328 billion temporary debt ceiling to a level of $332 billion, to carry through fiscal 1967. Congress reduced that request by $2 billion, voting the current limit of $330 billion. We pointed out that this reduction cut severely into our margin for contingencies and that, as a result, it might be necessary to return to the Congress for an increase in the debt limit applicable to this fiscal year.

Indeed, my specific comment on the $330 billion ceiling, when I appeared before this committee last June was as follows:

"Our estimates show that this will give us a very tight squeeze in early 1967—and as I said earlier the current uncertainties are more than normal at this time of year—but I believe we may be able to operate within this more circumscribed limit. I must tell you, however, that if this should not appear to be working out, because of one or another of the various uncertainties that I have mentioned, we would have to come back before the end of fiscal 1967 for a revision of this limit." (Senate Finance Committee, Hearing on the Public Debt Limit, June 13, 1966, p. 7.)

The likelihood that this provision would not be adequate was also faced squarely by this committee. The report of the committee carefully reviewed the debt projections presented by the Treasury last June and concluded that the $330 billion ceiling would be "tight" but would allow the flexibility which is required in the management of the debt. The report recognized that on three dates projected ahead—December 15, 1966, and March 15 and April 15, 1967—the $330 billion ceiling would not be sufficient to provide both a $3 billion contingency allowance and the normal $4 billion cash balance, but it was anticipated that the cash balance could prudently be drawn down on dates just before large taxpayments were due to flow in. The committee report went on to say:

"Should the somewhat higher receipt estimates of the staff of the Joint Committee on Internal Revenue Taxation be realized, there will, of course, be further leeway in the ceiling of $330 billion. Should this ceiling prove to be too low, because of various contingencies which may arise, it will, of course, be possible to reconsider the debt ceiling at a later time." (Report of Senate Finance Committee on Public Debt Limit, June 15, 1966, pp. 8 and 9.)

The request last May for a debt ceiling of $332 billion was based on a projected budget deficit in fiscal year 1967 of $1.8 billion. Mainly because of the greater costs of Vietnam, and despite a much larger inflow of tax revenues than was projected earlier, we now expect a budget deficit in this fiscal year of $9.7 billion.

Revenues are now expected to reach $117 billion in this fiscal year, compared with a projected level of $111 billion.

Our expenditures projections, however, now point to a total administrative budget outlay of $126.7 billion compared with the initial estimate of $112.8 billion. Of the $13.9 billion difference, $9.6 billion is a direct result of larger defense expenditures, $9.1 billion of it directly due to Vietnam. Three billion dollars reflects the impact of tight money markets which have raised our interest costs, impeded the sale of financial assets, and placed a heavier burden on Federal credit programs.

There can be no question as to the urgency of the present request. The debt subject to limit has remained very close to the statutory ceiling since late November 1966, hovering between $329 billion and a peak level—reached on January 18—just $75 million short of the $330 billion limit. At the same time our cash balance has been on the low side, ranging at times down to less than $1 billion—compared with the $4 billion level generally regarded as a normal working balance in figuring our debt limit needs. And a working balance of $4 billion, I might mention, is less than half a month's expenditures.

For comparison with the debt projections made last May and June, let me direct your attention to the table attached to this statement. At the end of December 1966 the debt was $329.5 billion, while the operating cash balance was $4.5 billion—up temporarily because of corporate tax receipts after December 15. With the normal cash balance of $4 billion the debt would have been $329.0 billion.

As the same table shows, the projection presented to this committee last June was for a debt at the end of calendar year 1966 of $323 billion, with the normal $4 billion cash balance. The actual level was thus $6 billion above the projection, on the basis of which the Congress provided a ceiling of $330 billion.

The $4.5 billion cash balance we enjoyed at the end of 1966 did not stay with us for long. By January 15 it was $2.6 billion, with the debt, also on January 15, at $329.8 billion. If we had held a $4 billion cash balance on that day, the debt subject to limit would have been $331.2 billion—$1.2 billion over the ceiling.

On January 18, the debt subject to limit reached a peak level of $329,925 million, just $75 million short of the limit. Our operating balance that day was $2.5 billion. With a $4 billion cash balance the debt would have been $331.4 billion.

There was another temporary improvement at the end of January. Our cash level was back to $4.5 billion and the debt was $4.5 billion above the level projected last June—based on the constant $4 billion cash balance. The cash level drops sharply during February, however, and by the end of the month, without additional borrowing above the current level, our usable cash will be exhausted.

If we did borrow up to a hair's breadth of the limit—which I prefer not to do—our cash at the end of February is projected to be an inadequate $1.5 billion. And net outpayments in the first few days of March would more than exhaust that meager supply. Quite clearly, in order to pay our bills and manage our cash properly, we must be able to borrow additional funds by the end of February.

Using the normal method for projecting minimum debt limit leeway for the balance of this fiscal year—including the usual $4 billion cash balance and $3 billion contingency allowance—we would request a debt ceiling of $339 billion for the current fiscal year. With the period of peak need only a month or two away, however, rather than a year away as it is when we normally make these requests, it is possible to plan much more closely and to anticipate that we can get through without the same contingency allowance that would be needed otherwise.

Accordingly we requested a ceiling of only $337 billion in our presentation to the House Ways and Means Committee. I characterized that ceiling as "adequate but scarcely comfortable or roomy." Since that committee approved an increase of only $6 billion, I can only conclude that their estimate of our skill and luck is more generous than our own.

I want to emphasize that this $336 billion ceiling is just as tight as it can be—without risking a fair likelihood that we would have to make still another appearance on this matter.

You will note that the projected level of debt for March 15, with a $4 billion cash balance, is $336.3 billion. That is without any allowance for contingencies. I believe we can reasonably plan for a low cash balance on March 15, since taxes will flow in immediately afterward, but the lack of a contingency allowance means that this is drawn down tight.

A delay in approving this minimum necessary increase would be very damaging. The Government's credit must be maintained by prompt payment of outstanding financial obligations, the trust funds in its charge must be administered properly, and the bills incurred in providing the goods and services for Government programs operating with appropriated funds must be paid promptly. I urge that favorable action on our request be taken without delay.

TABLE I.—*Comparison of debt projections of June 13, 1966, with actual results*

[In billions]

Fiscal year 1967	Projections of June 13, 1966		Actual			
	Operating cash balance (excluding free gold)	Debt subject to limitation	Operating cash balance (excluding free gold)	Debt subject to limitation	Debt subject to limitation after adjusting cash balance to $4.0[1]	Difference column (5) compared with column (2)
	(1)	(2)	(3)	(4)	(5)	
1966						
June 30	$4.0	$313.3	$10.8	$320.1	$313.3	
July 15	4.0	316.6	7.2	319.0	315.8	−$0.8
July 31	4.0	316.8	6.4	319.5	317.1	+.3
August 15	4.0	318.4	3.6	319.2	319.6	+1.2
August 31	4.0	320.3	5.6	324.6	323.0	+2.7
September 15	4.0	323.4	2.1	324.7	326.6	+3.2
September 30	4.0	318.1	7.2	325.0	321.8	+3.7
October 15	4.0	321.9	2.3	323.8	325.5	+3.6
October 31	4.0	322.2	5.0	327.1	326.1	+3.9
November 15	4.0	324.4	2.3	327.1	328.8	+4.4
November 30	4.0	324.6	3.3	329.6	330.3	+5.7
December 15	4.0	327.8	.9	329.9	333.0	+5.2
December 31	4.0	323.0	4.5	329.5	329.0	+6.0
1967						
January 15	4.0	325.3	2.6	329.8	331.2	+5.9
January 31	4.0	324.1	4.5	329.1	328.6	+4.5
				Estimated		
February 15	4.0	325.2			330.9	+5.7
February 28	4.0	324.7			332.5	+7.8
March 15	4.0	328.7			336.3	+7.6
March 31	4.0	323.5			331.7	+8.2
April 15	4.0	327.5			334.8	+7.3
April 30	4.0	318.6			327.8	+9.2
May 15	4.0	319.8			330.3	+10.5
May 31	4.0	320.4			330.3	+9.9
June 15	4.0	324.7			333.6	+8.9
June 30	4.0	314.9			323.5	+8.6

[1] Adjustment to $4.0 billion cash balance places data on basis comparable to estimates given on June 13, 1966, as shown in column (2).

Exhibit 26.—Supplementary statement by Secretary Fowler, May 15, 1967, before the House Ways and Means Committee, on the coverage of the public debt limit

This statement provides additional comment on the coverage of the public debt limit. It supplements the point made in my main statement—that our definite preference and recommendation is that the coverage of the debt limit not be changed.

One recurring point in the discussions of debt limit coverage is that the current debt limit concept is not as clean-cut as one might wish. The limit covers not only the debt obligations issued by the U.S. Treasury, under the Second Liberty Bond Act, but also a modest amount of other debt which, by statute, is guaranteed as to principal and interest by the United States.

The main items under the limit in addition to Treasury debt at the end of April 1967 were $19.8 million of District of Columbia Armory Board Stadium Bonds, and about $485 million of Federal Housing Administration debentures. These are contingent liabilities. They are payable in the first instance out of, in one case, the net revenues of the District of Columbia Stadium and, in the other, various FHA insurance funds. In contrast, what stands behind U.S. Treasury obligations is the taxing power of the U.S. Government.

Another cleanup would deal with certain minor items of direct Treasury debt now excluded from the statutory limit. The limit excludes debt issued under statutes other than the Second Liberty Bond Act and old currency items for which the Treasury has assumed responsibility. These totaled $266 million on April 30, 1967. Their inclusion and the exclusion of the contingent items mentioned earlier would put the debt subject to limit and the gross public debt on the same basis.

Before turning to the question of contingent liabilities not now under the limit, some other variations of debt limit coverage might be considered. One possibillty would be to remove from the debt limit the Treasury obligations held by the trust funds, Federal agencies and the Federal Reserve System. That would take away roughly $115 billion from the current coverage. The rationale might be that the limit need cover only debt sold to the private market, not to official accounts.

Another variant might be to deduct from the debt limit federally held direct loans outstanding. This "net debt" concept would reduce the debt subject to limit by about $34 billion. A feature of this concept is that the sale of participation certificates would not reduce the debt subject to limit because the financial assets to be put into the pool would have been deducted from the debt subject to limit already.

If we ask whether some other obligations or liabilities, not now under a debt limit should appropriately be placed under one, there is a major difficulty in distinguishing among obligations that might or might not merit inclusion.

The earlier discussion of this matter focused particularly on participation certificates in pools of federally owned financial assets. Presumably the rationale for considering inclusion of the participation certificates under a debt limit would be that an underlying Federal liability remains, whether the Government's holdings of financial assets are financed with U.S. Treasury obligations or with the sale of participation certificates. It is significant to me, however, that the holder of the participation certificate looks first to the pool of private credit instruments, and only on a contingent basis to the financial resources of the Federal Government. It is otherwise with a holder of Treasury bills, notes, or bonds.

Moreover, the Federal Government's contingent liability in connection with participation certificates of FNMA or the Export-Import Bank is just the same as with—

Federal Housing Administration insured loans,
Veterans' Administration guaranteed housing loans,
Commodity Credit Corporation certificates of interest,
Farmers Home Administration insured mortgages,
Economic Development Administration guaranteed loans,
Maritime Administration insured loans,
Guaranteed military assistance credits,
Federally insured student loans,
Loans guaranteed by the Public Health Service,
Public housing and urban renewal guaranteed loans,
Loans guaranteed by the Agency for International Development,
Export-Import Bank guaranteed loans (in addition to Eximbank participation certificates), and
Small Business Administration guaranteed loans.

Taken together these contingent obligations would total an estimated $105 billion at the end of fiscal year 1967 and $116 billion at the end of fiscal 1968.

In addition, one might add to a list of contingent liabilities of the Federal Government the direct debt of certain Federal agencies such as:

Federal home loan banks,
Tennessee Valley Authority,
Federal National Mortgage Association (for secondary market operations),
Federal land banks,
Banks for cooperatives, and
Federal intermediate credit banks.

These obligations do not carry specific language providing a U.S. Government guarantee, but it is generally understood that the Government stands in back of these issues. These agency obligations would amount to an estimated $21.5 billion at the end of June 1967, and $23.3 billion at the end of June 1968.

Such an all-inclusive list, however, would not be workable. The attempt to make it work would require a most unwelcome and complex network of controls over private credit market activities. I wonder, for example, if we would want to be in the position of having to hold back the Federal Housing Administration's insurance program, the VA mortgage guarantee program, or the CCC price support program, because of running up toward a debt limit. Yet the contingent liability here is the same as in the case of participation certificates.

At first glance, there is an attraction to a limit on contingent debt and direct agency debt, in that it offers a way to focus attention on an important element in our financial picture. Federal credit programs have grown rapidly and their role is not always fully appreciated. But certainly there is a difference between a policy of keeping careful track of a set of diverse programs, and a policy of applying a dollar ceiling that would tend either to be so ample and permissive as to constitute no ceiling at all, or so tight as to risk infringing on essentially private credit market activity.

However, should the Congress still wish to consider a limit on these contingencies, I am strongly of the opinion that it should be separate and apart from the limit on direct Treasury obligations. For this second debt limitation a workable group could probably be selected from the lists of contingent liabilities and direct agency debt given above. It might include contingent liabilities such as participation certificates, Farmers Home insured paper, public housing and urban renewal—and other programs where there is effective budgetary program control. It might also include the direct debt of agencies that are either owned at least partially by the Federal Government or that have a statutory call on the Federal Government for financial support. This grouping could include, for example, TVA securities, FNMA secondary market obligations, some of the farm credit obligations and Federal home loan bank issues. Treasury and Budget staffs have developed one such list of contingent obligations which we are prepared to submit for the record.

There is still a question about the logic of this arrangement, for it would seem to set another control over what is already controlled, but leave untouched such programs as Federal Housing Administration insurance where the contingent liability is just as great but there is no close program level control.

Thus, I am not convinced that placing contingent liabilities or direct agency debt under a ceiling would serve a useful purpose, and accordingly I recommend that no change be made in the present coverage of the debt limit. There would be an improvement in the consistency of the existing coverage if the District of Columbia Stadium Bonds and FHA debentures were taken out of the present debt limit, and some minor Treasury debt items added, but this is not a high priority matter.

Exhibit 27.—Statement by Secretary Fowler, June 23, 1967, before the Senate Finance Committee, on the public debt limit

I am here today to talk about financing a war. It is a costly war and it must be financed consistently with the preservation of soundly balanced, and fruitful, economic growth at home while we are fighting to maintain freedom in a far-off corner of the world.

Fiscal responsibility means differing things in differing circumstances.

In a wartime context it must include the courage and willingness to vote to raise the money that is as necessary as the guns, planes, and materiel needs of our forces in Southeast Asia. Those who support our national effort to defend freedom from Communist aggression in Vietnam do not hesitate to vote overwhelmingly for appropriations to support our forces there. They will equally support legislation needed to facilitate the financing of those appropriations.

Fiscal responsibility means, in contemporary circumstances, that in financing the war we should obtain as much as possible from current tax revenues as the economic outlook permits.

It means that expenditures in excess of revenues have to be financed with debt, and that we must have the ability to borrow the needed amounts of money in the market. We do not intend to be in the position of "squeezing a buck" where it can cost the lives of our soldiers or the freedom of a democratic people.

Finally, fiscal responsibility means that we must have flexibility in our borrowing to manage the public debt as a constructive force in the economy.

The present temporary ceiling of $336 billion extends only through June 30 of this year. On July 1, the limit reverts to the permanent level of $285 billion. We expect the actual debt to be about $327 billion on June 30, and to rise considerably above that level in coming months, so it is obvious that prompt action is needed.

Let me underscore at this point that it was not a part of our plans to present this important matter to this body at so late a date. I am very conscious of the fact that we were urged to present our recommendations early, so as to permit ample time for study and review.

We did in fact have our initial hearing before the House Ways and Means Committee on May 15—an earlier starting date than usual. The time consumed between then and now has resulted, in good part, because we requested action on two matters that have long been of interest to the Senate Finance Committee and that had been, for too long, deferred on the grounds that the speediest possible action was needed on the debt ceiling. I refer to the matters of revising the permanent debt ceiling and modifying the 4¼ percent interest rate ceiling on Treasury issues maturing in over 5 years. Because of the time taken on these matters by the other body, I am able to urge your prompt approval of a bill which goes some worthwhile distance in directions long urged by distinguished members of this committee.

There should be no misapprehension about the nature of our debt limit need nor about the impact of Vietnam on our economy and our budget. Let me cite the recent record:

In fiscal year 1966, the special cost of Vietnam was $6.1 billion. Absent this cost, and absent also the $1.2 billion of extra revenue from the Tax Adjustment Act of 1966, which was enacted because of Vietnam, the administrative budget would have been in surplus by $2.6 billion instead of in deficit by $2.3 billion. And the actual deficit, incidentally, was the smallest since fiscal year 1960.

In fiscal year 1967 the special cost of Vietnam will be a little over $20 billion. Eliminating that cost along with the $4.6 billion of revenues from the Tax Adjustment Act of 1966, there would be a budget surplus this year of some $5 billion—instead of the deficit of roughly $11 billion that now appears to be in the making.

For fiscal year 1968, it was estimated last January that the special cost of Vietnam would be $22.4 billion. Without that Vietnam cost, and also without the added tax measures proposed in January, the 1968 budget was estimated to yield a surplus of $8.8 billion rather than a deficit of $8.1 billion.

On a revised reading for fiscal year 1968, we would place Vietnam costs and other expenditures a little higher and total receipts somewhat lower. In testimony before the House Ways and Means Committee on May 15, I indicated that the prospective deficit in fiscal year 1968 was, in round numbers, $11 billion. But the point still stands that, absent Vietnam and absent the special tax measures proposed in January we would be looking at a budget surplus rather than a sizable deficit.

In short, except for Vietnam, we would now be facing potential Federal surpluses, and trying to decide how best to employ those surpluses among tax reduction, debt reduction, and expenditures for needed domestic programs to raise the quality of life in America.

But reality would have it otherwise and instead of the welcome task of distributing fiscal dividends we have the difficult, yet necessary, task of financing a war that, however distant geographically, is very close in its meaning to our lives and ideals.

A number of steps have been taken already to insure that the special demands of Vietnam are financed soundly, in a balanced economy without the panoply of cumbersome direct controls that have been employed in past periods of heavy military expenditure. This approach has been accompanied by a record of upward price movement far below those that characterized World War II or the Korean war, and even below that in the major peacetime expansion of the midfifties.

In early 1966 the Tax Adjustment Act, passed promptly by the Congress, deferred declines in certain excise taxes and put corporations and individuals on a more current footing in their payment of income taxes.

Administrative measures were taken in the spring of 1966 to speed the payment of corporate income taxes, and steps were taken within the past several months to put certain excise taxes on a more current basis.

The investment tax credit was suspended in October 1966, not as a revenue measure but as a selective measure to help slow down an area of spending that was putting the economy and the financial markets under excessive pressure; as soon as it was clear that the special reasons for suspending the credit no longer existed, the President recommended lifting the suspension and the Congress has now acted.

As part of our sound financing program, we have launched the largest U.S. savings bonds campaign since World War II. Holdings of savings bonds, which are the most stable and noninflationary form of debt financing that can be devised, have increased from $48.8 billion at the end of June 1965 to $50.7 billion in May 1967. Over $1.1 billion has been added to public holdings of these bonds just in the past year.

This year we are supplementing the sale of regular savings bonds with a new Freedom Share savings note. It carries a higher interest rate than series E savings bonds and must be held at least a year before redemption. It is designed to produce additional savings, while not diverting savings from thrift institutions, so we do not look to the Freedom Share to bring in multiple billions of dollars—but we do expect it to make a significant contribution to sound financing of the deficit.

Civilian expenditure programs have been held down to a minimum consistent with meeting basic national objectives in the many areas that we cannot afford simply to neglect because we are fighting a costly war.

We have also proposed a 6 percent tax surcharge to defray additional military expenditures and keep the overall Federal deficit within bounds that the economy and the financial markets can handle. We need to pay for the increased cost of the war projected for the next fiscal year. We certainly do not want to risk resumption of the monetary strains and excessively high interest rates that occurred last year, and that means the Government's own demands on the credit markets must be held down.

I am not here today to talk about the tax surcharge, however. That will be taken up in due course. Let me make a brief comment about the need for the increase. It will be needed and the economic evidence generated in the months since it was proposed has strengthened my conviction on this score. The economy neither needs nor can tolerate the kind of stimulus it would receive in the second half of this year from a Federal deficit of the size that would emerge without the proposed tax surcharge, given the other changes in the situation that have been and are occurring.

With or without the tax surcharge, however, we must have flexibility to finance the war and manage the Nation's fiscal affairs prudently. That means having adequate room under the debt limit to cover the wide range of contingencies present at this time, and having greater flexibility to borrow outside the short-term area, in the interest of sound debt management.

A year ago, I asked the Congress to approve a temporary rise in the debt limit to $332 billion, to extend through fiscal year 1967. I pointed out then that the budget figures were uncertain, and I reemphasized this point when the Ways and Means Committee provided an increase only to $330 billion. I noted then that it might be necessary to return before the end of fiscal 1967 to provide additional leeway for the debt.

It was indeed necessary to return for an interim increase. The debt ran higher by the middle of fiscal 1967 largely because of the bigger than expected rise in expenditures for Vietnam, and the impact of tight money markets in impeding financial asset sales, raising interest costs, and adding to loan disbursements in areas particularly hurt by tight money markets.

The Congress responded promptly, early this year, in raising the temporary debt ceiling to $336 billion. This provided sufficient leeway to resume policies of careful and prudent cash management—after a period of some weeks when we operated hand-to-mouth in our cash management.

The higher limit, while it provided elbow room, was not taken as a license to spend or incur debt freely. Indeed, the highest point of debt actually reached after the limit was raised was $333,227 million on March 14—well within the $336 billion ceiling. By June 30, 1967, we project that the debt will be down to about $327 billion.

Our latest estimate of the administrative budget for fiscal year 1967, as I have already noted, yields a deficit of around $11 billion. This is up $1.3 billion from the estimates submitted last January. Receipts are estimated to be down $0.5 billion, reflecting a number of minor revisions, including the early restoration of the investment tax credit. Expenditures are working out to be approximately $500 million to $750 million higher than estimated in January.

The budget submitted last January for fiscal year 1968 estimated expenditures of $135 billion, and revenues of $126.9 billion, yielding an administrative budget deficit of $8.1 billion. We do not yet have a firm basis for making a thoroughgoing revision of these estimates. A rough interim revision, which as I indicated earlier was provided to the Ways and Means Committee last month, placed the deficit about $3 billion higher—or around $11 billion. The $3 billion difference reflected, about equally, higher spending and lower revenue.

The $11 billion deficit figure for fiscal year 1968 remains our planning base in projecting debt figures ahead, although I must say that there are a number of uncertainties and contingencies bearing on this figure and tending if anything to raise rather than to lower it. These uncertainties and contingencies are of a scope that calls for a far different approach to the debt limit than has been followed in recent years.

On the revenue side, one element of uncertainty is the tax surcharge which the President recommended early this year. The deficit figure of $11 billion assumes a July 1 effective date for the recommended surcharge. Enactment by that particular date is no longer feasible. Let me underscore again, however, that there is no wavering in the Administration's intentions about the surcharge. It has been, and still is, a definite part of the fiscal program. But since it has yet to be enacted, I must consider it as a contingent item.

Also on the revenue side, I must regard the expected yield of existing tax rates as uncertain in some degree. The report of the Ways and Means Committee refers to revenue estimates for fiscal year 1968 by the staff of the Joint Committee on Internal Revenue Taxation. Those estimates, after allowing for the effect of proposed legislation, are about $4 billion below the January budget estimates, and also about $2½ billion under the rough interim estimate that we presented to the Ways and Means Committee in mid-May. Based on our latest information on individual income tax revenues and corporate revenues, while much uncertainty remains, I think it would be fair to say that the Joint Committee staff estimates could very well approach the revenue picture for fiscal year 1968 more closely than did our prior estimates. Consequently, the total receipts figures they use for the forthcoming fiscal year may be regarded for the purposes of these hearings as a reasonable quantification of our revenue prospects.

On the spending side, I can only repeat that wars are by their very nature uncertain, and so are the expenditures needed to carry them out. Our estimates of Vietnam spending are not subject to the particular source of underestimate that occurred this current fiscal year, when the initial estimates rested on the assumption that the conflict would end by June 30, 1967. Still I must say that a margin of underestimate, or overestimate—but more likely the first—is always a possibility. These are contingencies that must be given due regard.

In the hearings before the other body, a further area of contingency was also brought out—namely, the possibility that not all of the projected participation sales of financial assets would be carried out, leading to a larger deficit in the administrative budget and larger rise in Treasury debt than would otherwise be the case.

The practice in recent years, in estimating debt limit needs, has been to project a level of debt for the year ahead on the basis of a constant $4 billion cash balance, and then to request a $3 billion allowance for contingencies. I believe this practice is not suited to present circumstances for two reasons:

First, the contingencies just outlined are of a number and scope that render the $3 billion allowance inadequate. It is worth noting that quite apart from the special uncertainties affecting fiscal 1968, the standard $3 billion allowance dates back to 1958, when the Federal budget and the national economy were only a little over half the size in prospect for the year just ahead.

Second, I think it is timely to change the permanent debt ceiling, which has remained at $285 billion since 1959—and if that is done the ceiling should be revised to a level that stands a reasonably good chance of lasting for longer than the one year interval that has typified changes in the temporary ceiling.

As I need not remind members of this committee, in light of your initial action on the debt limit bill last February, the present $285 billion permanent ceiling hangs as "sword of Damocles" over the Congress—and over the Secretary of the Treasury—requiring legislative action on the debt ceiling by June 30 each year lest the limit drop down to an obviously unrealistic level. Thus it makes good sense to revise this ceiling. But in so doing there would seem to be little gained in moving to a ceiling that did not offer some reasonably good prospect for durability.

Accordingly, rather than ask for another rise in the temporary ceiling that would last only through fiscal year 1968, I recommend a significant increase in the permanent debt ceiling—to a level that, hopefully, will provide ample margin for Federal debt operations and cash management at least through fiscal year 1969.

There is ample precedent, from the World War II period, for providing large debt limit increases that made sure the limit would not be a constraint on necessary wartime finance. From 1941 to 1945, annual increases in the debt limit ranged from $40 billion to $85 billion. At the end of the war there was a substantial margin of extra leeway and the debt limit was cut back by $25 billion.

Based on that experience, I believe it would have been entirely appropriate to increase the permanent ceiling to $375 billion. At the same time, I can well understand a desire on the part of Congress to set a limit that, while not inhibiting the financing needed for Vietnam, stayed closer to near-term foreseeable contingencies than would a $375 billion permanent ceiling at this time.

It is as a result of considering these more or less foreseeable contingencies that the permanent debt limit figure of $358 billion emerged from the deliberations of the other body. That is the level of the permanent debt limit incorporated in H.R. 10867.

Let me review with you the background for that determination. The starting point is the table of projected debt levels appended to this statement, based on a prospective budget deficit of $11 billion in fiscal year 1968, and a constant cash balance of $4 billion. The highest point of debt projected in that table is $345.2 billion, reached on March 15, 1968. But that is without any allowance at all for contingencies. Now add the following for contingencies:

[In billions]

1. Normal contingency allowance	$3.0
2. Possible delay in effective date of tax surcharge	2.2
3. Possible shortfall in revenues at current tax rates, based on estimates of Joint Committee staff (cumulative effect by Mar. 15, 1968)	1.1
4. Possible shortfall in sales of participation certificates—or, alternatively, provision for including participation certificates issued in fiscal year 1968 under the debt limit (cumulative effect by Mar. 15, 1968)	3.5
5. Hypothetical addition to defense costs	3.0
Total contingencies	12.8

Adding the $12.8 billion allowance for contingencies to the projected peak debt of $345.2 billion, one arrives at $358 billion as an appropriate debt limit level for fiscal year 1968. Let me stress that these are contingencies, not certainties. To guess what the impact might be of a delay in the proposed tax surcharge is the sheerest speculation. So is the figure plugged in for hypothetical additional defense costs.

Looking beyond fiscal year 1968—as we should if we are seeking to set a revised permanent debt ceiling that will have some qualities of durability—the uncertainties and contingencies cover an even wider range than those that are dimly foreseeable for the next year. Based on past experience, however, a major determinant of the debt limit need applicable in fiscal year 1969 will be the seasonal rise in debt from the start of the fiscal year to the high point reached in the late winter or spring months. That is the basis of the rough rule-of-thumb which relates next year's debt limit need to this year's peak debt level plus this year's deficit.

It is this seasonal need that has been incorporated into H.R. 10867 and applied to the fiscal years 1969 and beyond. We do not know the basic budget position that may apply in fiscal year 1969, but we can estimate that whether that position is one of surplus, deficit or balance, there will be a seasonal upswing in debt during the first 8 or 9 months of the year which will be a major factor in determining the peak debt for the period.

The experience of recent years suggests that the seasonal upswing in debt would be about $7 billion, and that is the figure provided in H.R. 10867. The seasonal variation arises because of the uneven pattern of tax receipts over the year, with a more than proportionate share concentrated in the last 3½ months of the fiscal year. That means that in the first 8½ months, with receipts running seasonally light, there must be some extra borrowing until the heavy tax months roll around.

The seasonal nature of the $7 billion addition to the debt limit provided in H.R. 10867 is unmistakably clear. The addition applies to the period from July 1 through June 29 of each fiscal year, beginning July 1, 1968, but each June 30 the debt limit drops back to the permanent level of $358 billion. We believe this arrangement provides reasonable operating flexibility while maintaining the principle that the permanent debt ceiling should be held in reasonably close check.

Coverage of the debt limit

A further provision of H.R. 10867 is that participation certificates in pools of federally owned financial assets issued by the Federal National Mortgage Association during fiscal year 1968 shall be counted under the debt limit for as long as those participation certificates remain outstanding. We did not seek the inclusion of this provision. It reduces our leeway under any given ceiling, and it takes a step—even though it is a temporary step—along a path, the end of which we cannot clearly foresee. However, we can live with the provision embodied in H.R. 10867, and we recommend that in the interest of speedy passage of this vital legislation the entire bill be approved.

Our own preference, as I informed the Ways and Means Committee, would have been to make no change in the coverage of the debt limit at this time. This was our conclusion after devoting some considerable staff study to this question following the debt limit hearings at the beginning of this year. This was not because we regarded the existing arrangements as incapable of improvement, but because the proposals that have been advanced did not appear to us to offer the prospect of significant improvement.

A particular reason for delay is that further light on this whole question of debt limit coverage may emerge from the studies of the President's Commission on Budget Concepts. While the Ways and Means Committee took note of the Commission's possible contribution in this area, they nevertheless chose to incorporate the provision described for including participation certificates under the debt ceiling. But, as I have noted, in light of the present time factor, the provisions of H.R. 10867 on this matter are workable and acceptable to us, even if not especially welcome.

The 4¼ percent ceiling

Let me turn now to the 4¼ percent interest rate ceiling and the modification of that ceiling provided in H.R. 10867. Because of the 4¼ percent interest rate ceiling on Treasury bonds, the Treasury has been unable to sell marketable debt issues maturing in over 5 years since May 1965—just before events in Vietnam led to an escalation not just in our military effort but also in our economy, credit demands, and interest rates.

As I mentioned earlier, the intensified savings bonds campaign has made a contribution to an improved debt structure, and it will continue to do so with the introduction of the Freedom Share this year. But savings bonds and Freedom Shares cannot do the whole job. Good maturity balance must be achieved and maintained in the marketable debt, too.

In the early 1960's, with long-term interest rates holding relatively steady, the Treasury made big strides in improving the maturity structure of the marketable debt—relieving the under-5-year area of heavy maturities and issuing instead a large volume of intermediate and longer term debt.

Chiefly through the use of advance refundings—inducing holders of relatively short-term issues to exchange into relatively long term issues—the average maturity of the marketable debt was raised from 4 years 2 months in September 1960 to 5 years 5 months in January 1965. The proportion of the marketable debt maturing within 5 years was reduced from 78 percent in September 1960 to 67 percent in January 1965.

The wisdom of these efforts to lengthen the debt was demonstrated last year, when very high rates had to be paid on refundings. Fortunately, the magnitude of the refunding job had been substantially reduced because of previous advance refundings.

Since early 1965, the trend has been toward a shorter average maturity and a heavier concentration of debt within the 5-year area. From an average maturity of 5 years 5 months in January 1965, the marketable debt shortened to 4 years 6 months at the end of May 1967. The proportion of the marketable debt maturing within 5 years has grown from 67 percent to 77 percent over this period. At the end of June 1967 the average maturity of the marketable debt will still be about 4 years 6 months, or 5 months shorter than a year earlier.

What might happen to the debt structure over, say, the next year and a half, if the Treasury issued no debt maturing in over 5 years? Assuming that new borrowings and refundings are handled about in line with patterns during the past 2 years, we would estimate the average maturity of the marketable debt by the end of December 1968 at 3 years 8 months—well under the 1960 low point. Some 85 percent of the marketable debt would mature within 5 years, including nearly 50 percent maturing within 1 year.

This shortening tendency is unwelcome. It presents a problem that should be dealt with in an orderly and systematic way, so that we do not face an excessive pile up of maturing debt. Such a pile up, if it came at a time of tight money and high rates, would mean that the Treasury had to compete for investment funds on most unfavorable terms—bidding against itself and against other borrowers for the favor of investors. This kind of frantic competition could send short-term rates up sharply and push long-term rates higher, too, with disruptive effects throughout the capital markets.

Further, the heavy pile up of relatively short debt could make it more difficult for economic stabilization policies to operate smoothly in the economy. Heavy amounts of short-term debt represent potentially excessive liquidity in the hands of the holders. This could mean that the monetary authorities would have to take more drastic restraining action than otherwise—in terms of interest rate effects—in order to restrain total demand.

These are not imminent dangers, but they are potential problems that can be avoided or minimized if we would make a careful, orderly effort to stretch out some short-term debt into a longer area.

Certainly I would much prefer to be able to accomplish the needed improvements in the debt structure at low rates of interest—low enough to come within the present 4¼ percent statutory ceiling. But while rates have come down since last summer's high point they are not at a level that would permit long-term financing under the 4¼ percent ceiling, and I would like to be able to take some steps—even if they are small-sized steps—on the debt structure problem while aiming toward further progress in reducing the overall level of interest rates.

In appearing before the Ways and Means Committee several weeks ago, I requested two modifications of the 4¼ percent ceiling: first, that the maximum maturity on Treasury notes—to which no rate ceiling applies—be extended from the present 5 years to 10 years, and, second, that the Treasury have authority to sell up to $2 billion of longer bonds without being subject to the 4¼ percent ceiling.

I did not ask for repeal of the 4¼ percent ceiling, just as I did not ask for repeal of the debt limit. Both of these are useful concepts and worth preserving, provided they are not so rigidly bound as to interfere with sound debt and cash management.

The House committee went only part way in meeting my request on the 4¼ percent ceiling. They rejected the request for authority to sell $2 billion of bonds outside of the ceiling, but they agreed to extend the maximum maturity of Treasury notes to 7 years. That provision is incorporated in H.R. 10867.

We believe that this modification will be helpful, although it is less than we asked for. It does at least demonstrate a concern with the problem of debt structure, and that is an important step forward. Through a widened flexibility in this area it should be possible to mitigate the shortening tendency of the debt observable in recent years.

I have no hesitation whatever in recommending strongly that you give approval to this feature of H.R. 10867. Even if we did not face an urgent timing problem, requiring the completion of congressional action on the debt ceiling within the next few days, I do not believe there would be anything to be gained by pressing at this time for still greater flexibility in our debt management.

Conclusion

I believe that H.R. 10867 provides for a responsible approach to the problems of providing adequate flexibility for needed Government borrowing, and sound debt and cash management. It revises the unrealistic $285 billion permanent debt ceiling, and puts the debt ceiling legislation on a basis that should remove the "Hairsbreadth Harry" scenario that has been enacted in the closing days of June in each of the past several years. It also makes some worthwhile headway on the matter of modifying the 4¼ percent interest rate ceiling, to permit greater flexibility of debt management.

I urge most strongly, therefore, that you approve H.R. 10867 without further modification, and clear the way for speedy passage of this urgently needed legislation. As I need not remind you again, it is imperative that the Congress act by the end of June because the debt ceiling drops on July 1 to $285 billion—a level that would be some $42 billion under the actual level of debt now expected on that date. At that point the Treasury would be able to issue no new debt, including debt needed to refund maturing issues and including the U.S. savings bonds now being purchased by over 9 million persons on payroll savings plans and by other buyers over the counter. Without new borrowing, we expect to have cash on hand at the end of June sufficient to last only through about July 12. After that, our cash would be inadequate either to redeem maturing debt issues or meet current bills.

Our national commitments must be met in the financial area, as they are being met on the battlefield. It is not conceivable that the Congress would shirk its responsibilities by leaving the Government financially unable to carry out the programs authorized and approved by the Congress, particularly in wartime, and when the financing of the war effort is the occasion for a larger call on the private market.

TABLE I.—*Estimated public debt subject to limitation in fiscal year 1968, assuming budget deficit of $11 billion, and no allowance for contingencies*

[In billions. Based on constant minimum operating cash balance of $4.0 billion]

Period	Operating cash balance (excluding free gold)	Public debt subject to limitation	Period	Operating cash balance (excluding free gold)	Public debt subject to limitation
1967			*1968*		
June 30	$4.0	$324.3	January 15	$4.0	$339.3
July 15	4.0	326.4	January 31	4.0	338.5
July 31	4.0	327.2	February 15	4.0	339.4
August 15	4.0	329.7	February 29	4.0	341.1
August 31	4.0	331.8	March 15	4.0	345.2
September 15	4.0	335.0	March 31	4.0	342.9
September 30	4.0	330.9	April 15	4.0	344.9
October 15	4.0	334.7	April 30	4.0	337.3
October 31	4.0	334.8	May 15	4.0	337.4
November 15	4.0	337.3	May 31	4.0	340.2
November 30	4.0	338.3	June 15	4.0	342.7
December 15	4.0	341.9	June 30	4.0	335.3
December 31	4.0	337.2			

Exhibit 28.—Remarks by Under Secretary Barr, October 6, 1966, before the Third Annual Corporate Pension Conference, New York City, on the financial management of Federal credit programs in the Great Society

As pension officers you have a lively interest in the way the Federal Government manages its financial activities. You represent the fastest growing group of major financial institutions in the Nation. You are fully aware of the impact of the Federal Government's activities on the broad financial market of the United States. Your funds are invested in that market, and you will return to the market again and again to seek future investment opportunities.

Narrowing our focus on your interest somewhat, the security, convenience, and steady earning power of U.S. Treasury securities surely hold a substantial part of your attention in the market. And if you do not hold obligations issued or guaranteed by Government lending agencies, you will have at least considered them. So a discussion centering on Federal credit programs can be neither strange nor uninteresting ground for you.

We in the Treasury, of course, also have a keen interest in all the Government's financial activities, although we observe from a different point of view. We have the responsibility of maintaining the quality of the Government-backed obligations you hold and those you have yet to buy. That responsibility exists within the context of our broader obligation to maintain and enhance the well-being of all Americans.

To see Federal credit programs in proper perspective, we should look briefly at the purposes for which they were created before we consider the problems of their financial management. Since the modest beginnings with the Farm Credit Program in the first World War era, Federal credit programs have grown tremendously. More important, their scope has broadened vastly, reflecting an expansion in our scale of priorities from the farm sector of the economy and our society to include many other sectors and fields of activity.

Federal credit aids now help to achieve the objectives of Government programs in six major areas. Varying among direct loans, loan insurance, and loan guarantees, they are:

—improvement of private housing and encouragement of home ownership;
—development of agricultural and other natural resources;
—promotion of economic development abroad;
—assistance to business, including small business generally, transportation, and commercial fisheries;
—encouragement of community development and public housing; and
—improvement of education, including college facilities and student loans.

Apart from programs generated to provide temporary assistance after a natural catastrophe or other emergency, continuing Federal credit programs have been established to meet two kinds of situations. In the first of these, Government has intervened to remedy what are—or appear to be—imperfections in the functioning of the private credit system. For whatever reason, potential borrowers are unable to command adequate credit even though they are able to pay a competitive price for it. So-called "credit gaps" occur, and programs are designed to close them—to achieve more nearly the credit allocation that might be expected to result if the market operated more perfectly.

In the second kind of situation, the Government seeks to achieve social, economic, or other policy objectives which would not otherwise be attained even if the market functioned perfectly. The Government intervenes to divert resources to particular activities from which public and private benefits are believed to flow in a degree justifying the costs involved.

It is often hard to tell whether it is imperfection in the market or the desire to achieve specific objectives which led to developing and sustaining a particular credit program. Farm credit has been justified both in terms of food production and of the social significance of life on the family farm. Do we lend money for education more because of the unquestioned value of education or because many educational institutions and their students cannot afford to compete for credit?

Our Nation has come a long way since the inauguration of the first Federal credit program. Much of this nation's progress over the years has been due, directly or indirectly, to timely extension of credit to men and women who otherwise would not have been eligible for it or could not have afforded it. I might stress the element of timeliness here. There are some who would argue that the market would, in time, provide financing for any worthwhile purpose.

It matters little to a man who needs credit for his farm or business or financing to provide a home for his family, or to youth who need a school to go to, or to the sick who need a hospital, that funds will be available "sometime." A central part of the magnificent achievement of our credit programs is that they have provided funds when the funds were needed.

The funds which these programs have put into the hands of the public for purposes recognized and written into law by the Congress add to impressive totals. The budget which the President sent to the Congress last January estimated that direct loans outstanding would total $33.1 billion at the close of the Government's fiscal year 1966. Guaranteed and insured loans outstanding were estimated at $98.5 billion. Final figures for the year are not yet available.

The President's budget for fiscal year 1967—the current year—called for almost $8 billion in new commitments in direct loans. Half the total was budgeted for loans to foreign borrowers by the Export-Import Bank and the Agency for International Development—an essential part of our economic and trade development effort abroad. The remainder was to be divided among 18 other major credit programs. New commitments for guarantees and insurance of private loans were forecast at almost $28.4 billion. Over half that total was for housing loans insured by the Federal Housing Administration, now part of the Department of Housing and Urban Development.

Those are substantial figures. But it is well to keep the situation in perspective, particularly as it respects demands on our money markets. The tremendous growth of our economy during the last 5½ years, our savings potential, and the rising credit demands of other sectors, coupled with reductions in Federal deficits and a decline in the Treasury financing placed in the private market, have resulted in a shrinking in the demands of Government finance, relative to other demands. Large as it is in absolute terms, Federal financing is a small proportion of our financial markets.

But consider the size of the Government's portfolio of direct loans under the various credit programs: more than $33 billion of the taxpayers' money—taken from their current accounts over the years—immobilized in loans of various maturities, often long-term. The total has been growing rapidly, too—it was just over $25 billion 5 years ago.

Federal credit programs have been designed to accomplish things the private market could not or would not accomplish. Our lending activities have always been supplemental to the private market, never aimed at taking its place.

Over the years successive administrations have devised means to use the great resources of the private market to accomplish the necessary and highly desirable social purposes which we originally set out to accomplish through direct Government lending. When private capital takes up part or all of the burden of a lending program, the resources of the public sector are freed to turn to other worthwhile purposes. This is advantageous for several reasons:

—the capital resources of the private market are far greater than those of the Government;
—we could not increase the Federal budget and, indeed, few if any of us would want to increase the Federal budget to the degree required to provide all the necessary funds through direct Government loans; and,
—while Government assistance is required to get programs underway, we often need the flexibility and ingenuity of the private market to carry them out successfully.

The public gains another advantage, too. Federal credit programs, working through the private market, help to make the market stronger, more competitive, and better able to serve the economy's needs over the long term.

The most striking long-term effect of the mobilization of private financing for Federal credit programs can be seen in the growth of guaranteed and insured loans. Today, $3 of every $4 lent under our programs are private funds lent under Government guarantee or insurance.

The substitution of private for public credit has received great impetus since the mid-1950's under the asset sales program. This has consisted of selling loans—selling the loan paper, actually, which is generated under various direct Federal lending programs.

The idea of asset sales was endorsed by the distinguished private Commission on Money and Credit, of which Secretary of the Treasury Fowler was a member and which issued its authoritative report in 1961, and President Kennedy's Committee on Federal Credit Programs, of which former Secretary of the Treasury Dillon was chairman. The program was also given high priority repeatedly in President Eisenhower's budgets.

But despite major efforts to draw on private credit, the portfolio of direct Federal loans outstanding has increased in recent years. This has had direct consequences on the Federal budget. Money for direct lending programs must be budgeted. This means that it must be raised from tax revenue or additional public debt—or else that it must take the place of some other program, which then must be postponed or dropped. The money appropriated to a direct lending program is tied up, regardless whether private funds have meanwhile become available which could take its place.

These conditions led originally to the program of direct sales of federally held assets, which had the objective of reducing the portfolio of direct loans held by the Government. But problems developed with the direct asset sales program.

This program, in effect, sent Federal lending agencies into the private market to raise money. We have had at various times half a dozen or so agencies selling their loan paper, some of it with appeal to a very limited market. Further, the agencies went about this task with varying degrees of expertise.

From the Treasury's standpoint, the main problem presented by the myriad Federal agency credit programs has been one of coordination. This is not to say that there has been any lack of genuine cooperation. The various agencies are all concerned with doing the best job possible, and there is a spirit of give and take among the agencies and with the Treasury and its debt management problems. Moreover, with respect to any specific financing, the Treasury must, by law, be consulted in most cases, while, in other cases, we have been in close touch as a matter of practice.

Rather, the coordination problem has reflected the multiplicity of agencies dealing directly with the market, each with its own scheduling problems and each with fairly specific financing objectives or requirements, all of which have had to be fitted within an overall schedule. Obviously, this has required detailed planning, careful consideration of alternatives, and hard appraisals of amounts, maturities, and pricing.

All the agencies have had some degree of flexibility in their financial operations, but there have also been constraints imposed by law, market acceptability, or considerations of prudent financial management. Patterns of cash flow posed constraints, too. Certainly, long-term borrowing was more appropriate for some agencies, particularly where it was fairly clear that a portion of the agency's need was of a truly long-term nature. At the same time, we at the Treasury knew that long-term agency borrowing could compete directly with opportunities for the Treasury itself to tap the intermediate or longer term markets.

The best technique we had at hand to cope with those problems consisted of grouping assets, consisting of loans, into pools and selling shares or "participations" in the pools. The Export-Import Bank had been using the technique since 1962 and had sold about $1.7 billion of its direct loans which otherwise might not have been marketable. The Federal National Mortgage Association—Fannie May, as we all call it—acting under the provisions of the Housing Acts of 1964 and 1965, sold $1.6 billion of participation certificates in its own mortgage holdings and those of the Veterans' Administration.

Last January President Johnson proposed a bold step forward in mobilizing the resources of the private market to accomplish the purposes of the Federal lending programs. His proposal became the Participation Sales Act of 1966. Its basic provisions came directly from the Housing Acts of 1964 and 1965. The earlier act authorized Fannie May to act as trustee for the sale of participations in pools of first mortgages. The 1965 act extended that authority.

The Participation Sales Act enlarged the use of the pooling technique by extending it to certain other Federal agencies which hold financial assets. Further, it capitalized on the experience and expertise of Fannie May by giving responsibility for managing and coordinating the pooling and sales of assets to that agency, serving as trustee for the other agencies.

In authorizing the creation of participation certificates for sale in the market, the act brought into being a security which cannot fail as its use develops to command a broad market at yields close in line with Treasury securities. Finally, the act provided for congressional review of the pooling of assets, so that the Congress retains its traditional influence and control over the scope and administration of the lending programs.

The act extended the use of the participation sales technique to include assets of the Farmers Home Administration, the Office of Education's academic facilities loan program, the college housing loan program and the public facilities loan program of the Department of Housing and Urban Development, and the Small Business Administration. Under this legislation, we proposed this year to reverse the upward trend in the total of direct Federal loans outstanding.

Since then, of course, our attention has been drawn away from the size of the direct loan portfolio and the problems of asset sales coordination to the escalation of interest rates and a more general inflationary threat.

The President, speaking to the Nation in his message to the Congress on September 8, outlined his program to avert inflation. He said, and I quote:

"No nation has ever enjoyed such prosperity * * * .

"The new problems of prosperity are much to be preferred to the old problems of recession and depression."

But, he continued:

"* * * the great satisfaction that accompanies the solution of old problems must be tempered by full recognition of the new problems these solutions bring."

As you know, the President asked the Congress to suspend two tax incentives, the 7 percent investment credit and accelerated depreciation, for 16 months to reduce pressures in certain sectors of the economy. I am pleased that the House of Representatives has already passed a bill embodying those requests of the President, and the bill is before the Senate Finance Committee this week.

Citing tight money conditions and high interest rates that impose a special hardship on homebuyers and small businessmen, President Johnson announced in his message that he had asked Secretary Fowler to review all potential Federal security sales and to keep them at the minimum. Mr. Fowler announced 2 days later that there would be no further sale of participations during this calendar year, unless the market returned to more normal conditions. Federal agency offerings to the market, he said, will be limited to amounts necessary to refinance maturing issues. It is planned to raise any needed additional funds through sale of agency securities to various Government trust fund accounts.

These necessary measures, adopted to protect the unprecedented and hard-won economic gains of the last 5½ years, have unfortunately obscured temporarily the great significance of the Participation Sales Act.

It is really a tremendous breakthrough in the financial management of our credit programs.

I have described in some detail our concern over a market entered by individual agencies in search of buyers for their assets. This problem, of course, is now vastly reduced in scale.

There is another area, of equal importance, where the effect of this milestone legislation will be felt in future years. This is in our budget treatment of lending programs.

A Government loan—to an individual, or a business, or an institution—is a liability, an obligation to pay, on the part of the borrower. It is an asset for the Government. The borrower is obligated to pay back every cent he borrows from the Government, plus interest. Yet money lent under our Federal credit programs is treated as an expenditure. We say the administration has "spent" the money.

Consequently, we generally call the repayment of a loan a net reduction in expenditure—a negative expenditure. We could just as well call it revenue. The net impact on the budget is the same whether we call a loan repayment a receipt or a negative expenditure.

The pooling of loans and the sale of participations, when these techniques are in full use after the current inflationary threat passes, cannot fail to underscore the differences among Federal funds spent, say, for an Army rifle, which is expendable and has a strong tendency toward obsolescence; funds spent for a national park, which will be an asset to be enjoyed by our grandchildren; and funds lent to credit-worthy borrowers who will pay back every cent, with interest. This will have an important effect on the budgeting process.

Competition for the available Federal budget dollar is keen—particularly when the whole range of great unsatisfied needs of our society is considered. The Great Society means, in part, meeting the greatest of those needs.

It is only necessary to name a few areas—health and education, poverty, the rebuilding of blighted urban areas, water pollution, air pollution, transportation—to see that future national needs will create great future demands for capital.

We gain some perspective in the area of future capital needs from the recent National Planning Association study, "Goals, Priorities and Dollars," a study of the cost of achieving our national goals for 1975. The study estimates that, by 1975, our annual expenditure level for urban development should reach nearly $130 billion, in 1962 prices.

In transportation, the study concludes our 1975 expenditure level should be almost $75 billion, and in housing, $62 billion. All these are double the actual 1962 expenditures.

The study further estimates that, in 1975, annual investment in private plant and equipment should reach almost $152 billion—triple the actual 1962 level. Gross private domestic investment as a sector of hypothetical gross national product in 1975 is projected at $205 billion, more than two and one-half times the actual 1962 level.

Another National Planning Association study estimated the cost of transforming the Nation's metropolitan centers into what the study considered to be viable communities over a period of 20 years. Their estimate was $2.1 trillion, in both public and private expenditures. These figures give us some idea of the order of magnitude of the need for capital which we will face in less than a decade.

The Participation Sales Act did not authorize any new programs or any additional loan funds for existing programs. But its passage was of vital importance in assuring local communities, educational institutions, and individuals that loan programs authorized by the Congress would be adequately funded. Further, it provides assurance to many others—individuals, communities, and institutions—that future programs to alleviate their most severe problems will be financially feasible.

Things in Government seldom remain fixed and static for long. We took a long step forward with the Participation Sales Act. But I would not be surprised if, in a matter of a few years, that step led to still more comprehensive progress in the future financing of Federal lending programs.

Perhaps the next step might be the establishment of a new central Federal lending corporation which would obtain funds for programs economically and efficiently by issuing its own obligations in the private market. Such obligations would have to be backed in some fashion by the Treasury and subject to the Secretary's approval. Conceivably, such a Government lending corporation could be justified in terms of real savings, still greater coordination of agency financing, and more effective and equitable allocation of credit resources.

Such a step may be regarded in the future as the logical extension of progress we have already made. Perhaps it is to such a Federal credit corporation that we should look for the kind of stability and continuity in program financing which is essential both to orderly and economic planning at the local and individual scale and overall financial program planning on a national scale.

Exhibit 29.—Excerpts from remarks by Under Secretary Barr, February 4, 1967, before the American Institute of Banking, New York, N.Y., on financing a college education

Most Treasury officials, when they come to New York, address their remarks to the subjects of balance of payments, the economic outlook, taxation, or monetary policy. Tonight, it is my intention to abandon these lofty themes and address myself to a very simple fact of life which is of concern to millions of Americans—how to finance a college education for their children.

The grand subjects of the U.S. posture in its balance of payments, its economic outlook, its system of taxation, and its monetary policy are inextricably tied up with our level of education. If you compare the United States with the rest of the world, our most significant advantage probably lies in the educational level of the vast majority of our people—the so-called technological and management gap which so disturbs our competitors around the world.

Our education is closely allied with our economic outlook. As the Council of Economic Advisers pointed out in its recent annual report, some studies suggest that over 20 percent of our economic growth over the past three or four decades can be directly attributed to education, and perhaps another 20 percent can be attributed to the general advance of knowledge.

Education unquestionably will have an impact on the sort of tax policy that we devise in the years ahead. If education lifts us all to a higher level of real income, some of the most basic assumptions of tax policy may have to be reexamined.

Finally, a highly affluent society with a high level of education is surely a society that will use to the fullest the credit resources that are available in this Nation.

So tonight, when I speak on a subject that may seem a bit prosaic by the usual Treasury standards, perhaps I am speaking to a really basic issue involving our current and our potential economic power as a Nation.

I also am speaking about a subject that directly involves my current responsibilities and yours. As I will explain, we recently have initiated a program of Government-backed private loans to college students, and I am chairing a special committee to review this program. Our goal is a big one: by 1972 we are aiming to have some $6.5 billion in loans outstanding to over 2 million student borrowers. We in the Government are prepared to recommend to the President that we take whatever steps are necessary to reach this goal. The loans themselves, however, must be made by the banks and other lending institutions of this country, so in a very basic sense it will be up to you whether this program succeeds.

The need we face

Our whole history as a nation, from the Northwest Ordinance of 1787 down to the Higher Education Act of 1965, has reflected our continuing determination to educate our children the best way we know how. But the time span from the end of the Second World War to date has marked a dramatic change in our attitudes toward higher education.

Just a few figures will illustrate the remarkable change in recent years. In 1930, total expenditures on a higher education in this country were about $630 million. A few years after the Second World War, the figure was more than four times greater—about $2.7 billion. In the current year, 1967, the expenditures are expected to reach a level of approximately $16.8 billion—almost 30 times the 1930 level.

In the decade from 1955 to 1965, the enrollment in our institutions of higher education increased by about 2,800,000 students. In the next decade we are anticipating an even larger increase—3,600,000 students—and this is probably on the conservative side.

This is the problem, and the hard issues that confront us all are starkly simple.

First: How do we, as individual parents, raise the money to meet the expenses of college—expenses that have risen steeply in the recent past and show little or no sign of leveling off in the future?

Second: How do we, as citizens, allocate our resources to pay the professors and to build the classrooms and laboratories and housing needed to accommodate this surge of young Americans into the colleges and universities?

Tonight I will address myself merely to the first question, but with a clear understanding that the two questions cannot be easily divided. The need to finance the required growth of the institutions will almost inevitably be reflected in higher costs to the students and their families. I do not intend by this comment to take sides in the argument over free state tuition; as a financial official I merely regard it as prudent to assume that at least a portion of the cost of enlarging and improving our colleges will be borne by the current crop of students. I might add that if we are to preserve our private institutions of higher learning—and I am sure all of us want to—this trend toward higher costs then surely becomes a problem we inevitably must confront.

If we are faced with the problem of ever higher costs when American families currently are groaning under what they consider to be an extremely heavy burden then what is the answer? There are several alternative courses of action—one of which is currently on our statute books. Let me list for you some of the proposals that are circulating in the public domain, with my own personal comments on their utility. Then I should like to explain to you the potentials of the legislation that we have recently enacted.

The tax credit proposal

Possibly one of the most politically attractive proposals that is currently being discussed is a plan to give a tax credit to those families who are incurring the costs of higher education.

My imaginative and highly experienced friend, the Senator from Connecticut, Mr. Ribicoff, has advocated just such a proposal. I have noticed that a good friend on the other side of the aisle, Congressman Gerald Ford, has also thrown his support behind this approach.

I must say that most people, when they first look at the idea of taking a tax credit for the expenses of their children in college, become wildly enthusiastic. But let's take a closer look at just what these proposals amount to.

Senator Ribicoff's proposal would allow the parents of a college student a maximum of $325 each year as a credit against taxes. The credit would be less if the student's tuition and books totaled less than $1,500. And of course if the family had so little income that they owed no tax, they would get no benefit at all from the credit.

This plan would cost the Nation roughly $1.1 billion the first year (according to Treasury estimates) and up to $1.5 billion a year within 3 years. You can see that we are not dealing with small sums of money. But laying aside the parochial Treasury concern about spending such large sums, Senator Ribicoff's proposal seems to have two basic defects:

First, it operates as a sort of "reverse" scholarship—that is, it gives the highest reward to the families with the highest incomes sending their children to the most expensive schools. I know of no college which would hand out its aid funds in such an upside-down fashion.

Second, in spite of the substantial cost to the Federal Government, even the maximum amount that the proposal would provide—$325 per student—is not nearly enough to meet the current and the prospective burden that faces so many American families.

Senator Ribicoff argues that his plan is designed to provide money for the institutions, through higher tuition, as well as to ease the burden on families. In this dual objective he has my sympathy and my concurrence. However, increased tuition may merely widen the educational opportunity gap between families of moderate means and families of ample means. On balance, I think there are better means of using our Federal resources in the area of financing higher education.

The "common stock" approach

One of the more ingenious plans that I have encountered in recent months was briefly mentioned in the President's Economic Message. Under this proposal, a college student could borrow the funds he needs from a Government education bank. He would repay this loan by adding a certain specified percentage to his Federal income tax rate during his productive years (say, to age 55). This plan has the novel "common stock" approach of making all of us partners through our Federal tax system in the economic career of any student who is educated through this device. If he is extremely successful, he would much more than repay the loan. However, if he entered one of the lower paying walks of life, or if the fates worked against him, he would probably not repay the loan principal and interest during his productive years.

This proposal certainly needs a good deal of careful study. The plan might have to be modified to provide a "buy out" for any extraordinarily successful person. In other words, if you were well on your way to becoming chairman of the board of a bank, you might be given the option of buying out your debt to the Government at some appropriate price.

This plan may sound bizarre on first reading, but it should not be dismissed out of hand. It is a serious attempt to meet an important problem, and it certainly is no more fanciful than the far-sighted action of our forefathers in setting aside portions of the howling wilderness to be used to finance our early educational system.

The loan guarantee plan

Lastly, we come to a program which, to my mind, currently offers the United States the greatest "bang for a buck" in this particular area—the guaranteed student loan program enacted into law in the Higher Education Act of 1965. The program is relatively new; it is not widely known; it admittedly has many bugs that must still be worked out; but in my opinion it offers great promise to millions of American families.

This program starts from a premise that we have been very slow to accept in this Nation—that an investment in education is as sound a financial investment, if not sounder, than an investment in a house or in a car. It now is an accepted fact that, unlike a car or a house, a college education is an income-producing asset. For that reason, our traditional reluctance to go into debt to finance an education seems a bit peculiar and unreasonable. However, as the costs of education continue to spiral, the American people, in their predictably pragmatic way, are finding for themselves that perhaps it does make sense to borrow to finance the education of their children. Perhaps they have begun to borrow for education simply because they have found it impossible to meet these costs out of current income or current savings; but whatever the reason, it is my personal opinion that it is an eminently sensible decision.

How does the guaranteed loan program work? It really is quite simple. It merely extends into this area the concept of a Government guarantee to back up a loan made by a private financial institution.

There is nothing new in this concept. It revolutionized the whole approach to financing housing in the days of the Federal Housing Act of 1934. The concept has proved spectacularly successful in the housing field—so successful that most home financing today does not need to rely on a Federal guarantee. I believe that the potential in the area of education is equally promising.

Let me trace through the steps: Any American boy or girl who can get admitted to a college can go to his local commercial bank, savings and loan association, mutual savings bank, or credit union to submit a loan application. The bank processes his application and, after referring it to the State student loan guarantee agency, advances the student up to $1,000 per year (or in some States up to $1,500 per year) while he is in school.

Repayment of the loan begins up to 9 months after the student leaves college or graduate school. If his family's "adjusted family income" is $15,000 or less, the loan is interest-free to the student while he is in school—the Government pays this interest. When repayment begins, the interest rate to the student runs at 3 percent if his family's income is below the specified level, with the Government paying another 3 percent. If the family income is above that level, the student pays the full 6 percent. Repayment can be made over as long as a 10-year period.

I can only admit that this program has had a rough beginning. After it was enacted into law in the fall of 1965, it took the Office of Education about 6 months to really get started. I might say at this juncture that we have had the complete and enthusiastic cooperation of the American Bankers Association, the two savings and loan association leagues, the Association of Mutual Savings Banks, and the credit unions' association (CUNA International).

Our troubles largely can be traced back to the phenomenon known as "tight money," which began to be evident in April of last year. Tight money made life extremely difficult for the savings and loans and the mutual savings banks, and, to a lesser degree, for the credit unions and the commercial banks. It made most financial institutions think twice about committing themselves to new and untried loan programs.

The banks also discovered, somewhat to their dismay, that the costs of getting these loans on the books were more than they had anticipated. When these costs were added to the high cost of money, they seemed to be facing a losing rather than a break-even proposition.

Paperwork was another complicating factor—almost inevitable in any new Government program.

Lastly, State legislatures did not rush to appropriate their share of the guarantee funds with the enthusiasm that we might have expected.

All of these difficulties, with the exception of tight money, are almost inevitable with any new program. Despite them, we still succeeded in the fall semester of 1966 in getting out loans totaling $160 million to 190,000 students. For the full 1966–67 year, our original target was loans to 963,000 students, totaling $700 million. At the moment, we are guessing that we will actually hit a level of 480,000 loans totaling $400 million. All in all, this is not a bad beginning for a first year effort under adverse conditions.

But it is not good enough. The need is now. Consequently, I have, with the approval of Secretary Gardner and Secretary Fowler, put together a task force composed of the Treasury, the U.S. Office of Education, and the Bureau of the Budget to examine with the commercial bankers, the mutual savings bankers, and the savings and loan association and credit union representatives what we can do to move this program ahead.

We are going to look at the whole question of administrative costs, paperwork, pooling of resources within a region, the possible creation of a secondary market to relieve institutions that are overloaded, and the question of improving Federal-State relationships in this area. It is our intention to report to the President through Secretary Gardner and Secretary Fowler in the next 30 days.

Let me set out the reasons this program is so attractive to me.

(1) Perhaps this is a natural reaction for a Treasury official, but this program unquestionably gives us the greatest leverage in the use of the financial resources of the United States. I have mentioned that a tax credit plan providing a maximum benefit of $325 per family would cost us a billion and a half dollars by the third year. This loan program, if it expands on the trend that we think it will follow, could make 6½ million loans totaling $6.7 billion at an annual interest cost to the Federal Government that will reach only about $328 million in 1972, after 5 years.

(2) At $1,000 to $1,500 a student, this program offers some meaningful financial assistance. In fact, if it gets underway as I think it will, and if college costs increase as I predict, these limits may have to be raised.

(3) The program is intimately involved with all sectors of the financial community, the academic community, and State government. To many, this spells chaos, cumbersome operations, and endless argumentation. I do not look at it that way. I will admit that there is a lot of arguing and negotiation ahead before we hammer out a completely viable program, but this is precisely the sort of "creative federalism" that President Johnson has continually emphasized. Sometimes it is difficult to start, but in the long run the broad-based support that is generated is well worth the effort.

If history is any indicator, the problem of financing the costs of higher education, both the costs to students and the costs to the institutions, will be met—no matter what the costs may be, and no matter what party controls our political destiny. I would recommend to you the study of the alternatives. I would hope that you would agree with me that the guaranteed loan program provides the most promising solution currently available to the problem of financial assistance to the student.

I believe that we are getting much closer to our goal of being able to say to every American boy and girl, "If you can get admitted to a college, the financial resources that you need will be available." Implementation of this program should make this promise a reality. It should make the financial burden of education a tolerable burden for American families. It should provide at least part of the financial basis that American colleges and universities now need and will need. And, finally, it should enable us to reach into the ghettos and the pockets of rural poverty, to draw out and to educate those disadvantaged Americans to whom a higher education a few years ago was literally unthinkable.

This is a town of financial genius and imagination. I ask that you use some of that imagination and some of that creativity in helping us solve a problem that involves one of the fundamental aspirations of millions of American families.

Exhibit 30.—Excerpts from remarks by Under Secretary Barr, June 18, 1967, before the International Conference for Credit Union Executives, Miami Beach, Fla., on the problems and perspectives in the financing of a higher education

The subject I should like to pursue today is the financing of higher education. Here is a topic that both private financial officials and Treasury officials do not, at first blush, consider part of their direct responsibility. Yet I would suggest that for several reasons this is a subject that should be of concern to us.

First, we are involved with finance, and higher education poses an important and growing financing problem in this country. To illustrate: In 1930, total expenditures on higher education in the United States were about $630 million. In 1950 the figure had multiplied more than four times over—to about $2.7 billion. In the current year, 1967, these expenditures are expected to reach a level of approximately $16.8 billion, or over 25 times the 1930 level. Financing of this magnitude should not be ignored by those whose job it is to concern themselves with the Nation's financial needs.

Second, precisely because the financing of education has received relatively little attention from the financial community, there is a distinct possibility that we may have fresh ideas to contribute. The talent and ingenuity that characterize the financial institutions of this country—and our credit unions, which are one of the fastest growing segments of the financial community—surely should be brought to bear upon this, one of the most basic problems facing the United States.

Finally, and most personally, the problem of college costs is one that will affect most of us individually. With costs continually rising, the vast majority of American families are finding it a burden to bear the college expenses of their sons and daughters.

I therefore propose to subject you to a few observations on this topic. I shall first review with you a recently enacted program that serves as a good example of the potential benefits of a cooperative public and private effort in meeting this problem. Then I should like to set before you some of the broader questions that all of us will have to consider.

Let me start from first principles. I believe that perhaps the most significant and unique characteristic of this country is our historical commitment to equality of opportunity. This is a nation built on the talents and energies of its people. It has derived its unprecedented strength from a commitment to give every young man and woman the opportunity fully to realize his or her potential.

In the United States of 1967, this commitment requires us to provide an increasing number of our young people with the higher education that is so vital in a sophisticated economy. At the same time, with rising college costs, higher education is an ever-increasing financial burden to American families.

In this important sense, then, financial aid for higher education is a critical national problem. It is these circumstances that necessitated a renewed commitment to the goal that no young American who is admitted to college shall be deprived of an education for lack of the necessary financial resources.

We have accepted that goal. The issue is, How do we achieve it?

I. The guaranteed student loan program

In the Higher Education Act of 1965, the Congress established a new approach to the problem of assisting students to meet college costs. Basically the program contains no radical departures from sound practices in other areas of finance. Rather it involves the application of experience gained in other areas to this vital problem. The program works as follows:

A college student applies to borrow up to $1,500 per year from his local credit union, bank, savings and loan association, or other lending institution. The terms of the loan provide for 6 percent interest, with no repayment of principal while the student is in school, and up to 10 years thereafter to repay. These are the sort of terms that students really need, and the basic concept here is that the acquisition of a college education is at least as sound a reason to borrow money as the acquisition of a house, an automobile, or a television set.

Although the loan and its terms may be just what the student needs, the credit union or other lender normally would not be able to extend such liberal credit to a student. To make the transaction feasible for the lender, the program provides for the loan to be guaranteed by a State or private nonprofit student loan guarantee agency. During the current academic year—the first year that this program has been in operation—the Federal Government advanced $17.5 million in "seed money" to these guarantee agencies across the country, to provide the initial reserves that they would need to back up their guarantees. If the student should default on the loan, the guarantee agency promptly makes good to the lender.

For many students, even the loan terms that I have described would not be favorable enough. Accordingly, under this program the Federal Government provides an interest subsidy for students from families with income below about $20,000 (the precise level varying with the size of the family). In these cases, the Government pays all of the interest while the student is in school and one-half of the interest after he leaves school.

As you can see, this is a cooperative effort in which the Federal Government, the State governments, and the private financial community all play a part.

The lending community, with its vast resources, supplies the actual funds.

The State governments, with their familarity with local conditions, administer the guarantee arrangements.

The Federal Government, with the best credit rating in the world, stands ready to supply the ultimate backing and subsidizes part of the borrowing costs for lower and middle income families.

This is an example of what President Johnson refers to as "creative federalism."

Any new program requires a little time before it can be functioning smoothly—and particularly where a cooperative effort such as this is involved. To make sure that this loan program would progress satisfactorily, the President directed us a few months ago to study its operations and recommend any appropriate improvements. I was assigned the responsibility for coordinating the interagency study.

We reviewed all of the data available. We consulted not only with experts within the Government, but also with representatives of the credit unions, the banks, the savings and loan associations, the colleges, and the State and private guarantee agencies, among others.

Our basic conclusion was that the program was well-conceived and had gotten off to a promising start, with an expected total by June 30, 1967, of $400 million in loans to 480,000 students.

There were, however, some problems that required resolution. These problems did not lie in the area of student demand for loans. There seems little doubt that, as the program becomes known to students, they are finding it sufficiently attractive and useful.

The problems seem to relate to the other two parties to the arrangement—the lender and the guarantor.

With a fixed 6 percent interest rate, it appeared that the program was a loss operation for a great many lenders. The combination of high interest rates and tight money last year, plus the administrative costs involved in this program, discouraged many lenders.

The long-term nature of these loans also presents a potential problem. Smaller lenders, such as some of the credit unions, and in the long run larger lenders as well, could face liquidity problems if too much of their funds became tied up in these loans.

Guarantee capacity generally has been adequate up to now, but we could see clearly that it would not continue to be adequate in a number of States for the coming year. The reserves of some of the State and private agencies had consisted solely of the Federal "seed money" advances that I have mentioned. With these funds exhausted, the States would have to supplement the guarantee reserves, or the Federal Government would have to provide additional support in some fashion.

We are convinced that these problems can be dealt with successfully, and we are moving to deal with them. Here are the steps that are in progress.

1. Since we cannot expect the private financial community to support a major loan program on a loss basis, we have proposed an amendment to the law that would authorize the Federal Government to pay loan placement and conversion fees in amounts up to $35. The amount of the fees would be adjusted from time to time, to take account of varying costs of money and administrative costs. Basically, however, the fee authority would assure lenders that they should not have to take a loss on these loans.

2. The paperwork involved in the program also can and should be reduced to cut costs. We are substantially simplifying the application forms and procedures, and we have proposed a statutory amendment that would provide, at the lenders option, a simplified method of collecting the interest subsidies due from the Federal Government. Along the same lines, we have proposed to reduce administrative expenses by combining the two separate loan programs for vocational and college students.

3. The interest rate and credit situation generally in the economy have eased significantly. Although of course, we have many other reasons to encourage that trend, we are hopeful that it will facilitate increased lender participation in this student loan program.

4. These changes should encourage substantially increased participation in the program by all types of lending institutions. This will, we expect, spread the student loan business around quite a bit. However, to assist smaller lenders and in anticipation of a substantially increased volume of loans, we are exploring the feasibility of establishing arrangements for pooling lending resources, and the possibility of creating a secondary market in these education loans. We intend to find out, for example, whether some of the insurance companies might provide a secondary market for student loans made by credit unions.

5. On the guarantee side, we plan to move administratively, with maximum cooperation with the States, to assure the guarantee capacity that will be needed. A number of States are taking care of their own needs in this area most admirably. We have been in touch with each of the Governors, and have been pleased with the widespread support for this program. But where necessary, we can extend direct Federal guarantees—preferably to be administered by the existing State loan guarantee agencies—to make certain that students are not denied loans for lack of guarantees to back them up.

As you can see, this involves some fairly technical matters. There is, however, a fairly simple observation that I hope you will bear in mind: A cooperative effort of this type obviously cannot succeed without full cooperation. The colleges and students are ready and willing. The State and private guarantee agencies are generally performing quite admirably. And the Federal Government is doing its very best to play its proper role in the endeavor. The program cannot function, however, without the support of the private lending community.

I do not mean to imply that the support of our private financial institutions has been lacking. Despite some initial problems, the loan program got off to a promising start. I am also very much aware of the limitations that arose from the extraordinary credit conditions that prevailed last year. But now that the problems are being eliminated, I hope that we can look forward to substantially increased support from all quarters.

I particularly hope that this program will commend itself to the Nation's credit unions. We have appreciated CUNA's support, advice, and encouragement in developing this program and resolving some of the problems it has presented. We know that you have historically been committed to serving the needs of your members—and that by doing so, you have become one of the fastest-growing elements on the financial scene. I believe that this program provides an opportunity for increased service to your members in an area in which they are, and increasingly will be, in need of assistance. I am confident that you will rise to that task.

II. Some broader perspectives

I have taken your time to review the status of the guaranteed loan program because it is the program that is currently on the books, and because it illustrates several of the more basic issues in this area.

As I have mentioned, this program attempts to proceed through the extension of assistance directly to students. And it attempts to do this through a public and private, State and Federal effort. I believe that there is widespread agreement that this program is a sensible and practical approach to the problem. The assumptions upon which the program proceeds, however, have implications that warrant examination.

Much has been said about the fantastic increase in recent years in the size of our college population; but this has been only the beginning. In 1965, full-time enrollment in our colleges stood at 5.5 million students. By 1975, we expect the total to reach nearly 9 million students.

I think we must assume that the need for financing higher education in this country is going to grow at least as rapidly as college enrollment. I think we must also accept the fact that this need is going to be met, one way or another.

We are then discussing just what is the best way of moving financial resources to this particular area of need. This is the subject that deserves some attention from all of us.

The loan program aims at assisting students—not colleges—to carry the costs of higher education. In the long run, is this the right road to travel? In our elementary and secondary schools, we basically assume that the cost of education should be borne by the taxpaying public at large, and the education should be provided free of cost to the student. Our system of higher education has been and still is something of a hybrid in this respect, since we have public universities at which some of the expenses are covered by tuition fees; and private colleges which depend largely on tuition and alumni support for their financing, but for which Government assistance has become increasingly significant in recent years.

There are some who believe that we should move in the direction of extending the public education concept to virtually all of our colleges and universities. This view is grounded in large part upon principle, and upon the contribution that education makes to the national well-being. Although the primary benefits of higher education accrue to the student, there also are important benefits to the economy and the Nation as a whole. The public education concept also finds support in the concern that many feel about the ability of young people to assume heavy debt responsibility, and the social and economic effects of such debts, in terms of other uses of credit and the formation of families, for example.

At the same time, it can be argued that the logical basis for tax-supported public education must be the near universal availability and use of the educational system. The overwhelming majority of our young people do go to elementary and secondary schools, but a great many do not go on to college. It may be unfair to tax them and their families to support the expansion of public higher education.

It also has been pointed out that the tax-support arrangement is inefficient and inequitable in the sense that it requires all of us to pay for the college education of students who can well afford to pay their own way. This viewpoint obviously has not been allowed to stand in the way of public elementary and secondary education, but some feel that it has greater force in the context of higher education.

As you can see, these financing questions bring us unavoidably to some of the most basic issues in the field of higher education. Indeed, the choice between putting the burden upon the student—in effect, a user method of financing—and putting the burden upon the taxpayers generally, is an issue with vast social, economic, and political implications, and one to which there is no easy answer.

The guaranteed loan program proceeds on the assumption that the major resources to be utilized in financing the expanded needs of higher education will be, at least in this instance, supplied by the private financial community. In the context of this particular program, this is, I believe, quite clearly a sensible and constructive approach. It does lead us, however, to more fundamental questions as to the method of moving resources in this area. I, for one, believe that methods can be devised for increasing the involvement of the private financial sector. This, of course, depends upon the ingenuity of the decisionmakers as well as the willingness of the financial institutions of this country to explore new financing possibilities. The obvious alternative is for government—Federal, State, and local—to tax the resources out of the private sector and direct them where they are needed, either in assistance to students or assistance to colleges.

Finally, the student loan program pursues policies of "creative federalism." It relies upon a division of responsibility between the States and the Federal Government. This is a basic approach which President Johnson has committed himself to follow, whenever possible. And in this instance, it appears that it can and will do the job in an effective manner.

The broader implications here again are obvious. As I have indicated, the needs of higher education in this country are going to be met. I believe that much of the responsibility should be assumed by State and local government, but whether this can and will be done depends upon the interest and energy of State, local, and community leaders—such as yourselves—in grasping the problems and devising methods to cope with them. We must recognize that, whether we like it or not, if the job is not done at the State and local level, there will be irresistible pressure to try to do it from Washington.

III. Conclusion

You no doubt have noticed that I am much better at posing tough questions than at providing easy answers. That is the nature of this problem.

I have tried to put two tasks before you. In reverse order, they are, first, to apply your own talent and experience to some of these vital problems in the area of financing higher education; and second, to give support, if you can, to one immediate effort that is underway to meet these needs—the guaranteed student loan program.

The history of this Nation proves again and again how much can be accomplished by the effort of our people. I hope that you share with me the conviction that no endeavor is more worthy of our effort than the education of our children.

Exhibit 31.—Remarks by Deputy Under Secretary for Monetary Affairs Sternlight, November 18, 1966, before the annual convention of the U.S. Savings & Loan League, New York City, on the changing mix of Federal debt management

Just a year ago, upon joining the Treasury and looking over the monetary problems that I would have to contend with, an initial impression was that the management of the Treasury's own debt operations was not too complex a task. The Federal debt was growing only slightly and we had two very good, steady customers for our securities in the Federal Reserve System and the Government investment accounts. Their takings alone far more than offset the current pace of increase in Treasury debt, and we seemed to be in the enviable position of marketing an increasingly scarce product.

At the same time I was equally impressed with the formidable job of seeking to coordinate the financings of Federal agencies with one another and with the Treasury's own debt operations. These agency financings were increasing in number, size, and complexity, and this at a time when greater demands were pressing on the credit markets from private borrowers of all types.

As a matter of long precedent, it has been the standard practice—at least when viewed from the Treasury's eyes—for the money needs of the Treasury to take precedence over those of the Federal agencies. On grounds of sheer size alone, the Treasury's debt operations occupied the commanding position. It is not that the agencies were given short shrift, but when it came to a question of whose borrowing program would be adjusted for whom, it was the Treasury that stood fast and the agencies that accommodated.

The tables haven't turned round completely on this, but there is certainly a much greater weight now given to the agencies' needs. And indeed, to some degree the timing and size of Treasury financing operations have been altered in recent months because of the financing needs of the Federal agencies. It may be significant, too, that those of us who are most closely involved with debt management at the Treasury tend to spend more time with agency financing than on the Treasury's own debt management. The important point, of course, is that the different and varied types of borrowing must be very carefully coordinated. And this refers not just to timing, but also to the particular kind of borrowing—the amounts, the maturities offered, the type of investor who is being appealed to, and the type of distributive machinery employed.

A few figures on the relative size and growth of agency and Treasury debt may be in order here. At the end of September 1966, to take a convenient recent date, Treasury debt outstanding was about $325 billion. Looking back over about a 5 or 6 year span, to the end of 1960, the comparable figure for Treasury debt was about $290 billion—an increase of some $35 billion. That 12 percent rise in debt is not insignificant, although it looks rather pale beside the 48 percent rise in GNP over this period. It is pale, too, beside the increase of about 50 percent in total private and public debt over roughly the same period.

Besides, the portion of Treasury debt held in the private market barely grew at all in this interval—$208 billion at the end of 1960 and $213 billion in September 1966. That provides a rise of only about 2 percent. In fact, in the past 2 years, the volume of Treasury debt held in the private market has undergone some absolute decline, never mind the ratio to GNP or the comparison with total debt.

During the same time interval—the end of 1960 through September 30, 1966—outstanding Federal agency obligations and certificates of participation in credits held by the Federal Government increased from $8 billion to $22 billion. As of September 30, 1966, all but about $0.5 billion of that $22 billion was held by private investors, although as will be discussed later, a program is now underway that calls for some increasing amounts to be taken by Government investment accounts.

It may be asked why, if Federal agency borrowings have been on a growth path for the past half dozen years, this area of the market suddenly became so particularly congested during 1966, calling for particular remedial measures. The situation arose from two reinforcing causes. First, there was a marked acceleration in the growth of agency debt just during the past year. And second, this growth occurred at a time of generally tightening financial markets, when a great many major borrowers besides the Federal agencies were seeking to tap the Nation's financial markets for larger amounts.

Looking first at the acceleration factor, agency debt and participation certificates outstanding rose by $8 billion in the 5 years ended last December—a fairly steady growth rate of just over $1½ billion per year. In the first three quarters of 1966, however, there was a jump of more than $5½ billion, with a particularly heavy concentration in the first half of the year.

Why the sudden step-up? One reason, which accounted for $1½ billion of the rise in the first three quarters of this year was the sharply increased need of the Federal home loan banks to provide funds to member savings and loan associations that had sustained net withdrawals in the hot war for savings. In that 9-month period, the supply of Federal home loan bank issues was boosted by some 30 percent.

A closely related agency borrower was the Federal National Mortgage Association, which borrowed in support of its secondary market acquisitions of mortgages. In the first 9 months of 1966, FNMA issued a net of $1¼ billion of debentures and short-term discount notes to raise the funds needed to support its recordbreaking pace of mortgage buying.

In a sense both the home loan and the FNMA issues can be regarded as channels for recouping some of the funds lost to the mortgage market and homebuilding as a result of generally tight money. It is not that these market issues made money easier. Rather they were a means for redistributing and evening up the flow of credit which, left to the forces of unfettered competition, was pulling away from the mortgage market and cutting very sharply into new homebuilding activity.

Another chunk of sizable agency borrowing—some $1.3 billion in the first three quarters of 1966—was on behalf of the Farm Credit Administration with its three component parts: the Federal land banks, the banks for cooperatives, and the Federal intermediate credit banks. To some extent, the generally tight money market enlarged their needs, as farmers were not able to get credit quite as readily as had been the case earlier from other channels. The drying up of funds was not nearly so marked in this farm credit area as in the case of home mortgage money, but there was a noticeable unsatisfied demand, particularly as modern farming is increasingly dependent on heavy capital investment in land, equipment and "goods in process."

In addition to these agency borrowings, there were also some participation sales during the first half of 1966. In part, these were conducted by the Export-Import Bank enabling them to replenish their funds and continue to provide credit support for U.S. exports, which are so vital to our balance of payments. Another portion of the participation sales permitted the market financing of mortgages accumulated earlier by the VA and by the FNMA.

And still a further sale of participation certificates, conducted on behalf of the Small Business Administration, enabled that agency to rebuild its depleted lending funds and get back into the program for which it was established by the Congress. Here, too, in the small business area, was an instance of agency issue sales being used to redirect some flows of funds back to those groups of borrowers that tend to be most adversely affected by monetary stringency.

So much for the special needs for agency borrowing in the first half of 1966. The other factor mentioned earlier as contributing to particular congestion in the market for agency issues was the heavy competing demands of other borrowers. Business borrowing, in particular, surged upward at an extraordinary and unsustainable rate. Business borrowing from banks rose at a 19 percent annual rate in the first half of this year. While this rate was actually a shade less than in the first half of 1965, which had also been an unusually heavy period for business borrowing from banks, there was a big difference between the 2 years in that business borrowing in the capital markets was also extraordinarily large in 1966. For nonfinancial businesses alone, net borrowing in the securities markets was at a seasonally adjusted annual rate of around $11 billion in the first half of this year, approximately double the 1965 total.

With Federal agency issues entering the market in relatively large volume, encountering such powerful competing demands from business borrowers, and also encountering a more restrictive monetary policy, it is small wonder that the going was a bit rough for agency securities.

The pressure showed up most dramatically in interest rate movements. We all know that the entire spectrum of interest rates was rising during this period, but it is less widely appreciated that there were some significant differences in the extent of the rise for different types of securities. The supply factors referred to earlier had a good deal to do with this. Toward the end of 1965, for example, just before the discount rate was raised in early December, 1-year Treasury securities carried a yield of around 4.40 percent—which in our innocence we thought was pretty high at the time. A 1-year Federal agency issue carried a market yield then of around 4.60 percent. The difference, 0.2 percent or 20 basis points in the parlance of the bond market, was in the historic range of variation that had prevailed in recent years between Treasury and agency issues—roughly 15 to 30 basis points.

By the end of February this year, with changes in the wake of a tighter monetary policy and a stronger set of credit demands working their way through the fabric of market interest rates, the 1-year Treasury rate had risen to around 5 percent and the agency rate to about 5.30 percent. The two were still moving in reasonably parallel fashion. Over the next few months, however, leading up to June 1966, Treasury rates moved in a narrow range, showing little net change. while agency borrowing rates shot upward very sharply. In June the difference between 1-year agency issues and Treasury securities reached a high ¾ percent or 75 basis points.

Since June, the spread has narrowed again, although unfortunately much of this narrowing reflected a sharp jump in Treasury rates in July and August, rather than the sought-for decline in agency rates. Indeed, during July and August rates on agency issues continued to edge somewhat higher. Since early September, however, all sectors have done better, and I think there is a genuine basis for confidence that the worst is now behind us.

The improvement of the last few months was no mere matter of chance. Nor will I join those who say "things could not get any worse, so they had to get better." Rather, as I view it, there was a series of coordinated actions by the administration, the Congress, and the financial supervisory authorities that made a material difference in the outcome that has developed. Since these were interconnected and coordinated efforts I will not try to cite them in order of importance. Their importance and impact were mutually reinforcing. Nor can they be given in clear-cut chronological sequence, because there too the interplay of coordinated actions and effects would make any time sequence hard to follow.

Let me start, then, with administration fiscal policy, which moved toward somewhat greater restraint early this year, and then took a further important step in September with the President's request for temporary suspension of the 7 percent investment tax credit, and suspension of certain accelerated depreciation options. These recommendations, now enacted by the Congress and signed

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into law, are designed to moderate the unsustainable growth in business investment outlays—which has been one of the main sources of inflationary pressure—and closely related to this to moderate the extraordinary business demands for credit which I referred to earlier.

A further important point in the President's September program has been to reduce the market impact of Federal financing operations. This has had two aspects. The first is to hold back wherever possible, consistent with national objectives, the extension of credits under Federal programs. For the financing of such credit programs places some strain on the money markets no matter what form that financing takes. This program of lending restraint, I should interject, is paralleled by a vigorous effort to restrain Federal spending on less essential programs as well.

Second, there has been a concerted program to finance Federal lending programs in a way that exerts minimum impact on the money markets. In part this has taken the form of suspending the sales of participation certificates that would have been conducted at this time. The participation sale through FNMA that had been scheduled for September was canceled, although the door was purposely left open for a possible sale later in the year if market conditions permitted.

A further aspect of the effort to minimize the money market impact of Federal credit programs is the sale of some agency issues to Government investment funds such as the social security trust fund, civil service retirement fund, unemployment trust fund and others. As outlined on September 10, the objective was to have the agencies, in the aggregate, raise no net additional money in the private market through the end of 1966. Where new money is needed it is being raised by selling the agency securities to the Government trust funds. This is not done issue by issue, but in the aggregate. Thus in some instances maturing issues are not fully replaced in the private market while in others the sale to the private market will raise some net additional money. As it looks now, we should wind up the September–December period with a net decline of perhaps a few hundred million dollars in private market holdings of Federal agency issues.

There can be little doubt, it seems to me, that the market for Federal agency issues has benefited from this slowdown in the injection of new supplies of securities. That market has been a growing one over the years, and there is every reason to expect further growth in the future as new customers are developed and secondary market trading expands further, but any kind of market faces digestive problems in the short run if supplies mushroom at a pace very much faster than new demand outlets can be developed.

These arrangements have proved beneficial not only to the market in agency issues, and to the financial markets generally, but also to the trust accounts. These accounts, which are managed by the Treasury in the general public interest, are able in this way to obtain a slightly better rate of return than on the Treasury issues which have been their historical form of investment up to now. The Federal agency issues are just as safe and sound an investment as Treasury securities, and they pay a slightly higher rate only because they do not enjoy quite the same degree of liquidity as direct Treasury obligations. Yet there is no reason why our major trust accounts must have all their assets in the absolutely most liquid form, when a modest degree of diversification can provide equal safety and no loss in effective liquidity in relation to any imaginable set of contingencies.

Looking to the future, I would venture to guess that the trust accounts will continue to be buyers of Federal agency issues though perhaps not necessarily on the same scale as in the last few months. When FNMA participations are placed in the market again, it is likely that the trust funds will also be among the investors in these obligations. We have found in the past marketings of FNMA participations that private pension funds or State and local pension funds are among the main buyers. On this basis there is much to be said for extending to public investment trust funds the same kind of opportunity to finance federally aided credit programs that is available to private institutional investors.

Turning now to another part of the coordinated program to relieve the pressures in the financial and credit markets, we need to recognize the role played by monetary policy in the recent period. Looking back over the past year of greater Federal Reserve restraint it seems to me that the period can be divided roughly in two parts. One could quibble about the precise point of division, depending on which economic or financial series we focus on, but the general distinction seems clear enough. From late 1965 through about the middle of 1966 the policy of monetary restraint produced a sharp rise in interest rates but no significant letup in bank credit growth. Except for mortgage credit, substantial credit flows continued and in some sectors even increased. As I need not remind you, the slowdown of savings growth, or even net outflows of funds, from savings and loan associations was one of the main channels through which funds were diverted from the mortgage market.

After the middle of 1966, bank credit growth slowed, and the monetary authorities made a particular effort to slow the expansion of business loans, which had been leading the growth parade earlier in the year. In this way, they sought to restrain the flow of credit to businesses and not have the bank credit slowdown entirely at the expense, say, of investments in various kinds of securities.

In addition to reserve restriction, and probably of even greater force in holding back bank credit expansion, is the fact that by last summer the banks had pretty much bumped into a wall on regulation Q and could no longer obtain funds just by bidding rates up for them. Through early August, the banks were at least able to replace maturing certificates of deposit and make small net additions to the total outstanding, but by the end of August and on into September and October the further rise in market rates caused a steady erosion in large denomination certificates. The net decline in money market certificates of deposit has by now—through October—accumulated to more than $2½ billion. By late September, following passage of the administration-supported legislation to restrain interest rate competition for savings, the downward revision of regulation Q in regard to smaller sized bank time deposits exerted a further restraint on bank credit growth.

The process of restricting bank credit growth does not in itself, of course, immediately improve the financial market atmosphere. In fact the initial market impact can involve greater market tensions. But rather than get just the tensions and the rate increases without the broad-based restraint—which was the case earlier this year—what we are getting now is some biting restraint on the supply of credit that is causing some demands other than just those in the mortgage market to go unsatisfied. The end result is to cool off the underlying demands for credit which have been generated because of unsustainably rapid economic growth. And as this occurs, the tensions in financial markets can ease. The cure is not painless, though, and some voices are inevitably raised to ask whether other types of restraint are not to be preferred.

It is hardly necessary to say that in the current period of market pressures and rearrangements of marketings of Federal agency debt issues, there has been much closer contact and coordination than heretofore between the different credit agencies and the Treasury. Previously there had been a coordination of timing of offerings and discussion of the maturities and rates to be offered, but in the recent period there has been much more of a mutual working out of objectives in regard to the size and timing of credit needs as well as the immediate techniques for financing those needs. It seems to me that this process has worked out remarkably well—basically, I think, because there has been a mutuality of understanding and realization of the paramount need for overall adjustment of programs to fit within the capabilities of the credit markets.

During the current period of market stress, it seems to me, there was no choice but to adopt this approach of extremely close liaison. Just as obviously, we are anxious to see an end to the unusual market conditions that have necessitated this type of exercise and the limitations that have come with it. But as improved market conditions return, we should not readily discard the better basis of coordination that has developed over the past several months. Indeed, whatever the market conditions of the moment, the mutuality of interest remains. We are all looking to the same credit market to finance important needs, whether it is money to be channeled into the home mortgage market, into small business, into supplementary farm credit, or into the general range of Federal expenditures that may not be covered by tax revenues.

This is not a prescription for centralized planning of precisely how much credit should be channeled to each use in the economy. I suspect that such a system would take on all the rigidities and inefficiencies that are fortunately minimized in our market-oriented economy. But it is a suggestion that over the long run we need more conscious realization of where our allocative procedures are leading us, and we should be in a position at least to set some broad guidance over the allocation, even if not to pinpoint the end result.

Lest this idea seem at all novel, I assure you it is not any more so than the whole philosophy under which special institutions or devices have been set up to aid the flow of funds into the home mortgage market, into college housing, farm credit, or small business. If after setting up these institutions or devices we find market forces working in a way that is tending to put much more or much less credit than had been anticipated into the particular area, then there should be some way to take another look.

One final item that I would like to touch on briefly is the question of differentiating direct Treasury issues from Federal agency issues. Both are equally safe and secure obligations, it has been pointed out many times, and hence it is natural to ask why there should be any rate differential at all between the two. Nor is it a wholly satisfactory answer to say that the rate difference represents a difference in liquidity. One could go round and round a circle pointing out that the lesser liquidity reflects the less developed secondary market, which in turn occurs because there is not as broad a range of buyers for the agency issues, which in turn reflects relative unfamiliarity and limited liquidity in the market. The circle can be broken, however, and in fact is in continuous process of being breached as the markets gain more and more familiarity with agency securities.

In the silver lining department one can even find some good that came of the superhigh interest rates that prevailed for a time on agency issues in this past year, and of the unusually large differential that prevailed as compared with Treasury securities. Investors who could shrug off a difference of one-fourth percent found they had better sit up and take notice when an equally secure obligation could be found to yield one-half percent or more above comparable Treasury issues. Certainly a number of foreign buyers became interested in U.S. agency issues over the past year, at no small benefit to our balance of payments. Other new buyers were found in the ranks of corporations, private trust funds, State and local government funds, and others whose growing financial sophistication led them to reappraise these high-quality securities.

The fact that Treasury trust accounts began to invest in agency issues probably has worked as a plus factor, too, not only in relieving excessive supplies in the private market but also in enhancing the prestige of the agency securities involved. And the fact that the Federal Reserve is now empowered to purchase all agency securities, under the temporary interest rate restraint bill passed and signed last September, should also serve to raise the market standing of agency issues.

By no means least important, it is significant that dealers in securities have carried larger inventories in agency issues this year than previously, and they have been more willing to make close markets in them. This, in fact, is the very essence of the increased liquidity that is sought for, and is needed to bring the yields on these issues closer together with those on Treasury securities.

Whether the time will come when there is no difference at all in the liquidity and interest rate on agency and Treasury issues is hard to say, but certainly there is room for a further narrowing than has been seen to date.

Another way to erase the differential, of course, is to finance all the agencies' credit programs with direct Treasury issues. I would be most reluctant to recommend this, however. It would mean changing the entire institutional structure under which special credit programs are set up, and would force under one budget roof all the spending and lending programs in which the Federal Government and its agencies are involved. Whatever the pure logical appeal of such an arrangement, it seems preferable to separate out the credit market activities of the Government and its agencies. This keeps them operating on a business-type basis, and subject to the disciplines thereof, while still gaining the advantage of the Government's superlative credit rating. This is not to rule out some better grouping and pooling among the various credit agencies, but only questions the total immersion of the credit agencies into the Federal Government's budget.

Exhibit 32.—Other Treasury testimony published in hearings before congressional committees, July 1, 1966–June 30, 1967

Secretary Fowler

Statement requesting temporary increase in debt ceiling to $336 billion for fiscal year 1967, published in hearings before the Committee on Ways and Means, House of Representatives, 90th Congress, 1st session, January 30, 1967, pages 2–8.

Statement requesting permanent debt ceiling of $365 billion, modify the 4¼ percent interest ceiling by making maximum maturity on the notes 10 years, and give the Treasury authority to sell up to $2 billion of longer term bonds not subject to the 4¼ percent ceiling, published in hearings before the Committee on Ways and Means, House of Representatives, 90th Congress, 1st session, May 15, 1967, pages 2–14.

Taxation Developments

Exhibit 33.—Statement by Secretary Fowler, September 12, 1966, before the House Committee on Ways and Means, on H.R. 17607, a bill to suspend the investment credit and accelerated depreciation

I appreciate this opportunity to discuss the program presented in the President's message of September 8, 1966, and to present the Treasury's views on the bill before you, H.R. 17607. I wish also to thank the committee for its promptness in holding these hearings. The situation calls for action, however inconvenient the timing.

I favor the prompt enactment of H.R. 17607 suspending some of the existing special tax incentives to investment during the next 16 months because:

(1) It will contribute to a restraint of inflationary developments that are proving disruptive of the financial markets and placing excessive strain on the capital goods industries.

(2) It will promote a more sustainable rate of balanced economic growth in the next 16 months and thereafter.

(3) It will suspend special fiscal stimulants to investment, and thereby support a policy of monetary restraint without incurring the burdens and without running the risks of excessively tight money and high interest rates.

(4) It will complement other measures enacted by the Congress or pending before it and being undertaken through administrative action to reduce upward pressures on interest rates and minimize discriminatory impact of tight money and high interest rates on the housing sector of the economy.

I. The legislative proposal in the perspective of the overall program

Our economy and the financial system that services it, increasingly strained by the requirements of war and a rapidly expanding private sector, are subject today to at least three clearly discernible demand pressures:

—in the money and financial markets, excessive demands for credit and monetary restraint together have created severe tightness and a sharp rise in interest rates, with highly selective impact on several sectors particularly single family housing;

—in the market for capital goods, the ever mounting flow of new orders by business firms coming on top of an unprecedented rate of outlays for plant and equipment is generating rising prices, rising wage rates and shortages of some skilled labor, and is augmenting the large demands for capital from banks and the securities market;

—the rising rate of government expenditures—Federal, State, and local—highlighted by steadily expanding defense and public works outlays is adding steadily to aggregate demand at a high rate.

These three sources of pressure are interrelated and reinforcing. Accelerating business spending breeds demands for credit from banks and for financing in the capital market. Higher Government spending also generates credit demands—by the Government itself, and by private firms which received Government orders and work on borrowed funds to fill new contracts. And tight money itself causes additional Government spending, particularly to help finance areas of important economic activity such as homebuilding from which the supply of private capital has been diverted.

The program contained in the President's message is designed to deal with all three pressure points.

This program is primarily economic and financial in its objective and thrust. It represents, I believe, the most carefully chosen and prudent means, consistent with preserving stable economic growth within the framework of a free economy, to ease the strain of the pressures described.

The spokesmen for the administration are here today to request your action on one legislative proposal recommended in the program outlined in the President's message, which is interrelated with the other elements of that program, This proposal is not a tax reform proposal—it is temporary in design and purpose.

It is not a revenue-raising proposal in purpose or objective; any revenue aspects are only incidental. So we do not come here today with any new estimates of revenues or expenditures for fiscal 1967.

The proposal is basically an anti-inflationary measure designed to relieve the pressures, clearly observable in the money markets and capital goods sector, which are producing unusual strains, the highest interest rates in 40 years and a perceptible trend toward a general condition of economic instability.

Before commenting on the details of this legislative proposal, let me relate it to the balance of the program.

As regards action to affect the credit market, the proposed suspension of special incentives to undertake major programs of business investment should serve to moderate business needs for financing.

In addition, the President's directive to me to review all Federal security sales and present them to the President for approval will result in lessening the burden of Federal finance on the markets. The President's memorandum to Federal departments and agencies of September 9, calling for careful and thorough pruning of Federal lending and borrowing activities, should reduce aggregate Federal credit demands on the private market.

It has already been decided to cancel the sale of FNMA participation certificates tentatively scheduled for September, and to have no FNMA participation sale in the market for the rest of 1966 unless market conditions improve. Nor will there be any Export-Import Bank sale of participation certificates in the market in the rest of this calendar year. Market sales of Federal agency securities, meanwhile, will be limited in the aggregate to an amount required to replace maturing issues, while new money, to the extent genuinely needed, will be raised through sales of agency securities to Government investment accounts.

I am submitting for the record a copy of a press release [1] issued Saturday, September 10, announcing these decisions pursuant to that portion of the President's message.

Another important ingredient of the President's program is the passage of legislation to give the bank regulatory agencies and Federal home loan bank flexible authority to halt and hopefully reverse the harmful process of excessive interest rate escalation in the field of consumer savings. The favorable House action last Thursday on H.R. 17255 is an important step in this direction.

The announced program for reducing Federal expenditures for fiscal 1967 is yet another related measure to minimize the drain of Federal financing on the credit market in addition to reducing aggregate demand. Since the Director of the Budget will deal with this subject in detail, I will only observe that the President made clear his firm determination to hold down all lower priority expenditures by means of deferrals, stretching out the pace of spending, and otherwise reducing contracts, new orders and commitments—a policy and program with which I have been actively and affirmatively concerned from the initial preparation of the January Budget.

I would like to relate this policy and program of the President to hold down Federal expenditures to the legislation before you.

I am mindful of the fact that many members of this committee, both majority and minority, have expressed their disinclination to consider any tax measure for the purpose of increasing revenues unless there have been firm efforts to hold down expenditures.

In my view, the program presented to you today is consistent with that position. First, it incorporates very specifically in point (1) of the President's message the expenditure reductions Director Schultze will discuss. Of course, any final precise description of the amount and nature of the spending cuts, beyond the recitals in the President's message and the Director's statement here today, must await action by the Congress on the eight major appropriation bills pending before it.

Since the time it became readily apparent to all that the appropriation process of the Congress was likely to result in appropriations substantially in excess of the President's budget, it has not been possible to develop and execute in complete detail an expenditure control program for the fiscal year 1967 until final action on the major money bills is complete. Give us the bills and we will do the job.

[1] See exhibit 23.

Second, there is no inconsistency between the President's legislative proposal and the members' position that I have referred to, because H.R. 17607 is not offered as a revenue or tax increase measure. Its purpose is clearly and simply to suspend a stimulant to forces that are proving inflationary in the current economic situation.

I come now to the specifics of the President's legislative recommendation, as reflected in H.R. 17607, which would suspend temporarily the 7 percent investment tax credit for machinery and equipment and the option to elect accelerated depreciation on buildings, for the period September 1, 1966, through December 31, 1967.

As members of this committee are well aware, I have always been a strong exponent of the investment credit. When I appeared before this committee last January in connection with the Tax Adjustment Act of 1966, I was specifically questioned as to whether consideration had been given to repealing the 7 percent investment credit in developing the President's 1966 tax program. I then answered as follows:

"The first observation I would want to make is that one of the great advantages that we have now, and we will have in the period ahead, is the continued expansion of this Nation's productive capacity and a continued modernization of existing capacity and capacity that may be added. Therefore, I think we want to be very chary of restraining or holding back the enlargement of this productive capacity to meet growing requirements, whether they be for defense or for civilian use."

When asked whether I thought the investment credit should be a fixed part of the tax law, I further commented:

"I think that in addition to the stimulation effect, which was one of the considerations, there was another, and perhaps a more basic consideration, that attaches to the investment credit. From a long-term structural standpoint, wholly apart from cyclical considerations, it was desirable to have a feature of our tax law which encouraged additions to productive capacity and continuing modernization of industrial capacity in view of the problems of international competition and in view of the fact that the existing setup had been marked by a rather, you might say, stalled industrial capacity. Plant and equipment expenditures had been pretty well stalled at a given level for a number of years. It was felt that this was a structural condition and that something ought to be done of a permanent and enduring nature that would encourage the results that I think we have achieved."

Mr. Chairman, our experience to date has justified the faith I had in 1962 in the efficacy of the investment credit, and my belief that it should become a permanent part of our tax structure. Since then industrial production has increased three times as fast as in the previous decade, real business fixed investment has increased nearly four times as fast, and our economic growth generally has far surpassed its previous rate. This remarkable achievement is not due solely to the investment credit, but I firmly believe the investment credit has contributed substantially to it. Moreover, looking to the long-term future I am convinced that the encouragement provided to business by the credit to modernize and expand its use of capital equipment is essential to maintaining full employment with stable prices, and to keep our industry competitive with foreign goods. The President and his administration fully share these views.

It is therefore, as I am sure you understand, only with considerable reluctance and after very careful study that we have reached the conclusion that suspension of the investment credit is an appropriate measure at this time. I stress suspension and not repeal since the credit should be regarded, as President Johnson's message indicated, as an essential and enduring part of our tax structure.

Not only do I regard the investment credit as a permanent structural component of our tax system but also one that should be suspended only in times of active hostilities at least on a scale such as characterizes the present situation. Even under such circumstances I would, as past attitudes have made clear, be chary of suspending the investment credit unless the combination of a rapidly expanding civilian economy and increasing and special defense needs made this course compelling. I would be opposed to treating the investment credit as one of many countercyclical devices to be suspended and restored with the normal ups and downs in our economy.

The present situation is unique and was quite unforeseeable when the credit was adopted and stress was put—and properly so—on its permanent character. We then contemplated a peacetime economy and thoughts of a country engaged in hostilities on the present scale were far from our minds. But hostilities can cut ruthlessly across many plans and procedures designed to meet problems of a country at peace. We are deeply committed to an extensive military operation in Southeast Asia which shows no signs of early termination. Its effects on our economy are clearly evident. We are also confronted with a monetary situation of almost unparalleled tightness, which is producing distortions in our economy and the highest levels of interest rates in more than 40 years.

Early in the year when the question of suspending the credit was raised in the Senate, we hoped that this change in the law could be avoided. In March the President invited to the White House more than 100 chief executives of companies which, together, are responsible for making a large portion of business plant and equipment outlays. At that dinner the President made a strong personal appeal to those present to carefully review their investment plans with the objective of screening out and setting aside for deferral whatever projects and expenditures they possibly could. Many of the executives did just that and wrote letters to the President confirming their plans to moderate their investment outlays.

Total plant and equipment outlays, however, continued to surge upward. The latest Commerce-SEC survey released to the public early last week, based on reports from business in late July and August, continued to forecast a 17 percent rise in plant and equipment outlays for this calendar year just as it did last spring. It is true that the rate of expansion forecast for the second half of 1966 is smaller than the actual rate for the first half. But this had been forecast all along. It is also true that actual increases for the last 12 quarters of this series have turned out to be higher than the forecasts. The real point is that the level of investment is simply too high under present circumstances and it is taking place despite developments in financial markets and sharp increases in interest rates paid by corporate borrowers, factors which some thought would restrict capital expenditures. Undoubtedly the increase would have been larger without the influence of the President's appeal for restraint.

It would be dangerous to let the economy proceed on its present course without a release from these pressures that suspension of the investment credit and the companion measure, accelerated depreciation on buildings, will help accomplish along with the remainder of the program set forth in the President's message.

The unforeseeable escalation of Vietnam in mid-1965 gave a strong upward thrust to the demand on our resources. In response, the policy of the administration has been to take fiscal steps designed to meet conditions as they unfolded. This was exemplified in the Tax Adjustment Act of 1966 which applied the degree of restraint that conditions and prospects at that time required. Similarly, we are now proposing another appropriate step again responsive to prevailing conditions. In view of the uncertainties with which we still are confronted, we cannot offer blueprints for future programs. The only prudent course is to maintain a flexible, step-by-step approach.

II. Specific background for the legislative proposal

Our economy is now operating close to the limits of its productive powers. It is being called upon not only to meet emergency defense requirements associated with military operations in Southeast Asia, to support civilian activities of Federal, State, and local government, and to produce an enormous flow of capital goods for business. It is at the same time providing the American consumer with the highest standard of living the world has ever known.

The strain on our economic resources is most acute in the field of credit referred to above and in business investment, where the high level of activity has created a substantial excess of demand over supply, which will be augmented by future orders with consequent additional strain on money markets.

The high and rising levels of business investment spending have been a main cause of credit tightening, mounting interest rates, and diversion of financial—and hence real—resources away from other important areas of economic activity.

The resulting process of interest rate escalation—the bidding up for a limited supply of funds—deserve special comments here, because the muting of this process is a major part of the President's program to restore and maintain stable financial markets.

For several years of business expansion, 1961 through 1965, credit expanded with relatively little change in interest rates except in short-term rates. Credit demands grew, but the expansion of savings and bank credit were able to accommodate this expansion to the great benefit of the economy, which enjoyed rapid growth. A major means by which banks were able to participate in this process of credit expansion was through amassing very large gains in time deposits, essentially by simply bidding for those deposits and then making the funds available for loans to business and other borrowers.

What had been from 1961 to 1965 an orderly process of credit expansion and real economic expansion acquired in 1966, however, some aspects of an unhealthy scramble for liquidity and credit, in which interest rates have shot up and credit has flowed in a lopsided fashion. Businesses, particularly corporate business, have taken a very large share, while the mortgage market has had to do with less. This result has emerged because total credit demands increased while supplies were being held back by a more restrictive monetary policy.

To meet heavy business demands for loans, the banks this year have bid up the interest rates on certificates of deposit, and due to more restricted credit availability that bidding had to be more aggressive than before. In addition, banks have made more room for business loans by selling their holdings of Treasury issues or allowing those holdings to mature without being replaced with other Treasury issues. In this entire process, interest rates on Treasury issues and other securities rose.

Indicative of business demands on the banks, commercial bank loans to business rose at an annual rate of 22 percent in the first 7 months of this year, while bank loans other than business loans rose at about a 7 percent annual rate, and bank investments registered no net change at all.

At the same time, business borrowing was exerting a substantial direct impact in the capital markets. Net funds raised through corporate bond issues in the first half of this year were at an annual rate some 80 percent heavier than the rate for all of 1965. Clearly, businesses have had to rely very heavily on external financing for their large investment outlays, despite the substantial growth in their internal cash flow. And just as clearly, this absorption of credit by business has been reflected in a smaller supply of funds for the home mortgage market, and has begun to threaten the supply of funds for State and local governments and for small business.

This is not to say that business borrowing has been the only source of pressure on the markets, but it has been a very prominent one. Treasury borrowing has not been a major factor; holdings of Treasury debt by the public (that is, apart from trust account and Federal Reserve holdings) was $4.1 billion lower on June 30, 1966, than a year earlier. Increased Federal agency borrowings and participation sales did exert some market pressure, which our new program is now designed to minimize. I might mention, too, that much of the increase in agency debt during the first half of this year reflected borrowings to fill credit needs in the mortgage area that arose essentially because of the dearth of funds for this purpose in the private market.

The strain on the credit market caused by our high rate of business investment has been paralleled by strain on our productive resources available for capital goods. Machinery and equipment producers are simply unable to keep their production up to the pace of their incoming orders. In every single one of the last 12 months order backlogs for machinery have grown larger, accumulating to a 27 percent increase for the whole period. In just the past 6 months the backlogs have increased 15 percent. The backlog of metal cutting machine tool orders alone now equals more than 10 months shipments.

A crucial factor in limiting the production of machinery and equipment is the acute shortage of skilled workers. In the second quarter of this year the unemployment rate in nonelectrical machinery was down to 1.9 percent, and the average workweek of 44 hours is now the longest in any manufacturing industry. The BLS reports the machine tool industry as having the tightest manpower situation in the country. Apparently a handful of occupations account for two-thirds of all the hard-to-fill jobs. These are machinists, machine-shop workers, mechanics and repairmen, welders, toolmakers and die sinkers, and pattern and model makers.

As a result of this excess demand and very tight supply condition, prices of machinery have been spurting upward. Electrical machinery prices have risen at a 4 percent annual rate so far this year, which incidentally is the reverse of a long downward trend that persisted through 1965. Prices of metalworking machinery have risen at a 7 percent annual rate in the first 7 months of this year. In the period from January to July, price increases exceeded a 10 percent annual rate for a number of important groups of machinery products: metalworking presses

(14 percent), precision measuring tools (12 percent), transformers and power regulators (12 percent), and wiring devices (10 percent).

Pressure on prices, the supply and wages of skilled labor, and on the financial markets has also been generated by the strong pace of construction other than single family homebuilding. In the past 12 months commercial and industrial construction has averaged 12 percent above the preceding year. This high level of activity has put upward pressure on wage and material costs in the construction industry and contributed to scarcity of skilled labor. Construction prices have recently accelerated, and wage rates of construction workers have accelerated even more so. Moreover, if measures were to be taken to relieve credit stringency without at the same time reducing the stimulus to construction, continued upsurge in construction could well be the outcome.

In view, then, of the current boom condition in the market for capital goods and construction other than homebuilding, a moderation of the demand in these markets will exercise a stabilizing influence on the economy. This needed moderating influence can be accomplished by temporarily suspending the investment credit on machinery and equipment and accelerated depreciation on real estate. The bill before you carries out this proposal.

III. Specific elements of the legislative proposal

The bill would temporarily suspend the investment credit allowed by section 38 of the Internal Revenue Code. The suspension would apply to (i) property acquired during the suspension period, (ii) property ordered during the suspension period, and (iii) property, the physical construction of which begins during the suspension period. The suspension period would begin on September 1, 1966, and end on December 31, 1967.

Machinery and equipment acquired during the suspension period pursuant to a binding contract made by the taxpayer prior to the beginning of the suspension period would not be affected by the suspension. Also, property, the physical construction of which commenced prior to the beginning of the suspension period, would be unaffected. Investment credit carryovers from periods prior to the suspension period may be utilized during the suspension period only to the extent that they would have been allowed had there been no suspension.

The bill would limit depreciation to the straight-line method for real estate (not qualified for the investment credit) acquired, ordered, or whose physical construction is begun during the suspension period. The suspension period for this purpose would be the same suspension period used for the investment credit. Property acquired during the suspension period pursuant to a binding contract made prior to the beginning of the suspension period and property, the physical construction of which commenced prior to the beginning of the suspension period, would be unaffected.

It is to be noted that the suspension covers orders and commitments in the suspension period and is not limited to deliveries or installations in that period. Careful study has indicated that this is a feasible approach. However, I want to emphasize that this does not imply any basic change in the normal operation of the investment credit. That is, the taxpayer will still be entitled to take whatever credit against tax liability that is permitted to him only after delivery or installation of machinery or equipment takes place.

The reason for applying the suspension to orders is the greater scope of its economic impact. If the suspension applied only to installations, it would have no impact at all on orders placed in the suspension period where delivery of the equipment would occur after the termination of the suspension period. In these cases the demand on current use of resources would not be relieved at all. The activities of the firms producing the equipment would go ahead unabated and their flow of orders would continue undiminished.

On an orders basis, on the other hand, suspension would affect not only all items ordered and delivered in the suspension period but also items ordered for delivery after the suspension period. (There would be no essential difference in treatment of items ordered on binding orders prior to September 1, 1966, since these orders would be excepted from the suspension under either method.)

IV. Effects of the legislative proposal

Just as the enactment of the investment credit provided a strong incentive to investment, so its suspension would sharply reduce the incentive to invest during the suspension period. Moreover, the fact that the suspension would be temporary adds a reinforcing incentive to defer capital projects until the credit is restored.

For example, on typical investments in machinery and equipment the investment credit raises the aftertax rate of return from 10 to 12 or 13 percent. Thus, when the credit is suspended, the investor is offered the difference between earning 10 percent if he begins the project during the suspension period, compared to earning 12 to 13 percent if he defers launching the project until after the suspension period.

As a consequence of this effect on incentives, the current demand for capital goods should be significantly moderated. In the first instance, the impact should show up in a level of orders below what would have otherwise been the case. For those items which can be ordered and delivered in a short space of time—such as trucks, office equipment, store fixtures, and air conditioners—the effect of a diminished order flow on investment expenditures and on activity by the producers of the equipment should be quite rapid.

When the order to delivery period is longer (1 year or more) the moderation in the order flow should still have a prompt and favorable effect in relieving pressures on our scarce resources. The production plans and activity of the capital goods producers respond promptly to a change in their order inflow. Their incentives to scramble for and hold on to skilled labor and scarce materials will be diminished and their accumulation of inventories of goods in the various stages of production will be slowed down. As a result the upward pressures to prices and wage rates should be held down. Even in those cases where abnormally large order backlogs prevail, any reduction in the inflow of new orders should have an influence on prices before there is any effect on production.

By moderating the demand for investment goods, suspension of the investment credit will make a marked contribution to relieving pressure on money and financial markets. True, suspension of the credit does mean some reduction in the cash flow of business firms putting them under a need for funds to replace the loss of the investment credit on those orders which are not deferred. But this will be more than offset by the reduction in credit requirements resulting from the deferrals of orders for machinery and equipment purchases induced by the suspension.

In moderating investment demand at this time, suspension of the credit will also help to improve our current or short term balance-of-payments position. The high levels of investment demand have contributed to a rise in our imports relative to our exports. Imports of capital equipment have shown a large increase in the first half of 1966 over a comparable period of 1965—44 percent—and there is evidence that our exports of machinery have been held down because U.S. producers have given priority to domestic orders. For example, while foreign orders in the machine tool industry have run well above a year earlier, shipments are lagging behind last year totals.

In part, the moderation of demand for capital goods induced by suspension will be reflected in a reduced output of capital goods. To the extent that this is the case, it implies some temporary sacrifice of growth of capacity, and some slowdown in the rate of plant modernization and productivity increases. Indeed it is these benefits from the investment credit that I have stressed and value highly. Nevertheless, I believe that this temporary sacrifice of long-run benefits is in the present case more than balanced by the immediate benefit of tempering the unique, short-run inflationary pressures that now confront us.

Moreover, there is evidence that at present investment is proceeding at a rate that might not be sustained in the long run. Therefore, it is desirable to slow it down now, so that it will proceed at a more even pace in the long run. I am confident that when the investment credit is reinstated there will follow a certain catching-up period of accelerated investment by business. This will occur at a time when there is less strain in the economy than at present, and the loss of capacity due to suspension of the credit will thus only be temporary and not permanent.

Suspension of accelerated depreciation on buildings will temporarily remove this special incentive to construction, and in a manner parallel to suspension of the investment credit, will offer a strong inducement to defer the launching of construction projects until after the suspension has terminated. Thus it will contribute to restraining inflationary forces by reducing the pressure from this source of demand on money and credit markets, and on markets for skilled labor and construction materials. This will be particularly favorable to the single-family homebuilding industry—which has borne the brunt of the tight money and high interest rates we have been experiencing. Industrial, commercial and apartment construction are closely competitive with single-family home construction both in financing requirements and use of labor and materials.

Conclusion

In conclusion, I should like to emphasize that H.R. 17607 is an essential part of the President's program to mute inflationary pressures. It is designed to permit the Nation to meet its defense requirements while, at the same time, it continues the stable growth and prosperity which we have enjoyed for the past 5½ years. Hence, I strongly urge that this committee approve the bill as promptly as possible.

Exhibit 34.—Statement by Secretary Fowler, March 20, 1967, before the Senate Finance Committee on H.R. 6950, a bill to reinstate the 7 percent investment credit and accelerated depreciation

I welcome this opportunity to discuss the recommendation for reinstating the 7 percent investment credit and accelerated depreciation presented in the President's message of March 9, 1967 and to express the Treasury's views on the bill before you, H.R. 6950.

I am very appreciative of the promptness with which you and the House Ways and Means Committee arranged to hold hearings on this important matter. The Congress is once again demonstrating its ability to act speedily and responsibly to meet the requirements of sound economic policy.

I favor the immediate restoration of the investment credit and accelerated depreciation. As members of this committee are well aware, I have always been a strong exponent of the investment credit. Since its inception in 1962, the credit has unquestionably made a substantial contribution to promoting high levels of investment and economic growth, and to the generally remarkable performance of our economy in recent years.

The investment tax credit is an essential, and should be an enduring part of our tax system.

As members of this committee also know, we came to the decision last September that suspension was an appropriate measure only after very careful consideration. I made clear in my testimony before this committee, and elsewhere, that I regarded the suspension bill as a temporary measure. By providing for automatic restoration of the credit and accelerated depreciation on January 1, 1968, the legislation itself emphasized its temporary nature. However, it was never my view that the January 1 date was in any way binding or immutable as a termination date. Rather, it was my full expectation that the suspension period would actually be terminated whenever economic, or other conditions made such action appropriate. As I stated before the House Ways and Means Committee last September in answer to a question from Congresswoman Griffiths:

"I think the expression of the date [i.e., Jan. 1, 1968] is really an expression of the intent and purpose of both the President and the Congress to renew the credit when the economic circumstances and surroundings are more propitious. I don't think there is anything magic about the January 1, 1968, date or the 16 months' period. It is simply a planning period."

And again, as I stated before this committee last October in response to a question from Senator Williams:

"The administration will be alert to any change in the situation and will be prepared to recommend terminating the suspension period before January 1, 1968, if a change in circumstances makes that at all possible, and I would hope that the Congress would, in turn, be willing to entertain such a recommendation."

This view that it would be desirable, indeed obligatory, to reinstate the credit as soon as conditions warrant it, was expressed both by the President and the Congress. In his statement upon signing the investment credit suspension the President said:

"If * * * any earlier reinstatement would be appropriate, I shall recommend prompt legislative action to accomplish that result."

The reports to the Congress of both the House Ways and Means Committee and the Senate Finance Committee stated:

"If military requirements in Southeast Asia should decrease before January 1, 1968, or if for some other reason it should become apparent that suspension of the investment credit and suspension of the use of the accelerated depreciation methods with respect to buildings are no longer necessary to restrain inflation, the Congress can promptly terminate the suspensions. The administration has also indicated that it would recommend terminating the suspension period before January 1, 1968, under such conditions."

In brief, then, the administration as well as the Congress fully intended that the suspension of this important investment incentive should be terminated as soon as it became apparent that the conditions giving rise to the suspension no longer prevailed.

It is now clear that those conditions necessitating suspension are no longer prevalent and the investment credit should be restored.

The reason for the suspension

In my statement before you last October, I emphasized that the suspension of the investment credit was not a revenue-producing measure. It was an economic measure, with a limited, well defined purpose: namely, to relieve the excessive pressures that were clearly observable in the capital goods market, which were compounded of enlarged military demands superimposed on a vigorous expansion of civilian business investment. In turn, these pressures were causing strains in the financial and money markets resulting in the highest interest rates in 40 years, and depriving the homebuilding industry of needed credit availability. The suspension legislation was not intended as an overall, across-the-board, measure of fiscal restraint. Its focus was specifically concerned with curbing the excessive boom in the capital goods sector and alleviating credit tightness. It was to do this by inducing business firms to postpone the placing of orders for—or starting the construction of—machinery and equipment, and commercial and industrial building.

Suspension law no longer justified

On the basis of the economic evidence that is available to us, which I can assure you we have prudently and carefully appraised, we can now affirm that the special conditions giving rise to the suspension legislation no longer exist, and therefore the investment credit and accelerated depreciation should be restored.

Here is some of this evidence:

In the market for capital goods:

—New orders for machinery and equipment have, beginning in October, declined steadily, reaching a level in January of this year of 7 percent below September 1966. Moreover, in January shipments actually exceeded orders and the order backlog fell for the first time since 1963.

—The average rate at which capacity is being utilized in the machinery industry has dropped noticeably to a healthier and more efficient rate. In electrical machinery, for example, it has declined from 97 percent to 91.5 percent.

—The shortages of skilled labor are not so nearly acute today as they were last summer.

—And, looking ahead, the recent "Survey of Investment Plans for 1967," conducted by the Department of Commerce and the Securities and Exchange Commission shows a modest increase of less than 4 percent. This is within the growing productive capabilities of our machinery industries. It is in sharp contrast to the increases of 16 percent and 17 percent which occurred in 1965 and 1966.

Thus, while demand for capital goods remains at a high, even record level, it now reflects a healthy buoyancy in the capital goods industries and not the excessive, threatening, boom conditions that prevailed last summer.

One important result of these developments is seen in the area of our balance of payments. During 1965 and the first three quarters of 1966, imports of capital equipment jumped by an average of 13 percent per quarter. In the fourth quarter of 1966 the rise in imports of capital equipment was only 3.9 percent and this in part reflected deliveries on orders placed in earlier quarters. The current prospect of a leveling off of imports, now that domestic producers can take care of demands, is excellent.

In the financial and money markets:

A dramatic decline in interest rates from the highest levels in 40 years has occurred:

—Three-month Treasury bills are down 1⅜ points, from 5.60 to 4.24.

—Ten-year Treasury securities are down more than 1 full point.

—Short-term Federal agency securities are down 1⅞ points.

—New corporate Aa bonds are down three-fourths of a point.

—New municipal bonds are down seven-tenths of a point.

The net inflow of funds to savings and loan institutions is now proceeding at a much more healthy rate. In the 4 months ending January, the inflow was at an adjusted annual rate of $8 billion. Last summer the annual rate of inflow was as little as $0.1 billion.

Credit availability for homebuilding has improved and mortgage rates have started to come down. In October the seasonally adjusted annual rate of private housing starts had sunk to a low of 848 thousand units; in the first 2 months of this year starts (seasonally adjusted, annual rates) averaged nearly 1⅙ million units.

Corporate financial demands, while strong, are being accommodated in an orderly manner and yields are down.

—Preliminary estimates suggest that for the first quarter of this year corporate issues are running below last year. This contrasts with the first three quarters of 1966 when corporate security offerings were substantially above year earlier levels.

While the situation has considerably improved in our financial and money markets, I do not want to give the impression that further substantial easing is unwanted or unnecessary. Far from it. There is room for further declines in interest rates, in our own financial markets, and in the financial markets of other countries. Particularly, there is room for the recent welcome declines in rates on short-term Treasury issues to spread to other types of securities and borrowing rates. I hope and expect to see those declines realized, and I expect that credit will continue to become more readily available, especially for homebuilding.

In the currently improved financial market environment, I believe that restoration of the investment credit is entirely consistent with maintaining sound balance in the financial markets in the months ahead, and it is consistent with achieving further improvement in those markets. There is the important proviso, however, that the Federal Government's own demands in the credit markets must be kept within measured bounds.

In view, then, of the moderate and sustainable pace at which investment is now proceeding, and in view of the clear trend toward ease in our financial and money markets, continued suspension of the investment credit is no longer appropriate. It is incumbent upon us, therefore, to restore the credit to the normal, long-run role it is designed to fulfill in the tax structure.

Relation to the economic outlook and the surcharge

The termination of the suspension of the investment credit, of course, restores some incentive to investment that was inoperative during the suspension period. I do not, however, consider that such action is being taken for the purpose of stimulating the economy. Rather, I view it as simply restoring to its normal, functioning role what is essentially an integral part of the permanent tax structure, which, whenever reimposed would have a stimulating effect.

We are, of course, undergoing some adjustment downward from the hectic pace of advance that characterized the economy during much of 1966. This was only to be expected, and it was expected in the analyses and fiscal program presented by the administration earlier this year. But it is also my expectation that due to factors such as a leveling of inventory investment at a sustainable rate, a rising level of consumer buying and recovery in homebuilding—reflecting the basically expansionary impact of current fiscal and monetary policy—the pace of activity is expected to step up by the second half of 1967. Nevertheless, we will continue our close watch on economic developments just as we have been doing right along.

The question naturally arises as to what bearing the termination of the suspension has on the President's recommendation for a surcharge on corporate and individual income taxes.

The answer essentially is that the two measures are quite different in design and purpose.

As I have already indicated, the suspension of the investment credit was not a revenue measure. It had a specific and limited objective—to dampen the excessive boom being experienced last year in the market for capital goods. The excessive boom is over, and there is no reason for continuing the suspension.

The surcharge, on the other hand, is an overall across-the-board fiscal measure designed to cope with the economic and budgetary situation and outlook as we anticipate it for the latter part of 1967 and throughout 1968, assuming the implementation of the President's other recommendations and the continuation of hostilities on their current scale in Southeast Asia. We will want to reduce our budgetary deficits in fiscal 1968 from the projected levels of fiscal 1967 if the economic outlook permits. We will certainly not want to risk a resumption of monetary strains and a return to higher interest rates then either, and this will require that the Government's own demands on the credit markets be kept in bounds. The surcharge will help achieve these objectives.

Explanation of the bill

The suspension statute adopted by Congress last fall generally denies the investment credit for property ordered, acquired, or placed under construction during the suspension period. Also, the statute denies use of the forms of accelerated depreciation introduced into the tax law in 1954—primarily, the double declining balance and sum of the years-digits methods—for real property, not qualifying for the investment credit, if the construction of the property began during that period. The statute defines the suspension period as the period beginning on October 10, 1966, and ending on December 31, 1967. The law prescribes 11 exceptions from these general rules, allowing the investment credit or accelerated depreciation to property ordered, acquired, or constructed during the suspension period if various conditions are met. It also permits each taxpayer a $20,000 exemption for investment credit purposes and a $50,000 exemption for accelerated depreciation purposes.

Section 1 of H.R. 6950 amends the definition of the term "suspension period" to provide that the period terminates on March 9, 1967, rather than December 31, 1967. As a consequence, property ordered, acquired, or placed under construction after March 9 would qualify for the investment credit or 1954 code accelerated depreciation under the usual rules governing those tax benefits.

Section 2 of the bill as passed by the House makes two further changes in the suspension statute enacted last fall. First, for the original rule disqualifying property altogether for the investment credit or accelerated depreciation if construction was begun during the suspension period, this section would substitute a rule denying the credit or accelerated depreciation only for that portion of the basis of property which is attributable to construction during the suspension period. For example, where a taxpayer began construction of a building during the suspension period but did not complete it during the period, he would be permitted to elect the 1954 code methods of accelerated depreciation for the portion of the basis of the building attributable to construction performed after the close of the suspension period. Secondly—and of much wider application—section 2 would delete the provisions of the original suspension statute which disqualified property for the investment credit or accelerated depreciation by reason of orders placed during the suspension period. It would allow a full credit or accelerated depreciation for all property delivered after the suspension period regardless of when the property was ordered.

The bill, thus, does not restore the investment credit on the terms provided by the original suspension legislation. Rather, it retroactively grants the credit to many taxpayers who would, because of their involvement in stipulated activities during the suspension period, be ineligible for the credit under the existing law. This is not in accord with the President's recommendation, which called simply for early termination of suspension but no other change in the terms of the suspension law. In not following the President's recommendation, the bill seems to me to cause inequitable treatment of those taxpayers who did refrain from placing orders or starting projects during the suspension period. They have lost their place in their suppliers' line and have foregone profits from the early use of new equipment. I would prefer a bill which would simply carry out the President's recommendation restoring the investment credit on the terms provided by the original suspension legislation.

Conclusion

In conclusion, I believe delay at this stage may produce uncertainties that would only be harmful to the economy. Therefore, I emphasize the need for prompt action on terminating the suspension.

Exhibit 35.—Letter from Secretary Fowler to Senator Smathers, March 21, 1967, on the restoration of the investment credit and accelerated depreciation

Hon. George A. Smathers,
U.S. Senate, Washington, D.C.

Dear Senator Smathers: My purpose in writing this letter is to make quite clear my position on the restoration of the investment credit and the House bill, H.R. 6950, now before the Senate Finance Committee. I believe it is appropriate for me to do so at this time in the light of the events and discussion bearing on the question of restoring the credit which have occurred since the President's recommendation to the Congress on March 9, 1967.

There are two paramount concerns involved in the restoration of the investment credit: One is to assure restoration of the investment credit to its long-run functioning role in our tax structure, now that suspension has served its purpose, which the Congress and the administration assumed the obligation to do when enacting the suspension legislation. The other major concern is to protect revenues and the budgetary position of the Federal Government.

Consistent with these overriding concerns I, therefore, strongly believe that the investment credit and accelerated depreciation should be fully restored as of March 10, 1967. No retroactive change or modification, however, should be made with respect to the rules provided in the suspension legislation governing eligibility for the investment credit for property ordered, acquired or placed under construction during the period October 10, 1966, through March 9, 1967.

With regard to the provision for raising the limit on the use of the investment credit from the present 25 percent of tax liability to 50 percent, I believe this liberalizing provision should not go into effect until January 1, 1968.

The revenue loss from this approach would be considerably less than that involved in H.R. 6950. For the fiscal years 1967 and 1968 together, the loss would amount to $605 million compared to a loss of $1.28 billion under H.R. 6950. The difference between the two losses, amounting to $675 million, is attributable to two factors: the granting of the credit to property ordered but not delivered during the suspension period, which accounts for $395 million; and the application of the liberalized ceiling on March 10, 1967, rather than January 1, 1968, which accounts for the remaining $280 million.

An even greater loss, amounting to $1.53 billion would be involved in the proposal, advocated by some, to completely roll back the suspension to October 10, 1966, and also make the ceiling liberalization effective on that date.

As you know, the projected deficit in the administrative budget for fiscal 1967 is $9.7 billion and for fiscal 1968 $8.1 billion, assuming the enactment of the 6 percent surcharge on the income tax of individuals and corporations proposed by the President. For Congress to carry out the obligation undertaken at the time of the enactment of the suspension of the investment credit, namely, to restore it when economic circumstances make that appropriate, will add an additional $605 million to the deficits for these 2 years or require some adjustment upward in the proposed surtaxes. This additional cost is inescapable as a price we have to pay for restoring the credit in timely fashion to its place as a part of our permanent tax structure. However, there is no need in equity or for any other reason, from the standpoint of the Treasury, for Congress to change the rules it established for eligibility for the credit when the suspension period was over which are specifically prescribed in the suspension act of last year. Thus, there is no need for any further revenue loss in connection with this legislation. I cannot stand by lightly and watch these budget deficits increased merely to give a windfall to taxpayers who had no basis for assuming they would get the investment credit on orders placed during the suspension period. Neither do I think it is necessary or obligatory to make available the liberalized limit on the credit from 25 percent from taxes to 50 percent before January 1, 1968.

Following the administration's proposals on these two points, as compared with the House bill approach, will save the Government $675 million in these fiscal years in which we are facing these sizable deficits; as compared to a proposal now being considered in the committee to lift the suspension back to October 10, 1966, the date of the original enactment, the difference is nearly $1 billion.

The course of fiscal responsibility under these circumstances is very clear. I strongly urge the committee to take the necessary action to implement the approach I have here outlined and thus minimize either the need to increase the national debt, finance a larger deficit by going to the public markets for money, or laying additional tax burdens through the income tax route.

Sincerely yours,

HENRY H. FOWLER.

Exhibit 36.—Letter from Secretary Fowler to Senator Long, April 4, 1967, on proposals to repeal the Presidential Election Campaign Fund Act of 1966

Hon. RUSSELL B. LONG,
U.S. Senate, Washington, D.C.

DEAR SENATOR LONG: This is in response to your request for the Treasury's views on proposals to repeal the Presidential Election Campaign Fund Act of 1966.

Enactment of the Long bill, after public hearings at which various proposals were presented, was the first tangible step toward solving the problem of financing ever-mounting political campaign costs. Its effect in forthcoming presidential elections should be to alleviate significantly problems which have long been the source of concern in the conduct of national political campaigns: reliance of political parties on small groups of wealthy contributors; and lack of certainty that sufficient funds will be available to those parties to assure the full and free public discussion of issues necessary for an informed electorate.

Clearly we should not discard a law which has the potential of making a significant contribution to our political process without giving it a fair and reasonable trial.

Indeed, its passage has already precipitated much thoughtful study and public commentary directed toward improving the basic approach embodied in the act. This public concern and awareness have been beneficial.

It has resulted in many constructive suggestions which merit careful consideration. For example, I understand that you have already proposed certain changes. The Comptroller General and the advisory committee appointed by him pursuant to the act, are now studying this law and are in the process of developing regulations under it.

The public hearings which you intend to hold concerning possible amendments to this measure will provide an opportunity for the consideration of constructive changes. The Treasury will be pleased to participate in this effort and offer whatever assistance may be necessary.

Sincerely yours,

HENRY H. FOWLER.

Exhibit 37.—Remarks by Secretary Fowler, April 10, 1967, at the annual meeting of the Kentucky Chamber of Commerce, Louisville, on the uses of tax policy

I am truly glad to be back in Louisville tonight, and particularly happy to be accompanied to your distinguished gathering by Congressman John Watts. He is one of the most influential and respected Members of the Congress, and I can testify that in his execution of his duties as a member of the House Ways and Means Committee he is one of the most informed Members of the House. I prize his advice and I value his friendship. However, since he doesn't always agree with the Treasury, don't blame him for my mistakes.

Tonight I want to talk to you from the viewpoint that you, as representatives of private enterprise, and I, as a representative of your Government, share together as partners in the responsibility for progress in our Nation's affairs—and particularly for its economic progress. One of the personal beliefs to which I adhere very strongly is that there can be no true progress in America unless it is based on a true partnership between the National Government and the private sector—business, labor, finance, and agriculture.

For my part, I feel that this partnership is working out very well indeed. But, lest I be accused of special pleading to prove this, let me, before I turn to my specific subject for this evening, cite you some evidence from two organs of public opinion which are not always necessarily in agreement with the views of this administration—the New York Times and the Wall Street Journal.

The New York Times, in its Sunday Magazine of March 19, 1967, notes that the manufacturing capacity of the United States has doubled since 1951. We have added as much in the way of new plant and machinery in the last 15 years, says the article, as we built during the first 150 years of the nation's industrial history. And we may well double that capacity, says The Times—and the actual output—again in another 15 to 20 years.

The Wall Street Journal, in a January 31, 1967, article, said, and I quote:

"In one sense, there is an almost monotonous sameness about the country's economic record in recent years.

"Business has become better and better and better. Employment has gone up and up, American affluence, already the envy of foreign lands, has grown and grown and grown."

This is true. The threat of economic stagnation—that used to plague our economy with slow growth and recurrent recessions and cause our foreign friends and enemies to think that the United States and the free enterprise system were losing their drive—is no more. It has disappeared in the wake of 74 months—over 6 years of dynamic growth.

To give you a picture of how well our industrial giant is progressing, let me cite some familiar economic indexes covering the recent past. In a period of 3 years under President Johnson's administration, civilian employment—that is, new and additional persons at work—has increased by 5,133,000—a figure which nearly matches the employment gain of the entire previous 8 years. The additional numbers of persons at work in the last 3 years exceeds the total employment increase from 1953 to 1961. The unemployment rate during the 3-year period decreased by 1.9 percent, as against an increase of 1.3 percent in the previous 8 years. The real gross national product, in 1958 dollars, increased by about $97 billion, not too far from the $113 billion of the previous 8 years. It is as though we had annexed the rate of the output of economies of the present size of Italy and the Netherlands in the last 3 years.

There are three other figures which are closer to home for you: real per capita disposable income, in constant 1958 dollars, increased by $281 in that 3-year period, as against $218 for the previous 8 years. Industrial production increased by 26 percent in the 3-year period, as against a 29 percent increase during the preceding 8 years. And corporate profits after taxes increased during the shorter period by $15.3 billion, as against a $6 billion increase for the entire previous 8 year figure.

I think these illustrations tend to show that our partnership in this country is working out pretty well.

My subject tonight is "The Uses of Tax Policy." And I am fully aware that any subject dealing with taxation—particularly when discussed on a day which falls so close to April 15—involves some very tender feelings.

Let us all take some consolation, however, in some little-known facts: In the past 5 years, we have had personal and corporate income tax cuts averaging 20 percent. In 1962 with the legislative enactment of the investment tax credit and the liberalization of depreciation, new and powerful incentives for investment were provided. In 1965, over 200 separate items had excise taxes removed from them. All told, the tax reductions effected in that period will save taxpayers nearly $23 billion a year at fiscal 1968 income levels.

Largely as a result of these tax reductions, the United States today enjoys the lowest tax burden of any major industrial nation in the world. Again, this is not my own figure, but that of the Organization for Economic Cooperation and Development, representing the industrialized nations. The OECD's estimates show that as a proportion of total national production the citizens of France are paying 38.5 percent in taxes. The Germans are paying 34.4 percent. In Italy the figure is 29.6 percent. In Great Britain it is 28.6 percent. And, finally, lowest on the list, the United States pays 27.3 percent. And this is for taxes at all levels of government—Federal, State, and local.

I feel, in brief, that our Federal tax policy can be used to help achieve what all of us want—continued prosperity, price stability, and growth for the United States. I share the views of the distinguished chairman of the House Ways and Means Committee, the Honorable Wilbur Mills, who defined the problem very ably in a recent speech, from which I quote:

"* * * surely we can all agree that the primary or overriding role of the Federal tax system is to raise in a fair and equitable manner the necessary revenues without which government cannot operate. At the same time there also is a widening agreement that with moderation our tax system can also be used to provide economic stability and growth for the private economy."

With this background, I want to focus my remarks tonight on several areas in the use of Federal tax policy which are of immediate and basic interest to all of us. They are:

First, the need for a flexible tax policy in dealing with sharp adjustments up and down in the economy as a result of war, recession or other substantial destabilizing influences, giving rise to conditions where resort to flexible fiscal and monetary policy is the alternative to drastic measures of government control or intervention or suffering severe economic illnesses.

Second, the need and prospects for tax reform in the near future, and,

Third, the longer range outlook for tax rate realignment and reduction at a time—whenever it may be—when we can look beyond the demands of the situation in Southeast Asia.

It has been suggested in some quarters that the fiscal, monetary, and budgetary proposals of the administration in the last 18 months present to the American public a posture of an alternating or gyrating economic policy. The short answer is that the unusual demands of the war in Southeast Asia, coming on top of a burgeoning economy, gave rise to the need for a flexible use of fiscal and monetary policy.

There is a marked distinction to be made between the present situation and our earlier experiences during World War II and Korea, periods when direct controls—price, wage and salary controls, priorities and allocation of materials and facilities to restrict civilian demand—were used in order to expand production and keep the economy from getting out of bounds.

It was my privilege to participate in the mobilization programs of World War II and to be in charge of the Defense Production Administration and the Office of Defense Mobilization in the latter part of the Korean war. I know from first hand experience how confining and burdensome the direct controls can be to any business, and how, in those periods, small businesses and new businesses were clearly at a disadvantage.

In the current situation, dealing with Vietnam, we are proceeding generally within the framework of a free market economy, in which there is an absence of the direct controls that were used in the other two experiences. In the Vietnam situation, we have dealt with the economic aberrations that are always a consequence when there is a rapid increase in demand by relying on a flexible use of fiscal and monetary measures to permit us to keep a free enterprise economy unmarked by direct government controls.

I want to make it clear that I have no apologies in saying in September, "Let us suspend our investment tax credit," and, in March, "Let us put it back."

This is precisely one of the examples of the use of fiscal policy that make it possible for the private sector of the economy to make the necessary adjustment without drastic direct Government controls. And I think one of the prime accomplishments during this particular period has been the fact that the adjustment of this strong and well-balanced economy was accomplished within the context of flexible monetary and fiscal restraint, and without the imposition of price, wage, and material controls such as were found in past similar national emergencies.

Indeed, a rapidly changing pattern of tax policy characterized the other experiences along with direct controls.

You will recall that just before the Korean war, Secretary of the Treasury Snyder proposed a reduction in excise taxes which passed the House in a bill that would have reduced excise taxes by about $1 billion. Then the Korean war intervened, and a bill passed with a $5 billion tax increase, and instead of there being any reduction of the excise taxes, they were maintained and increased.

So, changes in circumstances quite properly justify changes in fiscal and monetary policy. Policies cannot be static in a world as rapidly changing as ours. We must adapt them to meet new problems and needs. This, I believe, is what we have done.

To illustrate specifically let me refer briefly to the Tax Adjustment Act of 1966, the suspension and restoration of the investment tax credit, and the President's proposal for a temporary 6 percent surcharge on existing income taxes.

The accomplishments of the Tax Adjustment Act, since it was passed early in 1966, have been somewhat obscured by the daily shuffle of headlines. This legislation increased the revenues needed for the Vietnam war in 1966–67 by a total of about $6 billion. In so doing, it introduced graduated withholding taxes on individual taxpayers and shortened the previously scheduled transition period to put corporate tax payments on a pay-as-you-go basis comparable to that affecting individuals.

The suspension of the investment credit last fall was not a revenue measure. It had a specific and limited objective—to dampen the excessive boom in the market for capital goods, with its inflationary impact leading to high interest rates and damage to our balance of payments in the form of heavy imports of machinery. The excessive boom is now over and there is no reason for continuing the suspension. The President recommended it be lifted and the Congress is acting.

The 6 percent surcharge proposal, on the other hand, encompasses an overall, across-the-board fiscal measure designed to cope with the economic and budgetary situation as we anticipate it for the latter part of 1967 and throughout 1968, assuming the implementation of the President's other recommendations and the continuation of hostilities on their current scale in Southeast Asia. We need to pay for the increased cost of war projected for the next fiscal year. We will want to reduce our budgetary deficits in fiscal 1968 from the projected levels of fiscal 1967 if the economic outlook permits. We will certainly not want to risk a resumption of the monetary strains of tight money and a return to higher interest rates at that time and this will require that the Government's own demands on the credit markets be kept in bounds. The surcharge will help achieve these objectives.

I have tried to illustrate, by these examples, how tax policies can be used in times of substantial adjustment with positive results for sustaining high levels of employment and without a resultant damaging inflation.

And, of course, a flexible tax policy can be used to promote economic stabilization when the economy is threatened by recession as well as by inflation. However, due to the fact that we are enjoying the seventh year of a continually expanding economy, we have not had occasion to use a "quickie" tax cut for that purpose.

I come now to the second of the three things I want to talk about this evening—the need for and the prospects of tax reform in the near future.

Later this year, the President's Message on Tax Reform will be submitted to the Congress. In his Economic Message to the Congress for this year, the President hailed the American tax system as one in which we can take pride and one which, in most of its elements, is unsurpassed by any other tax system in the world today. He also made it clear that the system can be—and should be—improved.

It seems clear that our tax laws, as they stand today, impose burdens on some of our citizens which are clearly unfair. In other cases, they grant special preferences to individuals and groups which are just as clearly inequitable.

When one speaks of tax reform, I suppose it is inevitable that the phrase should call to mind the existence of inequities in a tax system and their elimination. Quite apart from the existence of such inequities, however, I like to think of the subject of tax reform in a positive sense; in the sense that tax reform should truly mean the way in which we can reduce the rates of tax as well as providing for both equity and simplicity.

The Revenue Acts of 1962 and 1964 marked a real turning point in tax reform in a structural, as well as an "economic" sense. The revenue raising or base broadening structural changes which had come about as a result of all the revenue acts passed prior to the 1962 and 1964 acts—from the year 1940 on—totaled only approximately $600 million. The total which was raised by such changes from 1953 to 1961 was less than $200 million. But the 1962 and 1964 acts contained nearly $1.7 billion in so-called base broadening revenue raising changes. And at the same time, they not only increased the equity of the income tax system—by eliminating or reducing some special preferences—but they turned the increased revenues back into rate reductions and investment incentives for all. Thus, they accomplished a good measure of "economic" tax reform in addition to that which was achieved through net tax reduction.

Let me give you some examples of structural reforms occasioned by the 1964 act. It included limitations on tax preferences accruing from group term insurance, bank loan insurance, sick pay exclusion, casualty loss deduction, utilization of personal holding companies, multiple properties for charging depletion, and realization of capital gains on quick sales of real estate in connection with excessive depreciation. It also eliminated deductions of certain State and local taxes which were difficult of uniform and equitable administration, as well as the dividend credit which was providing a great advantage for the large investor.

Many similar structural reforms could be cited in connection with the 1962 act.

The 1962 and 1964 acts eliminated a good deal, but not as much as the President and the Treasury recommended, of the special preferences which led to an erosion of the tax base. The act of 1964 also represented a commendable switch from the old pattern of opening even more loopholes in order to combat top-heavy rates on taxable incomes. It set the desirable design of the future—the provision of necessary revenues at the lowest possible tax rates whenever tax reduction through base broadening opportunities are presented.

The act of 1964, however, was not our last major tax reform. In 1965, the repeal of the highly discriminatory and unfair system of selective excise taxes which had developed as emergency measures in World War II and the Korean war and even earlier, gave a substantial added measure of equity and simplicity to to our tax system.

Indeed, in the Tax Adjustment Act of 1966 and the separate administrative measures taken last year to speed collections, the inequities of collecting from some taxpayers on a pay-as-you-go basis and from others on a deferred basis, were eliminated, and the tax system was greatly improved by the action.

For us to get to the point at which such beneficial actions as these can be taken, much hard work must be done. Chairman Mills made this abundantly clear in a recent speech in which he said, and I quote, "* * * tax reform requires a vast amount of preparatory work, both technical and in terms of education of the American people. Many of the reforms which were accomplished in 1964 actually represented the culmination of work which had been done quite some time before that date * * * tax reform cannot be achieved overnight."

Let us look behind that statement.

At the Treasury Department, an able and expert group of hard-working people, economists, lawyers, accountants, and other specialists, led by Assistant Secretary for Tax Policy Stanley Surrey, has labored, and is laboring, to help provide suggestions for achieving the best possible system we need for the times. This team works together with a similar dedicated staff of experts which operates under the direction of the Joint Committee on Internal Revenue Taxation of the Congress. But, in the final analysis under our system, imbedded in the Constitution, it is not the experts but the elected representatives who decide the shape and substance of these reform proposals. The President submits his recommendations in a tax message. With the Constitution providing that revenue proposals originate in the House, it is the function of the House Ways and Means Committee, of which Congressman Watts is a key member, to make the initial determinations which are voted upon by the entire House, reviewed and revised by the Senate Finance Committee and the entire Senate, then become the subject of a conference between ranking members of the two committees and finally passed back to the President for his approval or rejection.

Much remains to be done by all of these groups and bodies, following the traditional processes. For example, while much attention has been devoted to the income tax structure, corporate and individual, and to the inequities of the former crazy-quilt pattern of excise taxation, the whole realm of estate and gift taxation has not had any major legislative review or overhaul since 1942. Rate schedules and basic exemptions in the estate and gift tax laws have thus remained unchanged for 25 years. Complexities and inequities in this important area have crept in through a long series of piecemeal changes by statutory amendments and court decisions. The present structure places a high premium on the form and timing of the transfer of property. A comprehensive reexamination of these provisions of the law to reduce the complexities of estate planning and correct rules which work inequities or induce taxpayers to dispose of their property in ways which they would not otherwise choose, is long overdue.

This comment by no means implies that the income tax structure could not still bear substantial improvement. Because we emerged from the period 1962–64 with an improved tax structure, this is no reason why we should call a halt to future steps toward tax reduction and a more equitable and simplified tax structure which is more fully consistent with sustained full employment and vigorous growth. Our present system, however improved it may be over older ones, is still capable of stalling or holding back our economy at a "somewhat higher altitude." It still tends to take too large a proportion of the increases we have enjoyed over the past 6 years in personal and business income. We have to seek to keep the tax structure's revenue capability from growing too fast—as the private incomes and economic capacity of the Nation enlarge, as I know they will.

In short, we must still go a far way if we are to rid our tax structure—and our income tax in particular—of its impediments to an efficient flow of capital, its unlike treatment of like incomes, and its excessive burdens on small incomes.

Let us remember, in considering the burdens of people with small incomes, that they represent the area of the tax brackets where the customers of business and agriculture live. The people with $10,000 a year, and less, account for almost 85 percent of all taxable returns. They are the people who will put a large part of any tax reduction into the stream of spending—help create the healthy demands upon our economy which can call forth new techniques and technologies, create new jobs and make new investments profitable.

Moreover, we have become increasingly aware that tax reform must be responsive to changing situations.

Without in any way getting into a discussion of what the President might recommend, but solely to point up some of the thorny problems inherent in tax reform, let me cite some examples of inequities and economic distortion which arise from provisions of our tax laws which, however justified at the time of their enactment, have become subject to certain abuses.

Very often, of course, there are good business reasons for the creation of affiliated corporate groups. But the good reason for an affiliated group does not make sense as a good reason for giving that group multiple corporate tax exemptions. A single enterprise is involved. If it is divided into sub-groups which are called "subsidiaries," rather than divided into branches or divisions of the business, that does not rationally entitle the enterprise to be the recipient of a host of tax exemptions.

Similarly, changing patterns have occurred with tax exempt industrial development bonds, rapidly growing in numbers and amounts, and being sold, in effect, on the credit of a private corporation which has bought or leased a facility from the issuing local agency. The rents, or sales installments, which the corporation pays to the local agency, are fixed to meet the issuing agency's interest payments and the amortization of the principal of the bonds. In other words, the corporation is in effect borrowing from the public, but obtaining a tax exemption for the interest. This means that the interest rate which the corporation obtains will be below the market rate which it would otherwise have to pay.

Now, more and more, this device is being used by corporations which are financially strong and quite capable of obtaining their funds through normal market channels. When they turn to the local issuing agency for these funds they—and the local agency—are getting into an arrangement which distorts the tax-exemption privilege and which, in the long run, simply forces the Federal tax system to support their financing. This is indeed a far cry from the original intent of the exemptions—which was to encourage corporations which lacked capital of their own to set up businesses in areas of high unemployment, generally in rural areas.

In another example, there is no doubt whatsoever that there are abuses of the tax system by tax-exempt private foundations. Those foundations which are created solely to keep intact a family's control of a business enterprise are clearly distorting the original intent underlying the tax benefits and exemptions granted for charitable contributions and philanthropic organizations.

Now, I repeat: let no one take this recital of these particular examples, or others mentioned earlier, as an outline of the President's forthcoming tax reform proposals, upon which much preparatory work has been done on which there is still work in progress. I cite them only as evidence of the fact that tax reform, a complicated matter, has many facets that can be explored.

Despite all this, during the last 5 years we have made a strong beginning in the use of tax reform as the means of achieving what I feel we want to achieve—the things I have stressed earlier: tax reduction, equity, and simplicity.

We know that any tax system, unless it is periodically reviewed and reformed, can become slipshod, can develop grave defects, such as those I have mentioned, and can become obsolescent in a way which can both act as a barrier to sound economic growth and at the same time shake popular faith and morale.

Your Government does not intend to let this happen.

Now here is the third item on my agenda for this evening's talk: the longer range outlook for tax rate realignment and reduction. We must look beyond the revenue consuming demands of resisting Communist aggression in Vietnam to the time when instead of devoting increased revenues to national security we can make a desirable allocation of the additional revenues that flow from economic growth under an existing tax structure between tax reduction, reduction of the public debt, and increased Government civilian expenditures.

This prospective decision gives rise to a number of vital economic and fiscal policy questions which are of the highest importance in the decade ahead. How can our tax policy be used, given a reasonable amount of peaceful times over the years in our immediate future, to continue and strengthen the long, healthy upward climb of the American economy? What influences can we expect will be brought to bear upon it from other economic sources?

These questions bring us back full circle to the Revenue Act of 1964 and its immediate aftermath which added a new, but little understood dimension to the importance of coordinating tax policy with other matters—budget expenditures, monetary and credit policy, and debt management.

I ask you to look behind the jargon of the moment—the talk of "the new economics" or "fiscal drag" or "fiscal dividend" or "gap analysis" or "policy mix," etc., and view this range of our national economic decisions as the late President Kennedy and President Johnson have viewed them.

President Kennedy once observed that our economic decisions should involve not so much the clash of grand ideologies as the sober and dispassionate treatment of a marvelously productive modern economic machine.

The fact is that—quite apart from the vicissitudes of the moment—Vietnam or no Vietnam—tax increases or tax cuts—the American economy has reached a stage of strength, efficiency, and power for good, the maintenance of which will depend in great part, in the future, upon the wisdom with which all of us choose to use it.

And, I firmly believe, it is a very fortunate thing that this has come about during a period in which there is a broader acceptance by all of us—in Government, in business, and in all walks of life—of the responsibility for the general well-being that each one of us bears, individually and in our occupational and economic groups, for the conduct of our economic affairs and in the expression of our political will.

What will the future be like? No man alive knows the answer to that in any detail. But any sensible man will admit that there are three elements of great responsibility which lie ahead of us, as Americans, in at least the next 10 years.

They are: (1) The defense of freedom and peace. (2) Preserving and strengthening the free enterprise system. (3) Joining with other nations who believe in these things in building a "Greater Society of Nations," within which there will be opportunity for security and for self-expression.

For us to engage in these tasks means that our economy will have to operate close to its full capacity for production and growth. To achieve this full production and growth will mean full use of our manpower, full use of our equipment and management methods, full use of all the technologies and techniques that management and labor can discover or invent.

We will have to continue to learn how to sustain a high rate of real economic growth, cutting down inflation as it might appear, and fighting any deflationary interruptions, with the tools at our command. Our tax policy will be one of the most powerful of these tools.

I am not endorsing any particular forecast of any group of forecasters as the U.S. goal for the next 10 years. Yet it is interesting to note that three such forecasts seem to point out requirements and conclusions that are remarkably alike.

In one instance, the National Planning Association report titled "Goals, Priorities, and Dollars," done late last year, concludes that if we are to do what we want to do by 1975 we will need a gross national product by that year of over $1 trillion (in 1962 values)—or more than half again as much as we have now.

Second, a study under the auspices of the Life Insurance Association of America calculates that we can maintain an orderly growth, in constant dollars, of 4½ percent from now until 1976, allowing for an annual average increase of about 1 percent in consumer and wholesale prices.

Now, over the past 6 years we have averaged an annual production increase in constant dollars of slightly less than 5 percent, while our economy absorbed large numbers of unemployed people and gave them jobs and put a great amount of unused production facilities to work.

And here is a third forecast for our economy for the period from now on: a study by the Joint Economic Committee of the Congress projecting U.S. economic growth to 1975. This study concludes that we have a potential for an economic growth rate of between 4 and 4½ percent per year between 1965 and 1975.

It is interesting to note that even if we average less growth over the next 10 years than we have over the past 6, we would still be able to lift our gross national product to $1 trillion in 1975, and still be dealing in an American dollar which is the stongest and most stable unit of currency in the world.

Now, I repeat, I am not endorsing the conclusions of any of these studies as a national goal. But should this growth be reached, and I firmly believe it can be reached, it is likely that in 1975 the average American family can enjoy an income, in today's dollars, of something more than $10,000 annually compared to the approximately $7,000 of last year.

But, let me return to the forecast of the Joint Economic Committee of the Congress. Very wisely, the study opens with a sensible warning, and I quote:

"This higher rate of growth will not be achieved automatically, but will require improvements and adjustments in economic policies, both public and private, if it is to be achieved in a manner that does not generate undesirable inflationary byproducts."

In brief, to reach this level, or any other higher standard of living than we have now, we must have priorities. There will be, given the increased gross national product, an annual increase in public revenues. This dividend must be fed back in some part, and in some manner, to sustain the private sector which delivers it—to feed the goose which lays the golden eggs.

To this end—the maintenance of a strong economy free from repressive taxation—we will want to adopt tax reduction, with emphasis upon rate reduction, as a conscious long-term policy. Only in this way can we avoid fiscal drag and ensure that the fiscal dividend payable out of growth can be reinvested in the "growth business" of our economy. Without this conscious determination, our economy can almost unaware be saddled with 1966 tax rate levels and an expanding public sector, decade after decade, so that it is constantly squeezed by a growing tax load in relation to a proportionately shrinking private sector which must, after all, pay for our defense, our consumer needs, and our public improvements.

In plainer words, at some point in the future there lies ahead of us the opportunity for tax rate reductions—not today, nor tomorrow, nor, for all we know, next year or the one after it. That depends on the coming of peace in Asia. But the day will surely come when tax reduction will become an important economic step for us to take. We must be ready to take that step when the opportunity offers.

Already economic plans for the post-Vietnam period are being developed in the executive branch pursuant to an instruction by President Johnson in his Economic Message in January, calling for a "major and coordinated effort to review our readiness." The first of six items on the agenda was the request "to consider possibilities and priorities for tax reduction."

Now, let me make it clear that tax reduction does not necessarily mean corresponding revenue loss. From 1955 to 1960 there was no significant tax reduction, yet budgetary receipts rose only $17.6 billion—an increase of 29 percent. Yet in fiscal years 1961 through 1966, with individual and business income taxes reduced on an average of some 20 percent and most Federal excise taxes eliminated, receipts increased by $26.9 billion, or 35 percent.

But the possibility of tax reduction—at some point in our future—is only one element to which we will have to address ourselves.

We must also seize opportunities to use the fiscal fruits of growth to reduce the national debt and its burden on the budget. Debt reduction, as well as debt management and monetary policy, has a role to play in holding down or decreasing the cost of carrying the debt, thereby releasing revenues for tax reduction or increased expenditures. Moreover, like debt management, debt reduction can be handled in a manner that is stimulative to the private sector. It need not be associated with a restraint on the economy.

We must also look forward to increasing our expenditures for the public sector, for all of the worthwhile humanitarian programs and benefits of which our Nation is capable.

The task is this: As our revenues grow, along with our gross national product, there is going to be a multitude of demands for the extra money. We must decide calmly, carefully, patiently, and skillfully, where it is to go. If we do everything that everybody will want to do—if we appropriate all of it for expenditures which are more desirable than necessary—we will miss the opportunity for a better life, a more secure and happy life, for all of us in the years ahead. This is why the concept of Federal expenditure control is an interrelated part of a sound tax policy for growth.

To make the most of our opportunity, we are going to need the virtues of restraint and prudence, and we are going to have to work, with patience and understanding, at complex tasks. When things are not going too well with our economy—when times are tough, to use the vernacular—when the economy is slack—the people who guide it have pretty simple choices to make. There is nothing very complicated about the work which is done then. The job is to perk things up—to get people to work—to get the machine producing more. But when the economic machine is working at the high level of performance we can reasonably expect over the future years, we have to use great care and yet maximum flexibility in our approach to keep that growth at a sustainable pace—not so fast as to induce inflation and not so slow as to invite stagnation or recession.

The action of tax policy toward maintaining a high growth rate, high productivity, and high employment, along with reasonably stable prices, cannot do the job alone. It must be reinforced by expenditures and policies which will raise the quality of our products and increase our efficiency in producing them. I am referring to our need for increasing the skills of our workers through training programs, and the need for encouraging education, research, and private technology.

The contributions of the millions of people in this country who are either unemployed or underemployed must be called forth. Their talents must be developed. Their education must be improved. This is primarily a matter of sheer morality; the very close secondary reason is that we simply cannot afford to go without the skills they can supply.

And some of our tax revenues must go toward expenditures for this purpose. We must accept this not as a burden, but as an opportunity.

If there is one thing about taxation that we have learned, as Americans of this generation, it is that there is no such thing as a tax policy for all seasons. Conditions and needs change. Disaster overtakes those who are callous toward, or indifferent to, the signs of obsolescence in their businesses; so, with our economy, we must keep a weather eye open for the changes of the times and gear our tax system to fit them.

I can assure you here tonight that we will maintain a vigilant survey of economic developments in order to determine what tax actions are necessary. They will be prudently and carefully appraised and brought to the attention of the Congress to permit it the proper time for thorough evaluation and debate.

And as for the responsiveness of the Congress to changing economic conditions, and its ability to act responsibly, the Joint Economic Committee Report says:

"Congress has the ability to act rapidly on tax matters and has demonstrated this ability on many past occasions."

Such responsible actions have time and again been demonstrated, most recently by the speedy consideration in both chambers of President Johnson's request for the restoration of the investment tax credit on machinery and equipment purchases and the accelerated depreciation allowances for new buildings.

A tax structure is like an investment portfolio. It is not something which we can acquire, and then stow away in a safe and forget. It needs watching and revising.

The task of alert surveillance over our tax system, of using it as one of a series of measures to tend to that marvelous, productive machine—the American economy—is one that every responsible group, like your own, and every thoughful citizen, must share with the Government, in partnership, if we are to obtain the best results, the full promise, of the American economy in the decades ahead.

Exhibit 38.—Statement by Assistant Secretary Surrey, March 1, 1967, before the House Committee on Ways and Means, on title V of H.R. 5710, relating to the tax treatment of the elderly

I appreciate this opportunity to present the details of the President's recommendations for improving the income tax treatment of the elderly which he included in his Message on Older Americans.

Congress has been mindful of the financial problems associated with old age and has created far-reaching direct programs, such as the social security and medicare systems, aimed at their solution.

Another significant form of assistance to the elderly has been provided by special income tax benefits to those over the age of 65. This tax program costs the Federal Government approximately $2.3 billion a year in tax revenues. Yet it has been developed in a piecemeal fashion over the years—part administratively, part by committees other than this one—without ever having been subject to an overall review by this committee and by Congress to assure that the system is achieving its objective in an equitable and uniform manner. When viewed comprehensively, it seems clear that the present system of tax benefits for the elderly is not directed where the benefits would be most effective in solving the financial problems of this group. The present system is subject to criticism on many grounds:

It grants more relief to those who have retirement income—pensions, dividends, interest, rents—than to those who continue working past the age of 65 and whose income, therefore, is in the form of wages and salaries.

It is of substantially more value to those elderly with higher incomes than than it is to those in the lower income brackets.

It is exceedingly complex.

Recognizing that special tax provisions for the elderly are based upon the special financial needs associated with old age, the task then becomes one of directing the tax relief—in a simple, fair, and uniform manner—to those who are in the most need of it.

It is to this goal that the President's proposals I am discussing with you today are directed.

These proposals will not change the aggregate revenue cost of the benefits available to the elderly. Rather, they represent a restructuring of the system within the present revenue cost. This would be accomplished by replacing the present complex and discriminatory provisions with a flat exemption—$2,300 for single persons and $4,000 for married couples—available to all lower income and middle income elderly alike.

There are about 20 million persons over the age of 65.

Of these, about 4 million pay income tax or join in the filing of a return on which income tax is paid.

The President's proposals will not change the tax-free status of almost 16 million elderly who now pay no tax. Of the remaining group of elderly, about 2.8 million will have tax reductions. Thus, for the great majority of the elderly—over 18.5 million persons, more than 92 percent of the total—the President's recommendations will not change their position of being free of income tax burdens, or they will result in a tax reduction.

The tax liabilities for the remaining group of individuals will be increased and thereby brought more in line with those of taxpayers under age 65 with similar amounts of income.

For all of the elderly, the new system would be simple and straightforward.

Present law

The details and explanation of the tax benefits available to the elderly under present law are these:

1. *An extra $600 personal exemption and a related $100 minimum standard deduction are allowed to each person 65 or over.*—This provision is obviously of increasing benefit to higher bracket taxpayers. This extra exemption reduces the taxes of those in the highest bracket by $420 but is worth only $98 to a taxpayer in the lowest bracket.

2. *Social security and railroad retirement benefits are excluded from income tax.*—The exclusion from the tax base of these items also is of most benefit to those in the higher tax brackets. A top bracket taxpayer receiving $1,000 a year from social security retirement payments enjoys $700 of tax relief by reason of the exclusion, while one in the lowest brackets may benefit by only $145 from the same exclusion.

There is no sound tax principle that supports a complete exclusion for social security and railroad retirement benefits. These benefits are essentially in the nature of retirement income benefits and are comparable to those paid from a private retirement plan. The exclusion of social security retirement benefits is a tax anachronism granted administratively in the days when benefits were low, and the social security system was in its infancy and viewed as a "welfare" program. The exclusion of railroad retirement benefits was granted by a different committee to create parity of treatment with social security. To continue these exclusions as benefits grow will accentuate (1) the greater tax benefits given to the wealthy and (2) the arbitrary differences in tax treatment of elderly individuals with the same total incomes which now result from taxing various kinds of income differently.

As I have already indicated, the major purpose of the President's proposal is to replace these exclusions—as well as the other complicated special tax benefits now available to the elderly—with a flat special exemption available to all lower and middle income elderly alike. Under the proposal, however, no elderly person whose income consists only of social security or railroad retirement benefits would become taxable—either on the basis of the present levels of these benefits or those which have been proposed by the President. Furthermore, on an overall basis, the proposal leaves 90 percent of the present social security recipients untaxed, and reduces taxes for an additional 5 percent on the basis of present levels of social security.

3. *A retirement income credit is allowed.*—This complex provision grants a maximum credit against income tax equal to 15 percent of an individual's first $1,524 of eligible retirement income and 15 percent of the first $2,286 for a married couple where only one spouse qualifies. The sole justification advanced for the retirement income credit is that it provides tax benefits to individuals receiving pension or investment income—but little or no social security benefits—somewhat comparable to the exclusion for social security.

This credit, however, discriminates most unfairly against those who continue working after reaching age 65. This arises because wage income is not eligible for the retirement income credit and, in addition, wage income reduces the amount of that credit available for investment and pension income. Consequently, an individual over 65 whose entire income consists of dividends, interest, and private pension benefits, can under present law receive an unlimited amount of this income and still qualify for the retirement income credit. If single, he does not start paying tax until his income exceeds roughly $3,100. On the other hand, for a single person up to age 72 who is forced to supplement a small pension by working after retirement, the maximum allowable retirement income credit begins to diminish as his wages exceed $1,200 and is completely eliminated if he earns as little as $3,000. He would start paying taxes at $1,600 if his income consisted solely of his wages.

This difference is unwarranted. The elderly person who by economic circumstances is required, or who out of a desire to be active and productive chooses, to continue working should not have withheld from him the tax relief available to one living on dividends and interest or a substantial pension.

Furthermore, the retirement income credit is one of the most complex provisions of the Internal Revenue Code which is applicable to a broad range of individual taxpayers. Its detailed and complicated rules require an entire page on the tax return. Experience indicates that it is so complicated that many of the elderly do not understand it and therefore lose the benefits to which they are entitled.

This present complex, confusing, and discriminatory system—which is far more favorable to the retirement income of the elderly than to their wages and salaries—is not a rational structure. This structure of taxing the elderly seems to have been dictated by a chain of events rather than by a considered judgment of this committee or the Congress. As I previously mentioned, the exclusion for social security benefits was established by administrative ruling while the railroad retirement benefit treatment was acted upon by a different committee. The retirement income credit has generally been discussed only in the narrow context of attempting to equate the tax treatment of other forms of retirement income with that already granted to social security benefits.

The President's proposal

The proposed revision of the income tax treatment of the elderly would eliminate these unfair and complex features of existing law and would provide, instead, a relatively simple and uniform method of giving tax relief to all elderly taxpayers in relation to their need. The exclusions for social security and railroad retirement benefits, the retirement income credit, and the extra $600 personal exemption and $100 minimum standard deduction—the entire present structure—would be replaced by a uniform special exemption.

Persons who have attained the age of 65.—The proposal would allow a special exemption of $2,300 to all single taxpayers who have attained the age of 65 and a special exemption of $4,000 to a married couple where both are over the age of

65.[1] In the case of a married couple where one is over 65 and one is under 65, the allowable exemption would be $2,300. These taxpayers would, of course, still retain the personal exemption of $600 and the minimum standard deduction, applicable to all taxpayers.

These special exemptions would be reduced dollar-for-dollar for the amount of income—including social security and railroad retirement benefits—received during the taxable year in excess of $5,600 in the case of a single individual and $11,200 in the case of a married couple. However, in order to reflect the retiree's own contributions to the social security or basic railroad retirement system, the amount of his special exemption would, in no case, be reduced below an amount equal to one-third of the amount of these benefits included in his income for tax purposes. For a taxpayer without social security or railroad retirement benefits, the special exemption would phase out at the income level of $7,900 for a single person and $15,200 for a married couple.

Additional particulars under the proposal are:

(1) Only those social security and railroad benefits which are paid as retirement benefits would no longer be excluded. Thus, disability benefits, lump-sum death benefits, and children's benefits would remain excludable from income. The exclusion for these benefits essentially parallels the tax treatment of similar payments made under a private arrangement.

(2) The provision which, under certain conditions, permits a taxpayer to claim an exemption for an elderly parent he is supporting would be revised to allow the parent to receive up to $1,200—rather than the present $600—of gross income before the exemption is disallowed. This change would reflect the fact that by virtue of being included in income, social security and railroad retirement benefits would be included for the first time in applying the income test.

(3) The minimum income limits for filing a return in the case of individuals over age 65 would be raised from $1,200 to $2,800[2] to reflect the higher income levels at which individuals would be completely exempt from tax under the proposal. For married couples, the $2,800 would be in terms of their combined income in recognition that their joint income is considered in applying the phase-out rules for the new special exemption.

Persons under the age of 65.—Under existing law, persons under age 65 need not include their social security or railroad retirement benefits in income and, in addition, those individuals receiving a pension under a public retirement system are eligible for the retirement income credit. In keeping with the recommendations for those over age 65, the proposal would eliminate these preferences. It would substitute instead, for the individuals involved, a special deduction equal to the lesser of (1) the actual amount of such benefits received or (2) $1,600.[3] The $1,600 limitation on the amount of the deduction would be reduced dollar-for-dollar to the extent that income received exceeds $5,600 in the case of a single taxpayer or $11,200 in the case of a married taxpayer, but not below an amount equal to one-third of any social security or railroad retirement benefits included in income.

Effect of the proposal

The proposed revision of the tax treatment of all elderly and retired persons represents a balanced revenue program of tax simplification and reform.

Eliminating the retirement income credit while at the same time extending comparable benefits to individuals in the lower and middle income groups—regardless of the nature of their income—will:

—Vastly simplify the tax computation for most individuals receiving retirement income.

—Eliminate the existing discrimination against those who continue working after age 65.

[1] The $2,300 special exemption is numerically equivalent to the present maximum primary social security benefit ($1,600 rounded) and the extra $600 personal exemption and its related $100 minimum standard deduction. To arrive at the $4,000 married couple's exemption, there is added $800 representing the wife's social security benefit and $700 representing her extra $600 personal exemption and related $100 minimum standard deduction, with the total rounded to $4,000.

[2] The figure $2,800 represents the value of the new special exemption ($2,000), the $600 personal exemption, and a $200 standard deduction available to a married taxpayer filing a separate return. It represents the smallest possible dollar combination (on a rounded basis) of these benefits in the case of any taxpayer. Due to a drafting error, the bill erroneously reflects the new filing level as $2,600 rather than $2,800.

[3] The $1,600 deduction ceiling is numerically equivalent to the present exclusion for the maximum primary social security benefit ($1,600 rounded) and is more than adequate to reflect the value of the retirement income credit (15 percent of the first $1,524 of retirement income). It represents the same value assigned to these benefits in constructing the special exemption for persons over the age of 65.

The loss in tax revenues which will result from extending the uniform special exemption to all lower and middle income persons over age 65 without regard to the source of their income will be balanced by removing the benefits of this special exemption from those individuals whose income levels demonstrate that old age has not created financial hardship.

Under the proposal, all single persons with incomes—from all sources including social security and railroad retirement benefits—of $3,222 [1] or less would be exempt from income tax. All married couples, where both are 65 or over, with incomes of $5,777 [2] or less would be exempt. These results obtain regardless of source of income—wages, pensions, social security or railroad retirement benefits, or investment income. This will mean that almost a half million older persons of the 4.2 million persons now taxable will be completely relieved of any income tax liability.

Of the elderly persons above these income levels, nearly all single persons over age 65 with incomes up to $5,800, and nearly all married couples where both are over 65 with incomes up to $11,600, will obtain tax reductions. In addition, many elderly single persons with incomes over this level and up to $7,300, and many elderly married couples with incomes up to $14,000, will also receive tax reductions depending on the composition of their income. In total, of the elderly above the new fully exempt level nearly 2.3 million would have their income taxes reduced in varying amounts depending on the nature of their income and its consequent treatment under present law.

The remaining 1.4 million older taxpayers will have their taxes increased. They will lose the special tax benefits now available to them since they have no demonstrable need for special tax relief. Of course for many of these the increased social security benefits proposed by the President will completely or materially offset the tax increase.

Since railroad retirement benefit levels are considerably higher than the social security levels, the present tax benefits extended to railroad retirees through the exclusion of their benefits from income tax are likewise greater than for elderly persons receiving social security or other forms of retirement income. For this reason, the income levels at which railroad retirees will be unaffected or will receive tax reductions or will have tax increases under the proposal are somewhat lower than in the case of other elderly persons. The effect of the proposal is thus to place these railroad retirees in the same tax position as social security recipients or other elderly with the same total income. As stated earlier, the proposal leaves completely free of tax those persons receiving only railroad retirement benefits.

Of the 14.5 million aged persons receiving social security benefits, 90 percent would not pay any tax under the President's proposals so that their social security benefits will, in fact, remain nontaxable, assuming the present level of benefits. Another 5 percent of the recipients presently taxable because of other income would have their taxes reduced. For this group also the effect of the proposal will be to continue the exemption for their social security benefits. If there is an increase in social security benefits of the nature recommended by the President, tax increases will be realized by only an additional 1.5 percent of the social security recipients—about 200,000 persons. Moreover, as stated earlier, no elderly person receiving only social security benefits, either at present or under the President's program, will be subject to tax.

In summary, the President's proposal has been carefully designed to correct three major problems that presently exist under our tax treatment of the elderly:

The proposal will simplify the tax return and tax filing problems of all older people.

It will end the unfair and serious discrimination against those older persons who, by force of circumstances or desire, continue working after age 65.

Finally, it will insure that the benefits extended through our tax system to the elderly—which will remain at their present $2.3 billion level—will go to those who, because old age has imposed particular financial problems, need tax relief the most.

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[1] This reflects the special exemption of $2,300; a personal exemption of $600, and the 10 percent standard deduction of $322 on $3,222 of income.

[2] This reflects the special exemption of $4,000, two personal $600 exemptions, and a 10 percent standard deduction of $577 on $5,777 of income.

Exhibit 39.—Remarks by Assistant Secretary Surrey, March 9, 1967, before the Tax Executives Institute Midyear Conference, Washington, D.C., on current developments in the U.S. treatment of international tax matters

I appreciate this opportunity to give you a summary of significant developments relating to international tax matters. I shall be talking about important changes taking place as a result of continuing efforts to provide the proper framework for the tax treatment of transactions that cross our borders. The Treasury welcomes your comments, which will, I can assure you, be closely studied.

We may start with the legislative changes. Last year saw the enactment of the Foreign Investors Tax Act, the first comprehensive revision of our tax treatment of foreign investors. It accomplished the purposes sought: a more rational tax structure for foreigners with U.S. income that would be consistent with international standards, reflect a proper balance of tax treatment for our own citizens, and eliminate irrational and unwarranted barriers to foreign investment in the United States.

The act was drawn up carefully to achieve its objectives without offering improper tax incentives to attract investment here that would have led to matching or even greater incentives by other countries, in a fruitless scramble for investment dollars. Nor does the act seek to claim an undue share for the United States out of the income generated by international investment—a claim that not only could have placed obstacles in the way of our obtaining a proper part of that investment but also could have led to excessive demands by other countries regarding the earnings from our investments overseas.

This act broke new tax ground in several of its approaches. It met the problem of how unilaterally to rationalize our structure for taxing foreigners—without thereby losing our bargaining power to obtain through tax treaties proper treatment for our citizens who invest or trade abroad—by delegating authority to the President to withdraw our unilateral concessions if he found our rules were not being reciprocated. This preservation of bargaining power was also strengthened by giving the President authority to raise income tax on foreigners to the extent and in the way necessary to combat any discriminatory action by foreign countries against our taxpayers.

Next, as insurance that the liberality, in contrast to prior law, of some of the new rules applicable to foreigners, especially the estate tax rate reductions and the confinement of our income tax to the withholding rates, would not lead to tax-motivated expatriation by our citizens, the act applies for 10 years the rates applicable to our citizens to the U.S. property and income of such persons.

The act dealt with the increasing tendency of foreigners to take advantage of the mechanistic and precise formulation of our rules regarding the source of income—and hence the scope of our asserted jurisdiction to tax foreigners—by developing arrangements that avoided U.S. tax on certain business activities conducted by them in the United States, and thus in some cases utilizing the United States as a tax haven. The solution devised is that of increasing the jurisdictional scope of our income tax to reach certain described income that is "effectively connected" with such business activities, again carefully described, in the United States. This step places our jurisdictional rules—and thus our ability to assert a proper claim for our share of tax in these situations—on a parity with those of most other countries, which had long used similar rules.

There are, however, some doctrinal hazards in the act as it emerged from the Congress. The extension of the jurisdictional scope of our tax system to reach these business activities, through the concept of "effectively connected," left our traditional source rules unchanged. Other countries bring such income within their tax jurisdiction by treating it as having its source within their country. As a consequence, we use more structural building blocks than these countries do in applying their tax to these types of income. On the other hand, our approach lends itself more easily to our allowance of a foreign tax credit against our tax on this income.

In addition, the jurisdictional test of "effectively connected" in these cases unfortunately uses terminology similar to that applied to meet a different situation—that of whether certain investment income, whose source is traditionally regarded as being from within the United States, is so related ("effectively connected") to a trade or business in the United States so as to be taxed along with the income of that trade or business rather than being taxed separately under the rules relating to investment income. But hopefully regulations and commentators will be able to allay any confusion that might result from these doctrinal hazards. These regulations are now in process.

The other important legislation involves the interest equalization tax and the bill just reported by the House Ways and Means Committee. The purpose of the interest equalization tax is to insert a tax wedge in the international transactions by which foreigners borrow or otherwise obtain our capital that compensates for the differential between our lower interest rates and the higher rates that are charged abroad. This is done so that the amount of our capital that goes abroad will not be materially increased as the result of our policy to maintain lower interest rates for our domestic economy. This purpose of the interest equalization tax must be achieved in a world where interest rates in various countries are to a large degree the reflection of a variety of domestic fiscal and monetary policies constantly changing in response to a variety of economic conditions.

The monetary powers of modern governments are exercised in a highly flexible fashion. Consequently, a tax wedge whose amount is rigidly fixed will not always be able to perform its task—the wedge may at different times be too little or too large. The task is to achieve a mechanism that permits the wedge to expand or contract as the differential itself varies in response to monetary policies here and abroad. Only in this way can we permit our monetary policy to perform its important tasks without undue distortion by balance-of-payments considerations. In response to this objective, the new legislation as reported by the Ways and Means Committee gives the President authority to vary the rates of IET tax so that their effect on international interest differentials can vary from 1 percentage point to 1½ points, rather than remain at a fixed rate.

When we turn to administrative activity, developments largely relate to a number of regulations and rulings which are now being brought to a final conclusion. Most important here are the regulations relating to sections 482 and 861 of the code, involving allocations of income and expenditures in international transactions. A large number of helpful comments have been received and we are in the process of reviewing them.

These regulations clearly plow new tax ground in the attempt to formalize the rules of allocation that should govern the relationships between taxpayers and the U.S. Government and between the U.S. Government and foreign governments. We believe that one of the major advantages derived by taxpayers and the Government from publication of the guidelines in these regulations will be the element of certainty injected into the application of these provisions of the statute.

We realize that in the past the statute has not always been applied consistently, especially in the foreign area. This inconsistency of approach was, of course, the reason for granting the relief found in Revenue Procedure 64–54. This aspect can be even more significant in situations where there are delays in completion of U.S. tax audits, as a result of which section 482 issues may be decided years after the events to which they relate took place and have an impact on transactions in all of the intervening years which remain open. One of the major purposes of the regulations is to give taxpayers the opportunity to plan their affairs in such a way as to reduce substantially the risk of adjustment on audit and the consequent long-term uncertainty on the finality of their overseas transactions.

The regulations thus mark the closing of one chapter of tax administration, characterized by taxpayer arrangements made and IRS agent scrutiny conducted without the discipline of guidelines, and the opening of a new chapter involving that discipline through an integrated set of guidelines. But we are hopeful that the regulations will also mark the path to further developments in this field. We believe they will add impetus to the growing efforts of management to obtain objective methods of measuring the achievements and progress of the various components of our larger international enterprises.

It is the fate—and responsibility—and opportunity—of tax measures and regulations to give a formal structure to many of the somewhat formless and more loosely conceived rules that guide business interrelationships. But once management and their advisors see their working rules of thumb captured in a formal structure and set down with greater sharpness and particularity, they are generally induced to focus more intently on those rules, and their objectives. This result is all to the good, for it can only lead to progress in developing our tools and processes for the task of measuring profits and performance, a task that is of vital importance to modern business.

Equally, we are hopeful that this effort on the part of the United States will cause other countries to look with similar care at their own rules in this area. To move this process along, we are proceeding within the OECD Fiscal Committee both to explain our rules and then to ask other governments questions of this nature: Will you allow as deductions the payments which the marketing or manufacturing subsidiaries in your jurisdiction would need to make to its United States parent under our rules? Would you be satisfied to obtain payments from marketing or manufacturing subsidiaries in our country to your parent companies in accordance with these rules? Where we are both agreed on the operative rule—say an arm's length sales price or a charge of services at cost—but may initially reach variant results on applying the rule to the facts of a particular case, how will we harmonize our approaches? In this fashion we can achieve the coordination among governments necessary for fair international treatment of taxpayers.

Closely tied in with these efforts is the study we are making of the competent authority procedure. Modern tax treaties—and tax treaties under modern conditions—place increasing reliance on an efficient and informed working of this procedure. These treaties, like any tax statute, require an alert and effective administration and the competent authority procedure is the administrative agency for our tax treaties. Here also we are combining a study of our own effectiveness with efforts in the OECD Fiscal Committee to consider these same issues on the international level.

More closely related to our domestic tax rules is the proposed revenue procedure on the operative effects of section 367. The published proposal has brought forth many helpful comments which are now being studied. Work is also proceeding in a companion area, that of the application of section 351 to transfers of know-how to foreign subsidiaries. We recognize the existing dissatisfaction with the present rules and are seeking an appropriate solution.

Let me now turn to our international tax treaties. We will shortly sign the revision of our income tax treaty with France. This is far more than a simple revision, and really represents a whole new treaty. It is our first negotiation with a country desirous of staying as closely as possible to the OECD model draft in structure and terminology. As is to be expected, active negotiation around a model develops a number of probing questions with respect to the model that were not surfaced in its formulation. The French negotiation has resulted in an adaptation of that model in its technical aspects to a concrete treaty between two countries with tax structures that differ in a number of ways. In large part the French treaty should prove to be a model we can use in negotiations with other countries that lean strongly to the OECD draft.

Two events last year marked our tax relations with the South American countries. We negotiated an interim treaty with Trinidad and Tobago as a step toward the complete revision that was initiated as a consequence of changes in their domestic tax system. Honduras terminated its treaty with the United States. This was the first treaty that had been negotiated with a less-developed country—in 1956—and its termination grew out of its inadequacies. While we are quite desirous of negotiating a new treaty, we are also conscious of the need to have our treaties with Latin American countries develop along a common basic pattern.

We hope that this year we will be able to make substantial progress toward starting a tax treaty network with the Latin American countries. We have been engaged for some time in negotiations with Brazil and are encouraged by their progress. We are also currently negotiating a tax treaty with Jamaica. The current treaty with that country is an extension of the former United Kingdom treaty. As stated above, negotiations with Trinidad and Tobago are also scheduled for this year. We are also hopeful other Latin American countries will be entering into discussions with us to explore the feasibility of negotiations.

There is great awareness in Latin America of the desirability of tax treaties—an awareness which we share in this country and an interest which is matched in many industrialized countries seeking increased trade and investment with that area.

These tax treaties can play a most useful role in the economic development and integration of that area. Moreover, treaties by Latin American countries with industrialized countries of other continents will in turn facilitate the negotiation of a network of treaties among the Latin American countries themselves. Such a network—long ago accomplished within the European economy—is one of the steps needed to achieve a common Latin American market and a harmonization of their tax structures.

Our steps to modernize and expand our treaties with the industrialized world and to extend our tax treaty relationships to the less-developed world must be matched by steps to coordinate the many new treaties that have resulted and are in progress. One aspect of the latter task is to proceed, as far as the realities of the negotiating process permit, with basic models—principally one for industrialized countries, with some variations depending on the attraction possessed by the OECD model in some of its aspects, and one for less developed countries.

The realities of negotiation often produce certain differences in language and structure. However, these differences frequently are not intended also to produce changes in substance. As a consequence, we believe that coordination depends finally on developing a master set of treaty regulations that will delineate both the substantive rules that are common to the various treaties and the variations in those rules. In this way we would identify those cases where changes in terminology are intended to have substantive significance. In addition, we can also coordinate the interpretation of those new statutory rules introduced last year which embody similar concepts. We have made considerable progress in developing this approach to treaty regulations and are hopeful our goal can be achieved.

We are also preparing for activity in the estate tax treaty area now that the OECD has finished its formulation of a draft model for these treaties. There is considerable interest in a number of countries in estate tax treaties and we share that interest. We would be aided by your examination of the OECD model, and we invite your comments.

Exhibit 40.—Remarks by Assistant Secretary Surrey, April 29, 1967, before the Federal Tax Institute of New England, Boston, on current developments in tax policy

The topic of "Current Developments in Tax Policy" is best approached by placing present tax policies in the broader perspective of recent history and future prospects. In this way we can see how our current tax policies fit into a longer range program and a way of thinking about the uses of tax policy. For it is the attitude regarding the uses of tax policy that marks the main theme of tax policy in the present and preceding administration.

The main economic goal of these two administrations has been the high level utilization of our real resources within a framework of reasonable price stability—that is, to achieve a growth in real gross national product that matches our potential, with unemployment pushed to as low a level as we can through appropriate fiscal and monetary policies, supplemented by special training and related programs. Also, it has been an important aim to maintain an appropriate balance-of-payments position, so that accomplishment of our domestic objectives will not be hindered by international financial concerns.

The consistent theme of tax policy through seven years has been to use tax policy in an affirmative manner to achieve this economic goal. It will be the consistent theme in the years ahead. The manner in which tax policy is so used—the substantive programs which reflect this use—has changed and necessarily will constantly change, as the economic conditions in which the goal is being pursued themselves change. For the goal is never won forever—there is no permanent trophy to be carried home for success in 1 year or 3 years. Instead the coming of each new year relentlessly challenges us to seek continued advancement toward our goal. We are involved in a perpetual obstacle race, with new obstacles constantly being introduced and old obstacles rearranged to appear different. Insights once obtained must constantly be reexamined and new insights sought if we are successfully to negotiate each new set of obstacles.

In the first years of this decade the main obstacles to be overcome were a growth rate lagging far behind our potential, a discouraging pattern of recessions followed by recoveries that quickly faltered into new recessions, and a consequent high unemployment rate. Tax policy in this setting was aimed at spurring investment, thereby generating a higher productive capacity and more jobs. The substantive tax program involved the adoption of an investment credit to correct a tax structure imbalance that appeared to hamper our obtaining the needed investment level. This credit was supplemented by administrative measures removing restrictive factors in the application of tax depreciation rules.

These 1962 measures were then followed by the massive tax reduction of the 1964 act, designed to produce a strong consumer demand and the markets needed to encourage our producers to push their investment plans. The reduction in tax rates also acted to improve incentives to invest by strengthening the rate of return and cash flows.

This 1964 tax reduction was the first to recognize the power of our tax structure to generate such a strong revenue intake in periods of rising economic activity that the intake soon exerted a drag on that very activity and made continuous forward progress impossible. The 1964 tax reduction also freed us from the shackles of a rigid budget balance posture and enabled fiscal policy to provide a response that would reflect economic conditions rather than mathematically suit a figure resulting from the additions of many disparate items of expenditure and receipt in our budget. The need to strengthen consumer demand was again reflected in 1965 in the Excise Tax Act of that year, in which that need became the opportunity for a major reform of a crazy-quilt excise tax structure.

These programs met with success—a strong business expansion, rising incomes and profits, a falling unemployment rate, a GNP capable of sustaining broad social programs. But then in the latter part of 1965 the obstacles changed—the demands of the Vietnam conflict showed us once again that no economic forecasting is safe against the intrusion of external events we cannot control. A high pace of Government military expenditures demanded that a policy of fiscal stimulus be switched to a program of fiscal restraint, but without clear signs to chart the size or timing of that restraint.

Tax policy was therefore shifted from stimulus to restraint, which called for increasing revenue collections to dampen an inflationary potential. This need became the opportunity to achieve desirable improvements in our current collection procedures. The substantive programs of the Tax Adjustment Act of 1966 reflected this dual target—graduated withholding, a speedup in the transition to current payment by corporations, and current payment of the self-employment social security tax. This was accompanied by administrative programs in both 1966 and this year speeding up the deposit of withheld taxes and excise taxes. And there is still room for further improvement, as reflected in the President's current recommendations regarding the corporate estimated tax.

As the year 1966 progressed, with a high level of economic activity insured through strong private investment, strong consumer demand, and rising Governmental military expenditures, fiscal policy had to cope with emerging price instability and serious imbalances in the business expansion. Moreover, the tasks of fiscal policy were conjoined by the difficulties being experienced in charting the proper course for monetary policy. These obstacles culminated in September 1966 in a threatening financial situation, as interest rates rose alarmingly, the money supply contracted, and business investment still proceeded at an unsustainable level.

Suspension of the investment credit was the tax policy response chosen, and another step in tax flexibility was taken. But it was taken with an awareness that the particular step was not without the problems of the two transitions in the step involved—the transition from allowance of the credit to suspension and the transition from suspension to restoration. This step was therefore accompanied by a frank recognition that only the unusual events of last September—a serious financial situation, an unsustainable business investment boom, and wartime expenditures—would call for this particular response of tax flexibility. It was accompanied by strong expenditure tightening.

The immediate goals sought were obtained—the financial tension subsided, the investment pace began to be more manageable, and monetary policy could begin to ease and adjust the imbalances, as in housing, that had accompanied its tightening.

We thus come to the year 1967 and a new set of obstacles, even more challenging. The imbalances of 1966 are giving way to an economic advance that will show a more even front, as business investment moderates its prior pace and housing starts to catch up. This moderation in business investment signaled the end of the need for the suspension of the investment credit, perhaps a bit earlier than had been foreseen. The President accordingly recommended restoration of the credit, with this step thus completing the application of tax flexibility initiated last September. The differing views on the terms of the restoration underscore the belief expressed last year that only that combination of unique circumstances would call for this form of tax flexibility.

The economic radars that scanned the horizon in January forecast for the immediate months a pause in the economy, as the components of the advancing economic front regrouped and balanced their relationships. An important factor in this pause has been the downward adjustment in inventory accumulation.

Other factors are the moderation in the growth in plant and equipment investment and the low level of housing activity which reflected the past period of tight money. Those radars that scanned further ahead forecast that the economic front would later gather momentum from a variety of sources—increased social security expenditures, the pace of Government expenditures, resumed strength in housing, the end of the inventory adjustment, and a pickup in consumer spending. In the absence of tax action, the Federal budget would move more strongly into deficit and fiscal policy would become highly stimulative. Instability in the form of inflationary pressures would again threaten. It would be desirable to meet that obstacle through tax policy rather than through a resumption of monetary tightening lest we become locked into a level of high interest rates.

This forecast in January thus called for overall tax restraint, in contrast to the specialized restraint in the business sector that was needed last September. The hearings and discussions of last year on the techniques of tax flexibility, notably before the Fiscal Policy Subcommittee of the Joint Economic Committee—hearings that had been urged by the administration—indicated that the most appropriate application of tax flexibility for this purpose was a surcharge on individual and corporate income tax liabilities. The President in January recommended this course. For Budget and revenue estimating purposes a precise starting date was needed and July 1 was chosen. But tax flexibility and rational economic policy obviously do not always demand rigid adherence to dates based on prior economic forecasts. The task is to match policy as closely as possible to current forecasts as these forecasts sharpen and change—not to rigidly match action to a previously set timetable that was itself only a forecast based on earlier and therefore less reliable data.

The economic radars still indicate that in the months ahead the predicted momentum will gather. While the radars are still not equipped to pinpoint the exact month of change, this summer is still the governing forecast. The important point, however, is to recognize that as forecasts sharpen and more clearly foretell the change, we should not be misled by looking backwards or even around us at the figures that reflect the pause we are now moving through. Instead, we must concentrate on what is forecasted for the period ahead. We must be willing to act on what that forecast implies, not because it is infallible but because it is far better than the unfounded assumption that the present condition will continue simply because it is the present. We can be willing to act on the forecast because the tax change that is being recommended—a temporary income tax surcharge—is an adjustment that after its adoption can be readily removed earlier than the targeted date for its termination if the economic radars then begin to forecast different and unexpected signals.

We must remember that the aim is not always to see that forecasts are borne out. Rather, it is to so alter economic conditions that forecasts of undesirable instability ahead, either of an inflationary nature or a downward trend, will not turn out that way and that the forecasted instability will instead be replaced by a more desirable economic situation. The surcharge thus rests on a forecast of too exuberant an economy in the latter part of the year and an intention to prevent that forecast from becoming actuality. The recommendation of the surcharge was a frank statement of Government opinion and policy—what it expects will happen without policy action and how it plans to solve the problem. If the problem starts to shape up differently, then of course a different solution will be called for—but as of now that is not what our current knowledge tells us.

The use of tax policy is thus at present an exercise in tax flexibility—as we attempt to keep our high level economy as close to optimum operating conditions as we can in the face of the inevitable instabilities flowing from the Vietnam hostilities. Necessarily tax flexibility means tax change, to keep the economy on a proper course. Rigidity in tax policy is an impossible course—the policy that brought success in one year can bring great difficulties the next year. We must seek tax adjustments responsive to predicted economic conditions, and attempt to structure them so that the change is accompanied by the least strain on taxpayers and tax administration in applying and accommodating to those changes. Change is necessary because rigidity is disaster, but change should not itself cause needless instabilities.

When Vietnam hostilities end, a new set of conditions will appear and the use of tax policy will in turn have a different content. A most likely use is that of tax reduction, as the revenue structure will presumably have to adapt to lower military expenditures. The nature of the adaptation—how much reduction, in what mix of temporary and permanent change, in what mix of rate change and structural alteration—necessarily must await the events that condition the tax response.

Let me turn now to another goal and another use of tax policy. Whatever the ever-changing character of the economic role of tax policy, we are always involved in the raising of revenues to pay for Government expenditures as well as to fulfill the revenue raising targets that the economic role sets. Tax policy is charged with the task of raising those revenues with fairness, with the least interference in the efficient utilization of our resources, and with the lowest possible level of difficulty in compliance and administration. It is this use of tax policy with which tax reform is concerned.

The achievement of this goal of tax policy is one of constant efforts at improvement—past decisions turn out to have been misguided or no longer sensible under changed circumstances; a new pattern of economic and social conditions forces tax thinking into new areas; new compliance techniques make certain steps feasible for the first time; perennially intractable problems may yield to new solutions; a better understanding is gained of the effects of taxation in a particular area. The needs for improvement are endless and the response must be continuous over many areas. This use of tax policy in this decade has proceeded steadily, through a variety of measures aimed at improving the tax structure—the Revenue Acts of 1962 and 1964, the Excise Tax Reduction Act of 1965, the Tax Adjustment Act of 1966, the Foreign Investors Tax Act of 1966, and the Federal Tax Lien Act of 1966. Along with these major legislative measures have been many major administrative measures in regulations and rulings—consolidated returns, the international tax area, unrelated business income, for example—and many minor legislative measures.

But the effort must remain continuous. We are all aware of the many possible areas of inquiry. We will have different sets of priorities and different approaches and different emphases—but we are all seeking change in our tax structure rather than embalmment. The Treasury has often mentioned some of its current concerns—industrial revenue bonds, multiple corporations, private pension plans and foundations, to name a few. It has called attention to the fact that the estate and gift taxes represent the only part of our Federal tax structure that has remained unexamined by the Congress over a long period. The recent parallel studies by the Brookings Institution on the economic side and the American Law Institute on the legal side clearly indicate that there are promising paths to improvement of these taxes.

An area of reform now before the Congress concerns the President's recommendations for revision of the income tax treatment of the elderly. The existing income tax benefits extended to the elderly cost about $2.3 billion annually in tax revenues. The administration's proposals for revision of these tax rules would not alter this revenue cost. The proposals aim only to redirect this relief, in a uniform manner, to benefit those elderly most in need of it and at the same time to simplify the structure of the tax rules applicable to the elderly. But these proposals appear to be surrounded by a fog of confusion and misrepresentation.

Some critics portray in detail the suggested elimination of the present $600 added exemption and the retirement income credit. But they do not mention the substitution under the proposals of a simple blanket special exemption of $2,300 for a single person and $4,000 for a married couple where both are over age 65. Other critics state that social security benefits will be subject to tax, and add that this is unfair because the beneficiaries will have made payment of social security taxes before retirement. But they do not mention that the costs of those taxes will be taken into account through the blanket exemption, which in no event would be reduced below one-third of the benefits included in income. Nor do the critics point out that about two-thirds of the elderly now subject to income tax will receive a tax reduction under the proposals—almost all married couples below $11,600 and single persons below $5,800.

There are about 20 million persons over the age of 65. Of these, about 4 million now pay income tax or join in the filing of a return on which income tax is paid. The President's proposals will not change the tax-free status of the almost 16 million elderly who now pay no tax. Of the remaining group of elderly, about 2.8 million will have tax reductions. Thus, for the great majority of the elderly—over 18.5 million persons, more than 94 percent of the total—the recommendations will not change their position of being free of income tax burdens, or they will result in a tax reduction.

The tax liabilities for the remaining group of elderly will be increased and thereby brought more in line with the tax liabilities of those taxpayers under age 65 with similar amounts of income. This also has been criticized. But in criticizing the increases that are involved for the wealthier elderly, the critics do not indicate why a person with $20,000 or $50,000, or $100,000 of income, even though elderly, needs the special tax benefits that Congress granted because of the special financial problems associated with age. The financial problems of most of the elderly come down essentially—as do all financial problems—to a lack of income. But—where the income levels are in these higher ranges—there is no justification to apply a lower tax on a $20,000 or $50,000 income when received by a person over age 65 than when received by a person under that age. To keep the matter in perspective, an income of $20,000 a year is over twice the average family income in the United States. In addition, many of the needs that a younger family faces have already been met by the family over 65—the house and furniture are paid for, and the like.

Editorials and similar comment critical of the taxation of social security benefits may well have given those now receiving those benefits the impression that their wellbeing is threatened. But the real facts are completely the other way around. Under the proposed changes annual tax reductions of approximately $220 million would go to the taxpaying elderly below $10,000, and the overwhelming number of social security recipients are below that level.

Nor do the real facts end here. The proposed special exemption ($2,300 for a single person and $4,000 for a married couple) take fully into account the present levels of social security benefits. But this does not mean that future social security benefit increases will automatically be taxed to all recipients. The regular income tax exemptions and deductions, which are allowable in addition to the special exemption, will together with the special exemption shelter from income tax payment future social security benefit increases for all who have only this source of funds and, indeed, for most other recipients.

For example, the maximum social security benefit payable to a married couple under present law is about $2,500 per year. This would rise to about $2,700 under the President's social security proposals. But this is not even half the amount of income necessary before any income tax would be due under the proposed changes, since the couple would not owe tax until their income exceeded $5,800 a year. In other words, for a married couple living only on social security benefits, the maximum benefit level would have to more than double before the income tax would become a factor. If they are now receiving average social security benefits (about $1,500 per year), their benefits would have to more than triple before they would owe any tax. Viewed in another way, it is only the addition of non-social security income tax that could cause a tax to occur and here the leeway is also significant. Even if social security benefits were to reach $3,000, there would still be a $2,800 leeway to absorb pension or other income before the recipients became taxpayers.

In sum, for the overwhelming number of social security recipients, the proposal will have no effect on their social security benefits or will actually result in a tax reduction. This will also be true well into the future. There are 14 million social security recipients. About 12.6 million are now free of income tax, and would remain so. Only about 1.4 million are taxpayers now. Half of these would receive tax reductions under the proposal. The rest—700,000 out of 14 million recipients—would have increases, but to do so they must have an income of over about $6,000 if single and about $12,000 if married. And for many these increases would be offset by the increases proposed in social security benefits.

It is therefore a pretty safe assumption—keeping in mind the kinds of people who are prone to be concerned about anything touching their social security benefits—that the letters any newspaper, any organization, or any Congressman may be receiving from social security recipients who have become concerned by what they read or hear about these proposals can be answered simply and clearly: "If you are not paying an income tax today, you will still continue to be free of tax—if you are paying a tax, you will receive a tax reduction."

To continue with our discussion of general tax reform, the President in his Economic Report has stated that he will submit a tax reform message later this year. He has delineated several useful principles to apply at this time to tax reform proposals—they should be considered apart from significant rate changes or temporary tax increases or decreases, such as the six percent surcharge, and they should not occasion a significant net gain or loss in revenue. While the various components would thus involve revenue-raising or revenue-losing measures, overall they would balance out with no significant net change.

We may, of course, as respects this use of tax policy, look ahead even beyond this reform message to notice that many significant policy areas will be under study, in Government and in private research. We must learn more about the relationship of the income tax system to those persons who lie outside that system, and this involves the interrelationships between our social security system, our welfare system, and the proposals for negative income taxes and income guarantees. The President has stated he will appoint a commission to study much of this ground. We must also make sure that the benefits of economic growth spread to all and that all may share in them, or the affluence we seek for our people will become social injustice. We must strive to protect against any unfairnesses that may result from the necessary uses of tax flexibility, the necessary adjustments in monetary policy, and the necessary reliance on macroeconomic measures. We must not allow our tax system and its uses for economic policy to be regarded as involving only sterile counters remote from the human beings whose lives they affect. The measures to accomplish all of this will not, of course, lie entirely within the tax system. But those who work with tax policy must aid in joining tax policy with other economic and social measures to achieve these desired objectives.

I have been considering the uses of tax policy. These uses, as you can see, are many and varied, and perhaps to some may even appear too ambitious or wide ranging in what is sought to be accomplished. But let me hasten to assure you that they are indeed modest alongside the claims that some have made for the use of tax policy.

There are those who urge tax policy as the solution for almost all of our social ills and problems. If you object to polluted air or polluted water, then a tax incentive will clean it right up. If a college education appears too costly to a family, then a tax credit will open the college doors. If our business firms are not training enough workers, then a tax incentive will set them to improving worker skills. If private enterprise and city officials will not eradicate our slums, then a tax incentive will remove this urban blight. If businesses won't locate in depressed areas, then a tax incentive will show them the way. If electric companies will not place their transmission lines underground, then a tax incentive will turn the soil. If urban transportation is too slow and too antiquated, then a tax incentive will make it fast and attractive. Indeed, all you need to learn what is wrong with America is to read the tax bills in Congress—wherever you see a tax proposal, that is where the action is.

Now, as Assistant Secretary for Tax Policy, I am not at all sure why I should object to these suggestions that the tax system can cure all our problems. For clearly I could well become an economic czar were Congress to agree to this course. I, and my small staff, could control all our new social programs and the other Departments, such as Labor, HEW, and HUD, would have so little to do they could be merged into one small Department and thereby simplify Government. All this almost seems to be how the world would look to a Treasury Department official on an LSD trip.

But I do not use LSD and I have the cautious feeling our social problems can not be so simple that a tax device—indeed the same tax device—will solve all of them. I suspect that there are better ways to clean our rivers and skies, to eradicate our urban ills, to give a college education to all who are qualified. Those ways will require loan guarantees, credit programs, direct subsidies and other Federal expenditure programs, and our facing up squarely to the costs involved.

A major appeal of the tax device is that it hides the budgetary cost and, of course, this appeal is strong from the standpoint of the private interests affected. But this should not deter us from the rational calculations and analyses which must be made to weigh the benefits of alternative expenditure programs. The sheer weight of the various demands being placed upon Government makes it urgent we obtain the utmost efficiency in the use of public funds, and that we fully recognize the amount of funds allocated to each demand. That efficiency and recognition cannot be obtained by hiding the costs in the intricacies of our tax system. Nor could that tax system survive the cumulative weakening of its strength and its fairness that would be involved in this massive use of tax incentives.

We must therefore be alert to the nonuses as well as the uses of tax policy. Nor is this sentry duty assigned solely to Government officials. Those who work daily with the tax system—those lawyers and accountants and scholars who know the strengths and the weaknesses of that system—must also stand their watch. For it is you who counsel daily with a far wider audience of businesses and individuals than the words of Washington can reach. Those businesses and individuals have a vital stake in how our tax system is shaped. Yours, then, is a vital role in explaining the issues surrounding tax policy, in clarifying the choices. No one can ask for blanket agreement and conformity on the choices to be made. But we can hope for an understanding of the concerns that must be weighed in reaching those choices. And it is to this task that your talents can bring accomplishment.

Exhibit 41.—Other testimony by Treasury officials published in hearings before congressional committees, July 1, 1966–June 30, 1967

Secretary Fowler

Statement before the Senate Finance Committee, August 8, 1966, on H.R. 13103, a bill relating to the tax treatment of foreign investment in the United States.

Statement before the Senate Finance Committee, October 3, 1966, on H.R. 17607, a bill to suspend the investment credit and accelerated depreciation.

Statement before the Senate Finance Committee, March 20, 1967, on H.R. 6950, a bill to reinstate the 7 percent investment credit and accelerated depreciation.

Statement before the Senate Small Business Committee, March 22, 1967, on the present position and outlook of small business.

Under Secretary Barr

Statement before the Senate Finance Committee, August 18, 1966, on financing political campaigns.

Statement before the Committee on Ways and Means, August 24, 1966, on airways user charges.

Statement before the Committee on the Judiciary of the House of Representatives, April 7, 1967, on H.R. 5384, a bill to give the Federal Government control over firearms in the areas of interstate and foreign commerce.

Statement before the Senate Finance Committee, June 1, 1967, on financing political campaigns.

Assistant Secretary Surrey

Statement before the Committee on Ways and Means, August 26, 1966, on H.R. 15942 and H.R. 15943, bills relating to borrowing by tax-exempt organizations to carry on activities unrelated to their tax-exempt functions.

International Financial and Monetary Developments

Exhibit 42.—Statement by Secretary Fowler, August 1, 1966, at a news conference on The Hague meeting of the Group of Ten countries

At the meeting of the Ministers and Governors of the so-called Group of Ten countries last Monday and Tuesday at The Hague, the world reaped the benefits of a year of hard and fruitful work looking to the modernization and improvement of our international monetary system.

The Ministers and Governors received and considered a report by their Deputies on the negotiations initiated pursuant to their mandate of last September. The full text of that report will be made available to the public around the last of August.

But already the report has served a most constructive purpose. The report, in the opinion of the Ministers and Governors with one exception, provides the basis for agreement on the deliberate creation of reserve assets sufficient to justify proceeding from the first phase of negotiations to a broader consideration of the questions that affect the world economy as a whole.

Accordingly, the procedure for this second phase was authorized by the Ministers and Governors. After consulting with the Managing Director of the International Monetary Fund, they recommended a series of joint meetings in which the Deputies would take part together with the 20 executive directors of the Fund, representing all 103 member nations of the International Monetary Fund.

We have provided for you here copies of the communique containing these recommendations.

Out of those meetings, which will be the subject of a report by mid-1967, the United States hopes and believes there will emerge a specific contingency plan for the deliberate creation of reserves which can become the subject of formal intergovernmental agreements.

The Ministers and Governors also considered another report on the "Balance of Payments Adjustment Process" prepared by Working Party Three of the Organization for Economic Cooperation and Development. This report is a valuable survey of the measures and instruments by which countries, individually and collectively, and in ways compatible with the pursuit of their essential internal objectives, could preserve a better balance-of-payments equilibrium and achieve a faster and more effective adjustment of imbalance.

Recalling events of the past year, I am more than ever glad that President Johnson authorized me last summer to suggest consultation with our friends abroad on what steps we might jointly take to secure substantial improvements in existing international monetary arrangements.

Perhaps, it will be useful to review briefly the background of the significant development that The Hague meeting represents.

There is no longer any question whether new means to create monetary reserves are needed. The main question is when the need will become pressing.

As you know, the newly mined gold that goes into official reserves and the deficits in the balance of payments of the United States are the only major sources of additional liquidity that have served over recent years to irrigate the growth of trade and economic development in the world.

Our balance-of-payments deficit was cut in half in 1965. This year we are holding our own, despite the special and short term foreign exchange costs to us of our defense of freedom in Vietnam. New supplies of gold reaching official quarters have furnished no more than one-quarter of the reserve growth of the world in the last 15 years.

Consequently, unless some supplement or supplements to gold and dollars can be found that the nations agree to accept and hold as part of our national official reserves, deficiencies in reserves will result that will be felt over time around the world. The reserves will not remain adequate to meet the needs of the rapidly expanding volume of trade and development and will therefore constrict the remarkable growth that has marked the free world since the war.

I said when I suggested this course of action last year that the United States was not wedded to any particular procedure or timetable. But I emphasized that the United States considers agreement on means to strengthen and improve existing international monetary arrangements to be a matter calling for all of us to move ahead to make basic plans but without delay. The term "contingency planning" has become attached in monetary circles to the establishment of plans as to what would be done to create reserves when the existing sources of additional reserves dry up and are insufficient for the needs of the world. At the meeting of the International Monetary Fund last September, the Ministers of the Group of Ten gave their Deputies a dual assignment, to be approached in two stages of work.

The first was to report to the Ministers by the spring of this year on what basis of agreement could be reached among the Group of Ten countries on improvements in the international monetary system. This was to include a report on what scope of agreement was reached on basic points concerning the creation of new international reserves.

Our charge to the Deputies last September stated that as soon as a basis for agreement on essential points had been reached, it would be necessary to proceed from this first phase to a broader consideration of the questions that affect the world economy as a whole. We have now decided to proceed.

The Executive Directors of the International Monetary Fund represent the entire 103 members of the International Monetary Fund. So in bringing together the Deputies to the Group of Ten and the Executive Directors of the International Monetary Fund, you will have in these joint meetings those who are authorized to speak on these subjects for all of the member countries, as well as the major countries who would be expected, of course, to provide the substantial proportion of the financial backing for any new reserve assets.

This is the so-called second phase of the work. And the second phase should be designed to deal with the unresolved questions of procedure in the Group of

Ten and to assure that the basic interests of all member countries in the International Monetary Fund in new arrangements for the future of the world monetary system will be adequately considered and represented before significant intergovernmental agreements for formal structural improvements of the monetary system are concluded.

The Ministers and Governors of the Group of Ten, with the exception of one country, have now decided that we have the basis for moving onward to this second stage of our work. I think this will permit us to advance in the coming year to specific agreement upon ways and means of assuring that future reserve needs of the world, both within and beyond the Group of Ten countries, will be provided for adequately.

I would like to acknowledge the important contribution of the Congressional Subcommittee on International Exchange and Payments of the Joint Economic Committee, chaired by Congressman Henry Reuss. He, Senator Paul Douglas, Congressman William Widnall, Congressman Robert F. Ellsworth, and other members of the subcommittee have provided invaluable understanding and emphasis looking to constructive solutions. The subcommittee's report on "Guidelines For Improving the International Monetary System" is living up to its title.

Throughout the year we have also been assisted by the consultation and advice of the Advisory Committee on International Monetary Arrangements under the leadership of former Secretary of the Treasury Douglas Dillon. This Committee, composed of outside financial and economic experts and an interdepartmental group in the executive branch, have met regularly with Treasury officials.

The Deputies for the United States in the negotiations of the Group of Ten were Under Secretary of the Treasury for Monetary Affairs Frederick Deming and Governor Dewey Daane of the Federal Reserve Board. They were assisted by George Willis, Deputy to the Assistant Secretary of the Treasury for International Monetary Affairs, Robert Solomon, Adviser to the Federal Reserve Board, and Donald McGrew, Treasury Representative in Paris.

Exhibit 43.—Communique of the Ministerial Meeting of the Group of Ten in The Hague, July 25–26, 1966

1. The Ministers and Central Bank Governors of the 10 countries participating in the General Arrangements to Borrow met in The Hague on 25 and 26 July under the Chairmanship of Mr. Anne Vondeling, Minister of Finance of the Netherlands. Mr. Pierre-Paul Schweitzer, Managing Director of the International Monetary Fund, took part in the meeting, which was also attended by the Secretary General of the OECD, the General Manager of the BIS, and the Minister of Finance of Switzerland.

2. The Ministers and Governors considered a report of Working Party Three of the OECD on possible improvements in the balance-of-payments adjustment process. They expressed their appreciation of the OECD's work on this report. Recognizing that the smooth functioning of the international monetary system, as well as the general confidence in its stability, depend very much on progress toward the elimination of imbalances, they agreed that improvements in the adjustment process were needed and possible. They expressed the hope that Working Party Three would continue to work for improvements in this field on the lines indicated in its report.

3. The Ministers and Governors also discussed a comprehensive report by their Deputies on other possible improvements in the international monetary system, including arrangements for the future creation of reserve assets, as and when needed. This report also contains several suggestions for improving the existing system otherwise than through reserve creation. These suggestions should be given further study by the appropriate bodies. The report will be published in the next few weeks.

4. As regards international liquidity, the Ministers and Governors were in full agreement that there is at present no general shortage of reserves. On the other hand, it was thought unlikely that the existing sources of reserves would provide an adequate basis for world trade and payments in the longer run. Large U.S. deficits are not a satisfactory source of future reserve increases for the rest of the world nor are they acceptable to the United States. Moreover, gold alone is not likely to supply sufficient additions to monetary reserves in the future. Consequently, it was agreed that, at some point in the future, existing types of reserves

may have to be supplemented by the deliberate creation of additional reserve assets.

5. As to the way in which such a future contingency could be met, the Deputies, in their report to the Ministerial Group have achieved a consensus on a number of basic principles and elements of any such contingency planning, although they have not reached agreement on all points or presented a fully developed plan. Among the agreed basic principles, the Ministers and Governors particularly stressed the following:

—Deliberate reserve creation, when decided upon, should be neither geared nor directed to the financing of balance of payments deficits of individual countries, but should take place on the basis of a collective judgment of the reserve needs of the world as a whole.

—All countries have a legitimate interest in the adequacy of international reserves. However, a group of major countries with a key role in the functioning of the international monetary system has a particular responsibility for the financial backing for any newly created reserve assets. Consequently, there is agreement that deliberately created reserve assets, as and when needed, should be distributed to all members of the Fund on the basis of IMF quotas or of similar objective criteria. The major countries should be ready to provide adequate financial backing through the extension of special lines of credit to the Fund or through commitments to accept and hold such reserve assets.

6. (a) There should be a clear distinction between the establishment of any contingency plan and the activation of that plan. The prerequisites for such an activation should be laid down. They should include the attainment of a better balance-of-payments equilibrium between members and the likelihood of a better working of the adjustment process in the future.

(b) Organizational arrangements for decisions on the activation of any contingency plan and for subsequent decisions on reserve creation may vary according to the type of scheme adopted. Whatever scheme is adopted, it is essential that the organizational arrangements for such decisions should reflect two principles, namely, (a) the interest of all countries in the smooth working of the international monetary system and (b) the particular responsibilities of a limited group of major countries with a key role in the functioning of the international monetary system and which in fact must provide a substantial part of the financial strength behind any new asset. This could best be achieved by a procedure whereby proposals for reserve creation would be considered both by the limited group and by the Fund. The requisite majorities and voting procedures would have to give due recognition to the two principles set out above and this recognition would be a necessary condition for any decisions on reserve creation.

(c) One delegation did not agree with the views set out in subparagraphs (a) and (b).

7. The Ministers and Governors instructed their Deputies to continue their studies on a number of unresolved questions. However, they also thought it appropriate to look now for a wider framework in which to consider the questions that affect the world economy as a whole. With this in view, the Ministers and Governors, after consulting with the Managing Director of the Fund, recommended a series of joint meetings in which the Deputies would take part together with the Executive Directors of the Fund. The Ministers and Governors of the Group of Ten would expect a report from their Deputies not later than the middle of 1967. One delegation did not join in making this aforementioned recommendation.

Exhibit 44.—Remarks by Secretary Fowler as Governor for the United States, September 28, 1966, at the annual meeting of the International Monetary Fund, on steps toward a more rational world economic order

Introduction

I give you my country's heartiest welcome as we meet together again to consider the vital work of the International Monetary Fund. We are honored by your presence.

In their 1966 annual report, the Executive Directors report on the strengthening of the Fund in the past year. The Fund's resources have now been raised to over $20 billion as the result of global and selective increases in quotas. During the past year, a decision was made to renew the General Arrangements to Borrow. These arrangements have again been utilized for the special purposes for which they were designed and have helped the Fund meet record drawing requirements by its members.

The United States fully supports the recent decision of the Executive Directors to improve the Fund's special compensatory financing facility, under which drawings may be made to meet shortfalls in export earnings.

But our focus at these annual meetings must be on meeting future challenges rather than past accomplishments.

When I spoke to you upon this same occasion last year, I closed with a plea that we lift our eyes from our daily tasks long enough to catch sight of the broad outlines of what we who are associated in the International Monetary Fund are seeking to create: a world monetary structure strong enough, flexible enough, and with growth potentials adequate to the building of a Greater Society of Nations.

This vision of a Greater Society of Nations places three principal requirements upon us in the year ahead:

First, it calls for acceptance of a wider, deeper, more generally shared effort in the field of international economic development—to fill the crucial finance gap—the difference between the capital available to all of us and the capacity of the developing countries to use increasing amounts of capital effectively and productively—so eloquently expressed by President Woods in his notable address earlier in this meeting.

In his February 1 message to Congress on foreign aid, President Johnson, anticipating this call, clearly stated the position of the United States saying:

"I propose that the United States—in ways consistent with its balance-of-payments policy—increase its contributions to multilateral lending institutions, particularly the International Development Association. These increases will be conditional upon appropriate rises in contributions from other members. We are prepared immediately to support negotiations leading to agreements of this nature for submission to the Congress. We urge other advanced nations to join us in supporting this work."

I have already made proposals to this end in a speech at Granada, Spain, earlier this year and my colleague, Secretary George Ball, will develop this topic in his address.

Second, the vision of a Greater Society of Nations calls for the successful negotiation in the year ahead of a specific contingency plan for improved and expanded international monetary arrangements—arrangements with more depth, more span, and more flexibility, arrangements that would build into our international monetary system a means to provide world liquidity consonant with the world's ability to use reserves constructively. I shall expand on this point later.

Third, the vision of a Greater Society of Nations summons us to tasks of national and international cooperation and development so far-reaching that they require the full and efficient use of our human talent and our material resources. We are facing a period in the world's history when the numerous and pressing demands for both national effort and international economic cooperation will reach new heights.

The United States regards the year ahead as a hinge for opening the door to a better future, as the strong nations, the old and the emerging, seize their joint opportunities to deal constructively with their joint problems, without being haunted by the past or confounded by the present. I commend for your consideration the sense of urgency and analysis so well expressed in a report issued within the month by the Subcommittee on International Exchange and Payments of the Joint Economic Committee of the Congress of the United States. This report is entitled "Twenty Years After: An Appeal for the Renewal of International Economic Cooperation on a Grand Scale."

Without passing upon the particular procedures proposed in that report, there can be no question concerning the rightness of the emphasis and urgency expressed in the following words:

"The world is in trouble—deep trouble—in at least five different areas of economic negotiation and policy: trade; aid to less developed countries; maintaining a balance in international payments; international monetary reform; and maintenance of stable price levels in economies marked by full employment and rapid economic growth."

We in the United States are proud of our initiatives and national contribution in the last 20 years in these areas. We believe their spirit, their motivation and their scale serve to give a measure of what must exemplify the role, not just of the United States, but of other nations individually as they regain and achieve strength and stature, and of our family of free nations all together, if international economic and financial cooperation is to assume ever greater dimensions that are required for the last half of this century.

We call upon nations—those that are now strong and those that are rapidly emerging—to join us in a renewed effort that will make the year ahead a notable beginning.

Let us consider some of the specific ways in which we may move toward a better world economy.

Strengthening the adjustment process

I call your attention to the report of Working Party Three of the Organization for Economic Cooperation and Development, and to the discussion in the report of the Deputies of the Group of Ten countries of the need for improvement in our adjustment process, and the concern of the International Monetary Fund with the effective operation of the adjustment mechanism.

Each of these reports recognizes that the adjustment process needs to be improved and that the responsibility for adjustment should fall upon both deficit and surplus countries.

Deficit countries must make full efforts to balance their payments positions through appropriate policy mixes—depending primarily upon fiscal and monetary policy to achieve sustainable equilibrium. Surplus countries must employ their surpluses or hold them in forms that are consonant with the international interest, taking measures which will permit the adjustment policies adopted by deficit countries to work.

It is neither the course of national economic wisdom nor of international cooperation for surplus countries to use their capital markets as instruments for the accumulation of gold and other reserves beyond their needs. Rather they should liberalize them—to facilitate capital export and for the finance of increased development assistance through the international institutions such as the World Bank and its sister banks.

Should this not be done by the surplus countries and should they not also liberalize trade restrictions, the deficit countries—after making appropriate use of policies to achieve equilibrium—may be forced, in the event such policies are not fully effective, to adopt either overly severe domestic measures or to apply unduly restrictive trade, capital and assistance policies. These are not only difficult choices—they hurt the world economy.

Let us apply these principles of adjustment to the problem of development finance. However excellent our development assistance intentions, our ability to realize them will be lessened if due attention is not paid to the need to finance assistance in ways that are consistent with balance-of-payments positions.

In considering the extension of resources by the industrialized countries to the developing countries, there is a tendency to think of the donors as surplus countries and the recipients as deficit countries. This is not always the case. Among the capital exporting countries there are countries with balance-of-payments deficits and countries with balance-of-payments surpluses. Further, these positions change from time to time.

It should remain clear that the amount of assistance extended by donor countries should be determined by their capacities to give assistance. However, in seeking to increase these amounts to meet the growing needs of the developing countries, the balance-of-payments positions of particular donor countries must be taken into account.

The most desirable way to reconcile these objectives would be for donor countries with balance-of-payments surpluses to reduce or eliminate any requirements that the financing which they provide be linked to procurement in their markets. In extreme cases, surplus countries might even require that their financing be used for procurement in other countries. Surplus countries might also take steps to enlarge greatly the access of international lending institutions to their domestic capital markets.

Deficit donor countries have to safeguard their balance-of-payments positions while continuing to extend amounts of assistance commensurate with the broad criteria of aid giving. It should be possible for us to devise imaginative methods to achieve this dual objective of increased aid and protection of balance of payments, and to this end we would welcome discussion among donor countries and with the international financial institutions.

Rationalizing capital outflows

The recommendations of a task force of the U.S. Government that I was privileged to head in 1963 included the following:

"The (United States) should, through appropriate international bodies, particularly the OECD, advocate the step-by-step relaxation of monetary, legal, institutional, and administrative restrictions on capital movements, together with other actions designed to increase the breadth and efficiency of free world capital markets."

Unfortunately, so little progress has thus far been made in this area that the United States is forced to ask American banks and corporations to restrict their foreign investment.

We still find among the most highly developed countries of the world a widespread desire to run current account surpluses although these same countries are not prepared to supply capital net to the world on the scale that is required to finance these export surpluses. Many of the problems we face arise from this simple fact.

We expect that the OECD will issue shortly a blueprint for progress in improving capital markets abroad. We are also confident that, once the way is pointed, the OECD will establish procedures to assist in the translation of plans into action. We can look forward to a meaningful improvement in foreign capital markets that in turn will reduce the need for restraining measures on our part to guard against overdependence upon U.S. capital.

Coordinating national with international policy

It is the responsibility of every nation so to conduct its internal affairs as to avoid weakening the international economic fabric upon which, in the end, we depend for our maximum individual and collective growth. The United States is keenly aware that it is particularly incumbent upon a reserve currency country to keep its economy in good balance so that its currency should be a dependable store of value in the reserves of other nations.

As you know, a year ago I was able to report a very satisfying trend of improvement in the balance-of-payments accounts of the United States. But this year we have not been able to make a further improvement. To a very large extent the cause of our continued deficit is extraordinary and temporary: our heavy involvement in the defense of freedom in Vietnam has directly increased our foreign exchange costs for military expenditures in the Far East by nearly $1 billion. This does not take account of the indirect consequences reflected in the rapid rate of increase in imports which has diminished the trade surplus.

In the past year sharp increases in demand, to a considerable extent also attributable to our involvement in Vietnam, have brought under attack the fine degree of balance among various elements of our economy that was maintained in the United States through most of the nearly 6 years of rapid economic growth we have enjoyed.

Consequently, earlier this month President Johnson announced a program intended to contribute to restoring that balance in the U.S. economy.

With this program the U.S. Government took a further step in a step-by-step use of fiscal and monetary weapons during the past year to deal with inflationary excesses in our economy, as and where they have appeared.

Working Party Three cited the need for the more active use of fiscal policy as a countercyclical weapon. In his message to the Congress of September 8, President Johnson pointed out that when caution signs became visible early in 1966, the U.S. administration and the Congress acted promptly through a series of five fiscal measures taking $10 billion of excess purchasing power out of the economy during this calendar year.

The President also pointed out that responsible fiscal policy demanded tight control of Federal expenditures, and that this has been exercised, through a budget policy that, on a national income basis—the best measure of economic impact—was designed to show an overall surplus of about $1 billion, and that in the first half of 1966 actually ran at an annual rate of $3 billion surplus. Speaking on September 8, the President could say that since January 1, the Government has taken in more than it spent.

The President has placed before the Congress further fiscal recommendations: suspension for 16 months of special tax incentives to business plant and equipment investment. And he has undertaken a further wide range of actions to reduce Federal outlays, including a promise to cut actual spending far below what has been authorized by the Congress where authorizations exceed the fiscal 1967 budget.

The Working Party Three recommendations called also for further improvement in the implementation of general monetary policy. In the United States, monetary policy has been used actively during the past year to dampen excess spending by restricting the availability of credit in the face of a strong surge in demands for credit. In the process, interest rates have risen to heights unprecedented for 40 years. All the instruments of general monetary policy—open market operations, reserve requirement changes and discount policy—have been used during the past year and, most recently there have been innovations in their use.

We have also been making selective use of both fiscal and monetary weapons as the Adjustment Process Report likewise recommended. When the danger of excess demand first appeared early this year, we took both monetary and fiscal actions designed to restrain general demand. Now that excess activity has become centered in the area of business investment, the President has asked the Congress to enact selective restraints in that area, by suspending special tax incentives to investment. Meanwhile, the Federal Reserve has adapted its discount administration so as to intensify the pressure on banks to dampen loans to finance business investment spending. And because excessive competition for savings among financial institutions was having disproportionate effects on some sectors of the economy, we developed and won congressional approval for additional authority by the regulatory agencies over interest rates permissible for different types of deposits.

We expect this wide ranging, varied and flexible mix of measures to exert effective control upon demand in the United States such as the Fund report for this year suggests would be desirable. We also expect it to succeed, because of the careful selection and the variety of instruments used, without bringing about a harmful deflation.

At the same time, President Johnson recently declared to the Congress:

"Decisions made elsewhere will influence our defense needs in Vietnam. Because we cannot control or predict these outcomes, we cannot blueprint our fiscal measures in the months ahead. But should additional fiscal measures be required to preserve price stability and maintain sound fiscal policies, I will recommend them."

Improving the world system of financial and economic cooperation

One of the critically important areas in which we can and should be moving currently toward a more rational world economy lies in improvements that can be made in the world system of financial cooperation.

At the center of this system lies the International Monetary Fund and the truly remarkable network of institutions and arrangements that has been developed to work with or alongside the Fund in the task of international economic problem solving.

One of these is the "General Arrangements to Borrow." Another is the cooperative network of reciprocal swap facilities developed by the United States and a number of other countries that has recently been enlarged to a total of $4.5 billion.

There is less certainty that we have made progress in the field of the composition of reserves. Rising gold ratios, at a time when supplies of new monetary gold are limited, weaken rather than reinforce the system.

The improvements to date in the international monetary system that serves the nations gathered here have been on the whole defensive.

What is needed now is a positive advance: a widening of the financial channels running between our nations, deepening of them so that they can carry greater loads, and extension of them so that they reach more directly into all our lands.

For several years and in several international forums we have been intensely occupied with world trading arrangements in recognition of the necessity of expanding the volume and improving the flow of world commerce and, particularly, of increasing the participation of the developing countries in this commerce. In the Kennedy Round of the GATT trade negotiations, we have now entered the crucial phase of activity.

Another aspect of the future will be a different payments situation from the one that has prevailed in the past two decades, when the world's reserves have grown chiefly due to United States payments deficits.

It is these deficits, chiefly, that have provided successively to a number of countries the reserves which have given them the courage to liberalize their trade restrictions and have thus in a sense floated the great increase in world trade that has taken place in recent years. There is a realization that the world cannot look to continued U.S. payments deficits to supply reserves in the future on the scale that they have in the past, without unacceptable risks to the stability of the international monetary system. So we are moving toward equilibrium in our payments as fast as the unusual and temporary foreign exchange costs of the war in Vietnam will permit.

Such large reductions in reserves as have occurred have affected the reserve currency countries and those countries that had unusually high reserves at the end of World War II. That is, where reserves were too concentrated at that time, they have been redistributed. But, that process—having taken place—cannot be expected to continue under normal conditions—and further dispersion at the expense of the reserve currencies does not strengthen the monetary system as a whole.

We must also keep in mind the fact that changes are taking place that are greatly increasing demand for goods and services. For example, the world population is expanding at a startling rate. The world's ability to produce and transport is rising exponentially, due to leaping growth in our technological and scientific capabilities.

Many more people, wanting many more goods and services, and increasingly able to earn them will require a very substantial rise in the world's needs for reserves. While we must not make the mistake of confusing money, the lubricant, with incomes which provide the fuel for the whole economic machine, it is equally unwise not to give proper care to an adequate supply and use of lubricant.

We must not let it be said that we were the generation of finance ministers who insisted that new mountains of the world's products could be carried to untold new millions of the world's people waiting and eager for them, on an economic machine which we refused to lubricate adequately.

On July 10, 1965, I announced that the United States stood ready to attend and participate in an international monetary conference that would consider what steps we might jointly take to secure substantial improvements in international monetary arrangements.

Progress in the direction of better monetary arrangements, including assurance of adequate reserves in the future, is our decided purpose. With each passing month our determination to move in that direction has increased. The report of the Deputies of the Group of Ten submitted this summer, the action of the Ministers and Governors at The Hague on July 28, the address of Managing Director Schweitzer of the Fund, and the expressions of Governors at this meeting confirm our conviction that the time for decisive action is here.

We stand now at the threshold of the second stage of our negotiations aimed at improving international monetary arrangements. This stage follows upon agreement on basic points of contingency planning for reserve creation by the Ministers and Governors of the Group of Ten.

A fundamental basis of the discussions among the Group of Ten countries was that all countries have a legitimate interest in the adequacy of international reserves. As a consequence, it was agreed that second stage discussions should include joint meetings with the Executive Directors of the Fund. It was also agreed that deliberately created reserve assets, as and when needed, should be distributed to all members of the Fund on the basis of IMF quotas or of similar objective criteria. Reserves distributed in this manner would be created on the basis of a collective judgment of the reserve needs of the world as a whole and would not be either geared or directed to the financing of balance-of-payments deficits of individual countries.

I believe these are sound recommendations. I hope and trust that a specific plan for deliberate reserve creation will emerge from this second stage to become the subject of action by the Fund Governors no later than the next annual meeting.

The burdens of supporting freedom

The United States has raised a shield against aggression in Southeast Asia—as earlier in Europe and the Middle East. We fight there together with our Vietnamese friends whose homes, and lives and country are threatened, and with the help of our allies from Australia, South Korea, and the Philippines.

The homes, the lives, and the national integrity of every free man—of every free nation—in the entire world lies in the shelter of that shield.

In closing, I want to refer back to the U.S. balance-of-payments position and, in this way, pull together the threads of my speech.

Last year, our payments deficit was $1.3 billion on a liquidity basis. This year so far, it is running at about that same rate—despite a rapid stepup of activity in Southeast Asia. We have done well—in the face of very adverse circumstances.

If we have not made further progress in our balance-of-payments position this year, the chief reason is the foreign exchange costs of the shield of freedom that I have just been discussing.

The United States has, at present, a net international payments deficit on military account of $2.6 billion—this is not the budgetary cost but the foreign exchange drain.

We have a net deficit on foreign aid account—after tying—of about three-quarters of a billion dollars.

The total of these two items taken together is about two and a half times our overall deficit.

As I have already said, we have used fiscal and monetary policy to keep our domestic economy in an attitude of sustainable growth. We are prepared to do more—as and when needed. The President has made this very clear. We already have adopted some restraints on capital and tightened our assistance policies to minimize the balance-of-payments cost of this assistance.

My point is a simple one.

We want and intend to attain balance—we do not intend in the future to meet the world reserve needs by an American deficit. The costs of Vietnam have made the task more difficult, to be sure.

The question is, therefore, not "whether" but "how," to attain both our interim and longer term objectives.

Under present circumstances, there are three broad possibilities. We can apply general and selective measures that shrink the net flow of dollars to the rest of the world without any conscious geographical selection—that is, wherever these measures happen to impinge. This course, we suspect, is likely to mean that, in the first instance, a number of developing countries and deficit countries would feel the first impact in a shrinkage of their dollar receipts, or their ability to command real resources, or both. Only at a later stage would the needed adjustment of the persistent surplus countries take place, as a result of the effect of this shrinkage in the purchasing power of the intermediate countries on the hard core of the world's imbalances in these surplus countries.

The second course would be to tailor our measures to the maximum extent possible to concentrate the adjustment on surplus countries. Measures that affect capital outflow could in large degree be so directed. Indeed, our voluntary restraints on capital represented a first, albeit cautious, step in this direction, as did the interest equalization tax. But as economic as this course would seem to be, it is not without problems, as you well know.

Finally, there is the possibility that the burden of adjustment might be shared in a more positive way with the surplus countries. By this, I mean that the surplus countries would follow more active, instead of passive, policies in their pursuit of equilibrium. I say this although quite aware that such a course is not without difficulty for the major surplus countries. But I say this nevertheless because it is clear to me that this course is the most efficient, if not the only means of taking into full account all aspects of the relationship of the pursuit of equilibrium to the total objectives of a rational world economic order.

The answer to this question as to how the objectives are to be attained is not one for the United States alone to answer. How it will be answered depends on the composite result of our own efforts and the policies of other countries, particularly the countries in persistent surplus. Measures taken by the deficit countries might have to be quite drastic if surplus countries follow, whether by design or otherwise, policies that tend to preserve these surpluses.

Here, as elsewhere, it is our hope that we can continue to seek solutions through close and rational cooperation, both in the interim period and in the longer run. We seek a world in which nations work and consult together, understand each other's capacities for action, and allow their policies to fit together. A combined forward thrust is the desideratum—indeed it is necessary—if our combined resources and efforts are to meet the impressive demands of the years and decade ahead.

Exhibit 45.—Statement for the press, September 29, 1966, by Secretary Fowler on the 1966 annual meeting of the International Monetary Fund and the International Bank for Reconstruction and Development

I am gratified that the Governors of the International Monetary Fund have supported proposals for broadening and intensifying negotiations on the deliberate creation of international reserves.

Practically all the Governors who addressed the meeting endorsed the creation of a contingency plan to make this possible, with outright opposition from only two countries—France and Chad.

I am also pleased that IMF Managing Director Schweitzer recommended a series of joint meetings of the Executive Directors of the International Monetary Fund and the Deputies of the Group of Ten, to develop solutions of this problem.

This second stage of negotiations would include representation of the full membership of the International Monetary Fund. Support for it came both from countries outside the Group of Ten and the members of the Group of Ten who reaffirmed on Sunday their recommendations made earlier, in July at The Hague.

In my remarks at this annual meeting I stressed the need for a greater sense of urgency and determination in pushing negotiations to a successful conclusion, and I expressed the hope of completing the development of a specific contingency plan for deliberate reserve creation in time for the next annual meeting.

I repeat the commendation I made in that speech of the emphasis and the sense of urgency expressed in a recent report of the Subcommittee on International Exchange and Payments of the Joint Economic Committee of the U.S. Congress concerning negotiations and enhanced international cooperation in the field of aid, trade, international monetary reform, and the better working of the adjustment process in the international balance of payments.

During this IMF meeting, in a series of informal conferences which I held with the Fund Governors from Africa-Asia, Latin America, and other non-Group of Ten countries, I have discovered very wide support for strengthening and improving international monetary arrangements.

With reference to suggestions by President Woods of the World Bank and many Governors, that development assistance should be increased, I would emphasize the readiness of the United States to participate in an expansion of the resources of the International Development Association on a basis that takes account of the balance-of-payments situations of the principal donor countries. I call upon donor countries enjoying balance-of-payments surpluses to devote these surpluses in greater measure to development financing, as an important aspect of strengthening the international monetary system as a whole.

Exhibit 46.—Remarks by Secretary Fowler, as Governor for the United States, November 25, 1966, at the inaugural meeting of the Asian Development Bank, Tokyo, Japan

This inaugural meeting of the Board of Governors of the Asian Development Bank is one of the landmark events in contemporary Asian affairs. It is one of those exceptional commencements that has recognizable historical significance even to contemporaries. It has that quality and importance—like Bretton Woods or the U.N. Charter Conference at San Francisco—that causes men, in future years, to recall with satisfaction, "I was there."

And because President Johnson believes that is so he has given me a message which I have the honor to bring to this distinguished assemblage.

"DEAR SECRETARY FOWLER:

"You go to Japan as my personal representative and leader of an American delegation to join with friends from Asia, the Pacific, and elsewhere in the world in a historic event—the formal inaugural of the Board of Governors of the Asian Development Bank.

"This is a milestone in man's continuing efforts to bring together the resources and energy of many nations to achieve economic progress and to fulfill their common aspirations.

"It is a tribute to the nations of Asia who met the challenge by taking the initiative and seeing to successful completion the charter enrollment of 30 nations, the subscription of nearly $1 billion, and a plan for cooperation.

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"I am proud that the United States shares in this great endeavor which holds so much promise for the future.

"At Johns Hopkins University last year I said: 'The first step is for the countries of Southeast Asia to associate themselves in a greatly expanded cooperative effort for development.' At that time I also appointed a team, headed by Mr. Eugene Black, to work in this direction with our friends in Asia. The rapid completion of the design and negotiation of the Asian Development Bank is the first great fruit of a year and half's extraordinary cooperative effort by the governments and peoples of the region.

"The Asian Development Bank will harness that knowledge and employ the common resources and skills of its members toward that goal.

"Please convey to the Governors of the Asian Development Bank, Mr. Secretary, my warmest congratulations on an auspicious beginning. Please reaffirm to the delegations present that the American people remain determined to share with others in this great adventure in human progress and development.

"Sincerely,

"LYNDON B. JOHNSON."

Our meeting is the culmination of an organizing process that has been truly remarkable in a number of ways. It is remarkable for how much has been accomplished in so brief a time. It is remarkable also for the consensus and unity of purpose that prevailed at each step of the way, from the Bangkok Conference to the Manila Signing Conference and the present day. That such a major undertaking proceeded so expeditiously is convincing proof that all of those forces and conditions that shape decisive events called for the establishment of the Asian Development Bank. I am proud that my country—responding to Asian initiative—shared in the Bank's creation. It is a pride each of us here can share.

Regional cooperation

This meeting has deep meaning. The presence of the representatives of the regional member countries signifies that the nations of Asia have perceived a new path toward the realization of their great and collective destiny—the path of regional cooperation.

The path of regional cooperation has many byways. Not every byway holds the same promise. In the past, where the approach has been outwardlooking and imaginative, we have seen that immense benefits can be realized. But there is no ready map. The course of Asian regionalism must be charted by Asia herself.

Asia is comprised of many countries differing—in wonderful degree—in history, culture, tradition, attitude, and stage of economic development. In one sense, this Bank signifies that these many countries are prepared, with others, to commit financial resources to a new cooperative venture which has as its aim a richer material way of life. In a broader sense, the Bank signifies that these countries are willing to fuse and harness an extraordinarily rich diversity of national talent and experience in a venture that has as its guiding spirit better understanding and closer harmony, both within Asia and between Asia and other member states. The Bank represents a blending of aspirations and efforts, as well as of financial resources. The welcome addition of Indonesia to the Bank's membership yesterday is another example of this spreading regional cooperation.

The presence here of representatives of non-Asian member countries is a recognition of a new spirit in Asia and the Pacific. This new spirit projects a message, strong and clear, to the countries outside the region. The message is that external resources can be put effectively to work in Asia and that these resources will be managed with prudence and imagination by Asians themselves through a cooperative Asian institution, to create faster rates of real economic growth.

This message is being heard. My presence and that of representatives of other nonregional countries indicate that in view of Asia's determination to help herself, we are prepared to join in support of Asia's efforts. We have pledged economic and human resources to the task of Asian development.

The success of a regional organization depends not only on the creation of orderly and fruitful arrangements within the region, but also on strengthened ties between the region and the rest of the world. The presence of 12 nonregional members here as contributors and members is evidence of that fact that these ties are already being woven and with many strands. At this meeting, by approving the membership application of Switzerland, we take another step toward broadening the nonregional membership of the Bank, thus increasing its worldwide base of support while preserving its fundamentally Asian character. I look forward to further progress in this direction.

U.S. support for Asian efforts

These new initiatives in Asia have the warm support of the American people. As President Johnson said on his recent trip to Asia and the Pacific:

"We in the United States have long been the friends of those who have worked toward unity in Western Europe, toward economic integration in Latin America, and toward stronger regional ties among the young nations of Africa. We shall also be the friends and partners of those in Asia who want to, and who are willing now to, work together to fashion their own destiny. From you must come initiative and leadership. From us will come cooperation."

In signing the Asian Development Bank Act providing for U.S. membership, President Johnson in March 1966 characterized the Bank as "a union against the involuntary economic servitude imposed on the people of Asia by the time and circumstances, and by neighbor and nature." Nor is the President alone in his firm support of the Asian efforts and hopes that have their embodiment in this Bank. Support by the Congress of the United States for the Asian Bank legislation has been overwhelming, and nine Members of the Congress of the United States came with me to Tokyo to bear witness to that support.

The establishment of the Bank is an accomplished fact. The Asian nations have achieved this. We do not propose American approaches to the problems ahead. Our role as a non-Asian country is to assist, to help, to encourage, to support. We intend to continue such support. But our support must be consistent with our overriding responsibility and obligation to achieve and maintain a reasonable equilibrium in our own balance of payments and thus help preserve the continued sound working of the international financial system, of which a dollar "as good as gold" is a crucial element. In the final analysis, regional development has promise and viability only in the context of an orderly, smoothly functioning world monetary system.

The role of the Bank

Through our individual national actions, we have brought this institution into existence with a subscribed capital of nearly $1 billion. The Bank has the power to make loans on normal repayment criteria. It has the power to devote some of its resources to loans that require special repayment terms. It has the power to augment its resources by borrowing, in time, and as circumstances require and permit. And it has the power to administer funds given to it for special purposes. In short, it commences life with powers commensurate with responsibilities.

For this, thanks are due to the Bangkok Conference of October of last year, which performed an altogether remarkable job in producing a charter sound in banking principles and yet flexible enough to enable the Bank to adapt to new circumstances and changing demands. Those who helped shape this document can well be proud of their creation. Those who affixed their signatures to it in Manila in December 1965 can share that pride. And we, here, who participate in this inauguration, are privileged to launch this week an institution destined to influence lives and events in ways which, while not presently foreseeable in detail, will surely be in the common interest of us all.

As to the Bank's immediate objective, I make no more sophisticated a suggestion than that it concentrate its energies and skills first and foremost on becoming a banking institution. Prudent management of funds, high standards of loan appraisals which take into account the borrowers' own efforts and economic performance, policies that permit accumulation of adequate reserves, administrative and personnel policies aimed at efficiency and economy of operation—these are the factors of which reputation is made. These are critical to the Bank's meeting the responsibilities that each of us has entrusted to it. Furthermore, to an important degree, the Bank's performance under these headings will determine how soon and on what terms the Bank will be in a position to borrow in private capital markets and achieve the diversified financial base envisaged in its charter.

With its Asian viewpoint and with its ability to attract Asian and non-Asian funds, this institution has opportunities not now readily met—if met at all—by extraregional organizations, whose focus extends far beyond the region, or subregional organizations, whose activities must necessarily be of smaller dimension. As article 2 of the charter states, the Bank can contribute not only to national economic growth within the region, but "harmonious economic growth of the region as a whole." It serves as a possible nucleus around which broader forms of cooperation can grow. And it serves as a logical Asian link with other international organizations, with which skills and experience can fruitfully be shared.

Special funds will undoubtedly be an element in the broader role the Bank can play. A start can perhaps be made in this direction while the Bank is consolidating its position as a banking institution.

I am confident that Asian ingenuity will uncover many other approaches, enabling the Bank to perform as the catalytic force for regional economic cooperation, in Asia and the Pacific. And I am further confident that as the Bank's skills and reputation as a banking institution emerge, it will find ways of bringing its knowledge and expertise, as well as its financial resources, to bear on problems and opportunities of common concern in the years ahead. I would hope that the Bank very early in its operations would devote special emphasis to technical assistance for project preparation and feasibility studies.

Conclusion

Mr. Chairman, we have done well to entrust the management of the daily affairs of the Bank to Mr. Takeshi Watanabe of Japan. He is an able and conscientious leader, whose experience eminently fits him for his new position. We have every confidence in his wisdom and judgment. On behalf of the United States, I offer him congratulations and best wishes for a successful term of office.

As the newly elected Directors take up their responsibilities, I offer our best wishes to them as well. They will take up these duties at the Bank's permanent headquarters in Manila, a city already the scene of historic events in the emerging pattern of Asian cooperation and destined with the establishment of the Bank, for a still more extensive and vital role.

Our proceedings would not be complete without special tribute to two men. U Nyun patiently and steadfastly pursued his vision of a regional bank for Asia. He guided the discussions and helped find the way to agreement on the document that now is the fundamental charter of the Bank. Eugene Black drew upon his long years of experience as President of the World Bank in offering sound counsel to the deliberations within ECAFE. His imprint, that of the wise international banker alert to the limits of the political framework within which the Bank is established, is evident in the wide and immediate acceptability the charter found among the nations involved.

Two institutions—the World Bank and the Inter-American Bank—likewise played special roles in the establishment of the Bank, rendering valuable assistance unstintingly. Their assistance carried with it the authority of those who have been successful. The basis has been laid for a continuing cooperative relationship among the institutions, in their own and in joint areas of endeavor.

We can leave Tokyo and the gracious hospitality afforded by our hosts in the knowledge that the Asian Development Bank has begun its career in auspicious circumstances. We can also leave in the knowledge that in this room, the twain of East and West have met, on the common ground of mutual respect and joint endeavor.

Let us take from this meeting a renewed spirit of international goodwill and a strong resolve to continue to provide in unison the leadership and resources that will give the people of Asia a better life and a new faith in the future.

Exhibit 47.—Statement by Secretary Fowler, December 13, 1966, on the balance-of-payments program for 1967

Secretary of the Treasury Fowler announced today that President Johnson has approved the recommendation of the Cabinet Committee on Balance of Payments that the Voluntary Cooperation Program for U.S. business corporations and financial instutution be continued in 1967.

The President said in a memorandum to Secretary Fowler, who is Chairman of the Cabinet Committee on Balance of Payments, that our "overall objective in 1967 should be to continue to move toward balance-of-payments equilibrium as fast as the continuing foreign exchange costs of Vietnam permit." The President agreed with the judgment of the Cabinet Committee that to achieve that objective "requires a continued determined program to restrain both Government overseas expenditures and private capital flows."

The President further underscored this point as follows:

"Maintaining the shield of freedom in Vietnam does not relieve us of the obligation to keep the outflow of dollars within prudent limits. We must continue to make progress toward equilibrium as fast as the continued substantial costs of Vietnam will permit. We will, therefore, call upon American bankers and businessmen to continue their cooperation during this period of difficulties."

The Voluntary Cooperation Program, which is administered by the Commerce Department for business corporations and by the Federal Reserve Board for financial institutions, will continue to be entirely voluntary, involving neither specific legislative authority, compulsory participation, nor mandatory standards of performance. While both programs for 1967 continue the approach and format of the 1966 program, the suggested targets for 1967 are designed to result in a greater contribution to the balance of payments than the targets suggested for 1966. The special positions allowed in the programs of prior years to less developed countries, the United Kingdom, Japan, and Canada are being continued.

The Commerce Department program calls upon the participating corporations to increase their 1967 contributions on the major selected transactions by at least $2 billion above the 1966 level. In achieving this objective, corporations are again being urged to review their plans to see if any projects in programed countries can be canceled, postponed, or refinanced in order to lessen their adverse impact on the balance of payments next year. The specific target for direct investment capital transactions asks the corporations to limit the average annual rate of these transactions in programed countries in 1966 and 1967 to no more than 120 percent of the annual average level during the years 1962–64.

With respect to the Federal Reserve Board's program, it was noted that as of October 1, 1966, there existed a potential leeway for an outflow of bank credit in the neighborhood of $1.2 billion. For this reason the Federal Reserve program for commercial banks for 1967 suggests that there be no increase in the current ceiling of 109 percent of claims outstanding as of the end of 1964. For smaller banks, however, extra room to expand their loans is allowed.

Each bank is requested not to use more than 10 percent of its leeway to expand nonexport credits to developed countries between October 1, 1966, and December 31, 1967. For all banks combined this would leave over $1 billion for the expansion of export credits and loans to less developed countries.

The proposed program for the nonbank financial institutions for 1967 replaces with a single guideline the three different guidelines used in the 1966 program. This will permit an increase of 5 percent in outstanding foreign assets covered under the program over the fifteen months from October 1, 1966, through December 31, 1967. The suggested target ceilings would allow for increases in these assets between October 1, 1966, and December 31, 1967, of about $100 million.

The Secretary noted that the Voluntary Cooperation Program was only part of the Government's overall balance-of-payments program, and emphasized that the Cabinet Committee on Balance of Payments would continue to examine every aspect of the balance-of-payments program with a view toward increasing its effectiveness in as many ways as possible.

He concluded by quoting from the President's memorandum:

"We recognize that continuation of the Voluntary Program will involve some sacrifice. Under the circumstances, however, we feel that the results of the Voluntary Program, along with the other balance-of-payments measures, calling for restraint within Government, fully justify whatever sacrifice it may entail."

Exhibit 48.—Remarks by Secretary Fowler, March 17, 1967, at the 14th Annual Monetary Conference of the American Bankers Association, on a world monetary system for a Greater Society of Nations

I am grateful for the privilege of addressing for the second time this distinguished Monetary Conference, representative of so many important nations. Last year at Granada, Spain, my emphasis was on the emergence of new opportunities to foster international economic cooperation.

My message here today is that new national political decisions to realize these opportunities must be taken promptly and decisively in our community of nations to assure continued progress, security, and growth. The changed circumstances in which many, rightly or wrongly, feel released from those wants and fears that once bound them solidly together are all the more reason for zealously sharing in the common responsibility for an effective world monetary system.

This is not only my personal view—should we fail to act, and act soon, to renew and strengthen international economic cooperation. My hopes—and fears—are widely shared in this country. As evidence, permit me to cite the following words from a report of the Subcommittee on International Exchange and Payments of the Joint Economic Committee of the U.S. Congress, issued last fall and significantly entitled: "Twenty Years After: An Appeal for the Renewal of International Economic Cooperation on a Grand Scale." It said:

"The world is in trouble—deep trouble—in at least five different areas of economic negotiation and policy: trade; aid to less developed countries; maintaining a balance in international payments; international monetary reform, and maintenance of stable price levels in economies marked by full employment and rapid economic growth."

I can tell you that the misgivings expressed in those words are shared by many in the Congress—and elsewhere in the United States—beyond the circle of highly important legislators who wrote that report. And I am sure that in many other countries also there is an upwelling of this same feeling that unless we act soon and affirmatively, we may find in a very short time that we have let pass away from us one of those tides

"* * * in the affairs of men which, taken at the flood, leads on to fortune * * *."

All eyes focus this month and next on the Kennedy Round of trade negotiations. An early and successful outcome is vital if the nations involved are to avoid a grave risk of binding the world into sterile knots of timid, self-limiting national or regional restrictionism.

Equally decisive moments are ahead for efforts to build a more effective world monetary system.

Despite some shortcomings, a network of national and international arrangements has financed successfully in the last 20 years a collective economic growth and expansion in trade and development that is a landmark in history.

Indeed, while there is much evidence of a pulling apart or a halt in other areas of established international collaboration, the field of international monetary and financial cooperation is flourishing at a flood tide of activity.

But there is no doubt in the minds of knowledgeable men—public and private—that, despite all this activity, some significant and decisive improvements are necessary if retrogression is to be avoided and continuing progress assured toward a world monetary system for a greater society of nations.

I shall discuss three areas where improved arrangements are vital, timely and attainable:

1. National economic and financial policies designed for growth with stability, improved capital markets, and a balance-of-payments adjustment process that supports, rather than strains, the international monetary system.
2. A U.S. balance-of-payments program designed to achieve long-term equilibrium in a manner that adds to rather than takes from free world security, trade, exchange, and development.
3. A satisfactory means of deliberate and adequate creation of international reserves.

I. *National economic and financial policies designed for growth with stability, improved capital markets, and a balance-of-payments adjustment process that supports rather than strains the international monetary system*

It has become clear that, in important parts of the Atlantic Community, there is now a problem of maintaining full employment and vigorous economic growth, and not only a problem of maintaining stable prices in the presence of full employment and rapid growth.

In the United Kingdom, of course, restrictive but necessary measures have been taken to promote the objectives of sterling stability and the restoration of balance-of-payments equilibrium.

The prospects for economic growth in continental Europe this year fall short of the 4.1 percent annual rate consonant with the target established by the Organization for Economic Cooperation and Development for 50 percent growth in national product during the decade of the 1960's.

Only last November, in its publication, *The Observer*, the OECD projected that the real growth of domestic product in OECD Europe would fall to 3½ percent this year, as compared with 4 percent in 1965 and an estimated 4 percent again last year. Now, deterioration in the economic outlook in some countries suggests that the estimate for 1967 should be scaled down from that figure.

This threat of a slowdown in Europe's growth reflects many factors. Among the underlying causes are:

First, as the industrial economies moved through the rapid growth payoffs of the modernization of their productive systems, resulting in large part from war reconstruction and access to larger market areas, they found in moving up to full utilization of their manpower and equipment that they were confronted by a serious problem. This problem was: how to keep their growth advancing satisfactorily without fast rising prices and without unsettling their balance-of-payments current accounts.

Second, there was a political disinclination to employ fiscal policy, actively and flexibly, as a countercyclical weapon, or to forge an effective incomes policy.

Third, caught between fear of inflation and a feeling that other policy courses were too difficult, public authorities in many European countries have largely concentrated on general monetary restraint, reflected until very recently in ever higher interest rates and tightness of credit.

We need now to renew the determination we expressed in the OECD in 1961 to aim—by our individual and our collective efforts—at not less than a 4 percent rate of economic growth in our community of nations.

Despite the doubts of the timid that we could, or should, aim so high, the OECD countries as a whole achieved a growth rate in the first half of the 1960's of 4.9 percent in real terms.

Consequently, it is time to reemphasize that many of our hopes rest upon a vigorously rising growth curve. It should be underscored that a valuable weapon against inflation is rising production at stable or lower unit costs, made possible by new investment and continuous and generous outlays for education and training of the workforce.

This is not to discount the active control of the supply of money and credit as a key element in any program to achieve sustained and adequate growth with reasonable price stability.

But it is designed to emphasize the importance of other related policies:

—Policies that promote rapidly increasing efficiency;

—Policies that appropriately relate government spending and the level of taxes;

—Policies that appropriately relate the rate of increase in government spending and the rate of economic growth.

Countries that shield themselves from inflation behind a long maintained wall of interest rates so high, or a shortage of credit so great, as to unduly and persistently discourage borrowing and investment risk the danger of economic stagnation.

The trouble with the stagnation cure is that, by discouraging investment and public outlays that tend to lift the productive skills of the workforce, productivity also stagnates and unit costs go up.

Consequently, first among the resolves of our community of nations in 1967—and for the years ahead—must be a firm intent to engage in those public policies, and encourage those private policies, that promote a healthy rate of growth by keeping demand in balance with capacity, and raising productivity so as to permit both profits and wages to increase in a sustainable relationship to productivity. On such a tide, we can embark to greater things.

Among policies that can contribute to healthy economic growth are policies—public and private—tending to keep the cost of money within reason and keep credit available. It was to this end that I met in January with several other finance ministers at the country home of the British Prime Minister. We resolved there that we would, each according to conditions in his own country, aim consciously at a mix of monetary and fiscal policies designed to deal with inflation and the balance-of-payments adjustment process that would tend to keep interest rates from rising to the point where investment—the goose from which all golden eggs must come—is arrested.

Moreover, it was agreed that economic policy choices in a given country should have regard to their effect in other countries. The prime example of what we were concerned about is, of course, a country with a balance-of-payments equilibrium or surplus which concentrates on high interest rates to restrain domestic inflation, thereby pulling in funds from the outside to add to surpluses with potentially unbalancing effects in other countries. Given this situation, the other countries affected will escalate their own interest rates as a holding operation, impose other restraints on the flow of capital, or go into a deficit.

The Chequers meeting was an attempt to give effect, upon a multinational scale, to the use of national economic policy to smooth and ease the processes of adjustment of international payments balances along the lines suggested last August by the Economic Policy Committee of the Organization for Economic Cooperation and Development in the very excellent Working Party Three Report on the Balance of Payments Adjustment Process.

Only a little reflection is needed to see that if the joint and separate efforts envisaged at Chequers are successful in keeping money rates within reason generally, we will have struck a blow effective in all the directions the OECD report suggested—toward more efficient economies, toward better balance and more flexible and selective use of both fiscal and monetary policies, and very specifically toward capital markets much better able everywhere to amass savings and channel funds to the points of investment needs.

On the same weekend of the meeting of finance ministers at Chequers there was an equally significant conference of 60 private bankers and industrialists from Europe, North America, and Japan at Cannes, France, under the sponsorship of the Atlantic Institute and the Business and Industry Advisory Committee of the OECD. This conference focused on these main points:

1. The improvement of national capital markets;
2. Means of improving international linkages and capital flows;
3. The impact of government policies on capital markets.

Both the "Background Papers" and the "Recommendations" adopted at the conclusion of the conference are required reading for all public officials and private persons who share the convictions stated in the opening paragraphs of the "Recommendations":

"Increased investment is required to assure a rapid increase of production and productivity. With monetary stability and a high level of employment, this brings higher real wages and incomes for all. This sequence is the essence of sound economic growth. Both governments and private enterprise require ever greater quantities of investment capital as a consequence of the growth of population and the quickening pace of technical progress. At the same time OECD member countries ought to increase their flow of capital to developing countries.

"This growing demand for capital is not being met by comparable increases in supply. To meet the additional needs, measures must be taken to improve capital markets. Moreover, recourse must be had to more effective use of budgetary policy and adequate self-financing for public and private enterprise."

The January meetings at Chequers and Cannes, as well as this meeting here, are encouraging illustrations of continued effort to bring coordinated national economic and financial policies to bear effectively so as to promote healthy economic growth, improved capital markets, and a payments adjustment process that supports rather than strains our international monetary system.

II. *A U.S. balance-of-payments program designed to achieve long-term equilibrium in a manner that adds to rather than takes from free world security, trade, exchange, and development*

The U.S. balance of payments, and programs designed to affect it, must be viewed in several perspectives.

Whether enjoying surpluses or coping with deficits, the U.S. balance-of-payments adjustment process has become a key element in the political, military, diplomatic, and international economic policies of the United States and of major concern to the world at large. This is true for several reasons:

First, the key role of the United States in free world security, trade, exchange and economic development;

Second, the important role of United States generated capital, public and private, and the business activity that flows from it, in many countries outside the United States;

Third, the special position of the dollar as a reserve and transaction currency on a worldwide scale, making it the keystone of the international monetary system on which free world trade and development depend.

Another perspective is the long series of deficits in U.S. payments. Beginning in 1958, rising claims upon our gold stock signaled the end of the world's almost total postwar dependence upon the dollar, the increasing strength, desirability and convertibility of other currencies, and the availability of sufficient dollars in foreign official holdings to permit a shift in the mix of monetary reserves in favor of gold.

The series of heavy deficits in the 3 years 1958–60, averaging $3.7 billion per year, on the "liquidity" basis, and accompanied by gold outflows averaging nearly $1.7 billion per year, signaled the need for a program to bring U.S. payments into substantial equilibrium.

Beginning in 1961 the U.S. Government initiated a series of measures to reduce the deficit without disrupting trade and travel, and without abandoning its key role in free world security and development.

This effort was thrown off target by at least four developments, each transitory and somewhat unpredictable:

1. The Berlin crises with the necessary force buildup in 1961-62;
2. A sharp upswing in the levels of private foreign borrowing in 1962 and 1963;
3. A sharp increase in private capital outflows between 1962 and 1964;
4. The rapid increase in military foreign exchange costs in late 1965 and in 1966 resulting from stepped-up military operations in Southeast Asia.

Despite these adverse developments the deficit, measured on a liquidity basis, fell from the average of $3.7 billion in the years 1958–60 to an average of $2.5 billion in the years 1961 through 1964. In 1965 and 1966 it was further reduced to $1.3 billion and $1.4 billion, respectively. This occurred despite an increase during that time in net military expenditures outside the United States because of Vietnam costs exceeding $950 million and a decrease in our trade surplus from the peak level of 1964 by $1.9 billion in 1965 and by $3 billion in 1966.

On the official settlements basis, there was an average deficit of $0.5 billion in 1965–66, compared to $2.2 billion in the preceding 5 years.

I am not going to dwell today on the short term or temporary measures being used to restrain or moderate private capital flows. We are relying on them to keep our deficit under control during the period of our special commitments in Southeast Asia, the period required to realize the benefits of our long-range program.

There is already too much emphasis in public discussion on this holding operation, tending to obscure both the existence and strategy of the long-range program we are employing in the balance-of-payments adjustment process.

That program—for coming into, and maintaining, a sustainable equilibrium—is essentially a long term one, aimed at solving the problem,

—not by a resort to restrictions or withdrawals that are damaging to free world security, trade, exchange, and development,

—but by making use of this Nation's unexampled economic strength in the context from which that strength has been derived: competitive free enterprise.

The success of this strategy and program, it should be understood by all concerned here and in other countries, depends importantly on (1) an open, competitive, and cooperative international economic order and (2) substantially strengthened multilateral arrangements to insure the financial viability of programs for free world security and aid to developing nations.

I continue to find it necessary and relevant to emphasize to my colleagues from other countries that the way in which this Nation handles its balance-of-payments problem depends in large measure on the cooperation it receives from other countries in the process, and upon the way in which other important financial nations act in dealing with their own domestic and international monetary problems. I find it also necessary to emphasize that this cooperation is not a matter of helping the United States deal with its problem, but a matter of enabling the United States to deal with its problem without: undermining the international monetary system, subjecting that system, by unilateral action to radical and undesirable change, or withdrawing from commitments involving the security and development of others.

The United States long term balance-of-payments objective—stated most simply—is to reach and sustain the degree of equilibrium necessary to preserve confidence in the stability of the dollar, both as a transaction and as a reserve currency.

Our long term measures for achieving sustainable payments equilibrium are not matters for the future. They are in being as a program of action that is already showing effects.

The success of this program requires, at home, general recognition, and acceptance in action, of the proposition that this is a problem requiring the attention and energy not just of the Government but of both the public and private sectors, throughout the Nation. Abroad, it is necessary for the realization to grow that if the United States is to carry on its balance-of-payments adjustment process in a constructive rather than a damaging manner, it will require not only our own action but the cooperative response of others as well.

Our long range approach to our payments problem rests upon the following propositions:

1. The United States must continue to export Government capital for bilateral economic assistance, and for contributions to multilateral development assistance institutions.
2. The United States must continue defense expenditures abroad for mutual security in the Free World.
3. The United States must continue, over time, to export private capital. This is practical; it is sensible; it is necessary. Moreover, the dividend and royalty receipts for past investments must continue to be brought home—and in increasing amounts—to reward the stockholder and benefit the balance of our payments.
4. The United States must continue to discharge its worldwide responsibilities to the international monetary system through its reserve currency and transactions currency roles.

In order to support continued, even though fluctuating, governmental and private outflows, the United States will have to earn a large current account surplus to accommodate those outflows—certainly larger than it earned in 1966 or in 1965.

Industrial nations, particularly those in surplus, must assume a greater share of the burden of adjustment as well as of economic assistance.

Now let me give you an outline of what our long range program includes, looking first at what is being done to increase receipts from abroad.

Exports

First and foremost, we must maintain levels of costs and prices necessary for a strong competitive position in world markets.

In the export promotion field the Commerce Department is now engaged in a host of important and productive works which have a direct beneficial impact on exports today and provide even greater promise for tomorrow.

Commencing several years ago the Commerce Department expanded its Trade Mission and Commercial Fairs Program. The figures of attendance and sales concluded demonstrate that these slow germinating efforts are now bearing excellent fruit. Information available to the business community at the Commerce Department provides a valuable index and guide to export-minded firms. Further, through the National Export Expansion Council more companies are being made aware of the opportunities available in selling abroad.

The Export-Import Bank has a new rediscount facility, and it is steadily streamlining its lending and guarantee programs.

More needs to be done in the export field. To this end, a number of questions are being raised: Has the Government simplified its regulations—tax and otherwise—and its financial facilities enough? Is American business throughout the world as imaginative and aggressive as it might be? Must more be done—perhaps directly—to stimulate the interest of our commercial enterprises to sell abroad? Have we done enough to compete at home, on a fair and nonrestrictive basis, with goods now imported? We must constantly ask ourselves such questions and reevaluate the answers.

Travel

The President has announced that he will shortly appoint a Special Travel Task Force to recommend means by which the U.S. Government, working in cooperation with the private sector, can accelerate foreign travel here. Although the travel gap has been widening ($1.8 billion in 1966 compared to $1.3 billion in 1960), receipts from overseas visitors have doubled since 1960. A well-financed, joint Government-private sector effort can surely bring results.

Foreign portfolio receipts

By the Foreign Investors Tax Act, the United States has attempted to help make the tax treatment of investors in this country more equitable. The Treasury is now working with members of the financial community to spread the realization that U.S. corporate securities are one of our most promising export products.

In the financial field, several countries have invested a portion of their reserves in longer term U.S. investments. The yields earned by these investments in long term instruments—purchased with varying maturities to provide for liquidity needs—make them a productive manner in which to carry official reserves.

Investment income

We come now to a point at which our basically long-range view of our payments problem, and what we can and should do about it, shows through in our short term program. It is a vital part of our long term payments outlook that our income from investments abroad should steadily increase and should be regarded as a bulwark of long range U.S. balance-of-payments strength.

Now, let me make two points:

First, our voluntary program does not seek to cut off the flow of U.S. private investment overseas. What we do seek is to moderate those outflows by means that mitigate their impact upon our international payments accounts.

Second: From 1960 through 1965 American investment in Europe in manufacturing, petroleum, mining, and smelting enterprises has averaged $2.7 billion annually. By and large, fixed investment expenditures were more than covered by direct outflows of funds from the United States, retained earnings, and depreciation allowances. Financing from foreign sources has covered only working capital requirements.

U.S. contributions to European prosperity in the form of new plant have come basically from the United States. On an overall basis, there is no reason why local funds should not finance part of the fixed investment as well as local working capital needs.

On a worldwide basis, plant and equipment expenditures overseas came to $6.2 billion in 1964, and 39 percent of it was financed directly from the United States. Retained earnings and depreciation allowances approximately financed the remainder. The gross figure for 1967 may come to $10 billion, with the amount directly financed from the United States less than 30 percent, so that the net direct investment outflow figure should be no higher than it was in 1964.

Improving foreign capital markets

Increased efficiency of foreign capital markets is a vital ingredient in the successful working of the international adjustment process—which is in essence what I have been discussing.

The need for this development is dramatically illustrated by several facts. Between 1958 and 1965 the United States was a net exporter of capital in the amount of $7.9 billion as a result of foreign issues on the domestic market less domestic issues abroad. In the same period the Common Market countries were net importers through security issues, and indeed on overall capital accounts had a net influx of almost $1 billion. In these 8 years these EEC countries were running surpluses on current account amounting to $13.5 billion. Thus, in that case, not only was there a failure to export capital, but imports of capital were defeating the balance-of-payments adjustment process.

The importance of the issue need not be dramatized to this audience. Nor do I have to point out that great strides forward are not taken quickly. Nevertheless many forces are working in the direction of freer and larger markets, and results indicated by one index, the volume of international issues, increased substantially. Local markets too have participated in this expansion and, perhaps more importantly, financial interests, both government and private in developed nations, seem to want to move in this same direction. Efforts are underway to improve the gathering of savings and the efficient employment of these funds in improved and freer capital markets. This is responsibility in the private area exactly analogous to responsibility in the world of public economic assistance and mutual security.

Moderating foreign exchange costs of our overseas commitments

Better burden sharing.—The determination of the share a nation should bear in helping to meet the economic assistance requirements of the less-developed world and the security requirements of our community of nations requires difficult and continuous decisions on a host of issues. These issues cannot be resolved solely on the basis of domestic resources or budgetary considerations.

I believe the Asian Development Bank represents the kind of burden-sharing necessary if the industrial nations are, together, to promote economic progress in the less-developed world in the decades ahead. The Bank has capital of nearly a billion dollars, of which $200 million came from Japan, $200 million from the

United States, $415 million from other regional donors, and $150 million from Western Europe and Canada.

While no absolute precision is suggested in the relationship of these numbers, they reflect a realization on the part of many nations that they have responsibilities, that they must meet them, and that the United States should not and cannot bear the whole burden, or even a majority of it any longer.

We will be asking the Congress this year for new funds for the Inter-American Development Bank, the International Development Association, and the Asian Development Bank. In making each request, we have asked and will continue to ask ourselves:

(*a*) What are other donor countries contributing?

(*b*) How aggressively have the institutions in question attempted to borrow in the capital markets of other donor countries?

(*c*) What are the recipients doing, through self-help efforts, to utilize the money efficiently? (This is one of their key roles in "burden sharing.")

(*d*) What safeguards are the institutions providing for donor countries that may from time to time be in balance-of-payments difficulty themselves?

In another area, AID is making a diligent effort, through progressively refined tying techniques, to insure that our overseas economic assistance is provided, to the greatest extent possible, in the form of U.S. goods and services. Net dollar outflows on Government grants and capital have been reduced from $1.1 billion in 1961 to an estimated $736 million in 1966. In addition there is increasing effort to make sure that Government-financed exports do not substitute for commercial exports that would have been purchased in any event. In the long term this should contribute substantially to the development of commercial markets.

On the military side, we are seeing now the difficulties that ensue when alliances, although effective militarily and politically, lack viable financial formulations.

This cannot happen again, and our long-range program involves a major effort to see that it does not.

Between 1961 and 1965 net military foreign exchange expenditures were reduced from $2.5 billion to $1.6 billion despite the Berlin crisis build up. In 1966, because of Vietnam, the gap widened again. But even without Vietnam the burden on the United States balance of payments from its contribution to international security could be large. The United States has vast resources—we have been and are willing to utilize them freely in the defense of freedom—but the foreign exchange problem adds complications.

Improved financial arrangements.—Ways must be found to neutralize these foreign exchange costs. Alliances which rest on important political, social, economic, and military plans should not be made vulnerable because foreign exchange financing problems have not been resolved.

We should be able—indeed we must find ways—to work constructively with our allies on forms of multilateral financial arrangements designed to neutralize the foreign exchange consequences of the locations of our troops and those of our allies. The arrangements should be long term and provide financial viability to our alliances. Discussions now underway between the United States, the United Kingdom, and the Federal Republic of Germany designed to work out security and financial arrangements in a trilateral setting may point the way to designs that could embrace other multilateral arrangements.

Looking back over the elements of the U.S. long range program for balance-of-payments adjustment, it can be fairly stated that its realization would, as I have indicated it should, support, rather than strain, the healthy working of the international monetary system and free world security, trade, exchange and development.

III. *A time for decision on contingency planning for adequate international reserves*

Whatever may be our resolves in favor of economic growth, whatever else we may do to make more rational use of the economic resources available to us, however we may strive to improve the processes of adjustment of our international payments balances, whatever we may do to share more equitably the tasks of defending the peace and encouraging the processes of economic growth beyond our own borders, all our good resolves and all our efforts can be frustrated for lack of adequate growth in world reserves.

Yet, the facts are that:

—During the past 2 years the traditional processes by which world reserves are increased have not yielded a growth of liquidity;

—Such inadequate growth of reserves as has occurred in the past 2 years was due to ad hoc, uncontrolled, and impermanent special factors that cannot be projected to the future.

Only one conclusion can be drawn from this picture of prevailing uncertainty as to the future of reserve growth through presently available processes, and that conclusion is the heart of my message to this international monetary conference:

We can no longer take continued reserve growth for granted. Consequently, since we want our economies to continue to grow at healthy rates, there is no time to waste before we agree upon new means for adding to the world's ability to increase monetary reserves. We should therefore make it our conscious aim to arrive at agreement, in our negotiations during the next few months, on the structure and major provisions of a contingency plan for reserve creation, a plan sufficiently developed to be presented for approval to the Governors of the International Monetary Fund when they meet at Rio de Janerio in September.

If we take a conservative view of the time that would be required after IMF action to attain ratification by the legislatures of the scores of nations that would be parties to such a plan, the machinery could not come into being for about a year.

Whether that is, or is not, an adequate time schedule for getting the machinery in place to make the creation of a new reserve asset a practical possibility depends upon the course of events. Let me make it entirely clear that I am talking about the need to complete and approve contingency planning for reserve creation, and not about the activation of the machinery we agree upon. Agreement on the plan would in itself be reassuring to the markets.

But the uncertainties surrounding the future growth of reserves, with the means now at hand, are so great, while the need for increased liquidity to finance a continued healthy growth in our domestic economies and in world trade is so certain, that the desirability of having new means available to create reserves, for use when needed, has become uncontestable and current.

I want to examine this need for agreed-upon facilities for keeping the growth of world liquidity consonant with world economic growth against the background of the principal arguments that have been advanced for delay.

Before that, however, let me say that one of the most compelling reasons for current agreement upon a contingency plan for reserve creation is the fact that it would lay to rest the malaise that now afflicts the international system as it contemplates a growing world confronted by increasing uncertainty about the future adequacy of reserves.

We must attribute to the current uncertainty as to how new reserves are to be supplied to the international monetary system in the future the suggestions heard recently that the official price of gold be increased. This suggestion is regarded by the great preponderance of financial and economic opinion as undesirable, inequitable and impractical. By official statement, the United States has made it unequivocally clear that the price of gold will not exceed what it has been since 1934—$35 an ounce—and that any suggestion to the contrary—either to meet needs for additional international liquidity or for any other reason—is completely unacceptable to the United States.

One of the principal causes of the drift, that I noted at the outset of these remarks, away from the processes of international economic collaboration and liberalization and in the direction of national and regional restrictionism must also be attributed at the root to uncertainty as to whether, in the future, mechanisms will exist that will dependably supply liquidity when needed. Such agreement would serve the very important purpose of giving assurance that we shall be able in the decades ahead to complete and extend the great work of world economic and social betterment of the past two decades marked by the growth of international economic cooperation, trade liberalization, and return to currency convertibility.

Finally, let me just state plainly a plain truth:

—All countries wish to increase their reserves.

—This is not possible unless the total of reserves increase.

The following are the disagreeable implications of that plain truth:—In a situation in which reserves are not increasing and in which it is not clear how or how much they can increase in the future, it is only possible for some countries to increase their reserves at the expense of losses by other countries. In an international competition designed to gain reserves, countries rely upon defensive beggar-thy-neighbor measures that restrain international trade and investment, and domestic growth.

It is difficult to see how, in these circumstances, there can be any question as to the need for an agreed contingency plan for adding to world reserves when and as needed.

The idea that the United States looks to reserve creation as a means of solving balance-of-payments deficits—ours or any other country's—is false. The obvious fact is that such abuse of the new asset would quickly weaken, and soon destroy, its usefulness as a monetary reserve. It should be abundantly clear to all that we would not seek the means to create reserves only to destroy the usefulness of the new assets.

Let me restate our position:

First, we seek a way for the nations of the world to supplement monetary reserves with a deliberately created asset in order to be able to deal with the world's real and demonstrable need for additional reserves, when and to the extent that need makes itself evident. This would of course be the global need.

Second, we seek the means for doing this upon the basis of the informed and responsible judgment of the monetary and financial authorities, arrived at through due deliberations of the members of the International Monetary Fund, with appropriate consideration for the responsibilities of the principal capital-generating nations.

Third, as I have indicated in the foregoing section of these remarks, we are striving for agreement on contingency plans for reserve creation in the context of an insistent program—long term and short term—for curing our balance-of-payments deficit that is achieving its objectives, excepting for the time being, the abnormal and impermanent foreign currency costs of the war in Vietnam. Our balance-of-payments program must for the present make use of short term measures to compensate for the foreign exchange cost of Vietnam, so long as they persist. The problem of arriving at a sustainable payments equilibrium position now lies chiefly in a transition to long term from short term measures for dealing with our foreign exchange balances.

We look, in this matter, to our own program for balancing our foreign exchange costs—and to such improvements in international financial arargements as better capital markets, fairer burden sharing and better adjustment processes. Reserve creation is a necessity above, beyond and separate from the payments problem.

It is sometimes asserted that the very existence of U.S. balance-of-payments deficits implies increases in world reserves, and that, therefore, so long as we have deficits, another means for increasing reserves would be redundant and perhaps even harmful.

The facts are the following for 1965 and 1966:

The traditional means for increasing reserves—chiefly additions to world monetary gold and additions to foreign exchange held as reserves other than by special transactions—resulted in a decline of just over $1 billion in world reserves.

There was a modest growth of reserves in these two most recent years, amounting to about $2.5 billion all told, but this was due entirely to special transactions, largely to special borrowing from the IMF, swap arrangements, conversions by the United Kingdom of dollar investments into dollar reserves and other special factors.

In considering the implications of current developments for the future of reserve growth, it should be kept in mind that much of the reserve growth of the past 2 years resulted, as I have just indicated, from borrowings of various kinds. These will be—indeed, are being—repaid. As they are repaid, existing reserves are canceled out.

Also in considering the future prospects for reserve growth by the means presently at hand, it must be asked, what has happened recently to the traditional sources of reserve increases?

First, the flow of gold into official reserves, which averaged half a billion dollars a year in 1960–64, has stopped. In 1965, official reserves got only a quarter of a billion dollars additional gold. In 1966, gold in official hands actually declined—perhaps by as much as $100 million—for the first time in modern history.

Second, it must be asked, why did not continued dollar balance-of-payments deficits increase reserves, even though we did not get gold additions?

The answer lies in the fact that conversions of dollars into gold have more than offset dollar additions to official reserves in the past two years.

To the extent that dollars are used to draw down our gold stocks, world liquidity is decreased. This happens because our reserves are in the form of gold. Consequently, when France—to mention the chief, but not only purchaser of U.S. gold—uses some of its dollar reserves to purchase our gold, French reserves remain the same in amount although changed in form, but our reserves decline, and consequently, total world reserves are diminished.

It cannot be said that current circumstances altogether rule out any further growth of reserves through traditional processes. But that is not the point. The point is that the reserve needs of the world—including the need to reverse the long downtrend in the reserves of the United States—will substantially exceed any such remaining flexibility that traditional reserves can provide. We should not—indeed, must not—wait to set up the machinery for creation of a new reserve asset.

The time to do so is now, this spring and this summer. The technical experts of the Group of Ten and the IMF have labored long and, to their everlasting credit, have come up with the main provisions of the technical solution to the problem. There are only a few major issues yet to be treated. Their work will be embodied in reports to be issued later this year.

It is our hope, expectation and position that at the annual meeting of the International Monetary Fund in September of this year the Governors will approve the structure and major provisions of a specific plan.

What is needed now is simply the realization that the time of need is not far off, and the political will to assemble the parts of the solution that lie before us, and agree upon the assembled whole as a contingency plan.

There are very serious risks, should we permit the doubts of one or two governments to keep the rest of us from doing what we know should be done. We have noted, in an earlier portion of these remarks, an assessment of the nature of those risks. We have glimpsed their potential for world economic, social and political trouble.

Let me conclude this part of our discussion with a statement of what it is that we seek. We seek to assure ourselves—and the rest of the world—that when in the course of our economic and social growth we have need of reserves as an essential base for international finance in all its aspects we shall not have to retreat into stale and timid and destructive restrictionism, for want of means to make liquid reserves available.

We seek an open, competitive, fruitful world economy, made up of open, competitive and fruitful national economies, as the indispensable means that will permit us, and the rest of the world, to get on with the work of building, upon the basis of our individual better societies, a Greater Society of Nations.

Exhibit 49.—Remarks by Secretary Fowler as Governor for the United States and Chairman of the Board of Governors, April 24, 1967, at the inaugural session of the eighth annual meeting of the Inter-American Development Bank

On behalf of the Government and the people of the United States, it is an honor to welcome this highly distinguished assemblage attending the eighth meeting of the Board of Governors of the Inter-American Development Bank. It is a great personal honor that has been given to me to preside at this first meeting in Washington, the seat of the Bank. I know that the heavy and extensive program of work laid out for us this week will contribute to the continued success and growth of this great institution.

As in all years, we are meeting to further a great common cause—the well being and improvement of our hemisphere and the world. This year our meeting has a special significance in the light of the just completed historic session of our Presidents at Punta del Este, Uruguay, where our Inter-American Development Bank has been given major assignments in agriculture, education and health activities, and in furthering multinational projects. These efforts are not only important in and of themselves, but they are a basic prerequisite to success in achieving meaningful economic integration and the development of a great Latin American common market.

The Presidents of our countries already have set the theme for this meeting when they recognized the benefits of joint action to accomplish the goals of integration and development, and stated:

—Latin America will create a common market.

—We will lay the physical foundations for Latin American economic integration through multinational projects.

—We will join in efforts to increase substantially Latin American foreign trade earnings.
—We will modernize the living conditions of our rural populations, raise agricultural productivity in general and increase food production for the benefit of both Latin America and the rest of the world.
—We will vigorously promote education for development.
—We will harness science and technology for the service of our peoples.
—We will expand programs for improving the health of the American peoples.
—Latin America will eliminate unnecessary military expenditures.

A great deal has transpired since we met in Mexico City a year ago. There has been progress in the hemisphere under our Alliance for Progress, and the Bank has continued to make its important contribution to that progress. We have increased flows of external assistance. Further, we have increased self-help performance in mobilizing domestic resources and in carrying out necessary reforms. We will hear further during the next few days how this institution of ours, the "Bank of the Alliance," the "Bank of Integration," the Inter-American Development Bank, has led the way in this hemispheric war against special privilege and poverty. We have come a long way since 1960, for we no longer have to hold out hope with mere words. There are activities in operation which further the economic and social being of the peoples in the member countries. Our Bank, which has passed the $2 billion mark for loan commitments, has touched almost every facet of the economic and social fabric in this hemisphere.

We truly have an historic meeting in front of us. The Board of Executive Directors and the management of the Bank, under the outstanding leadership of President Felipe Herrera, has had a record year and has developed a full tentative agenda for our consideration to set the stage for the future. We are called upon to respond to the needs and aspirations of the peoples in this hemisphere by requesting our governments to expand the resources of the Bank, both in the ordinary capital and the Fund for Special Operations. We have had submitted to us a recommendation on the admission of the first new member to this young institution. We are asked to consider the steps which need to be taken to accelerate resources from nonmember countries to the Bank. Finally, we will need to act on a new procedure for the election of Executive Directors.

This is indeed a large task, but I am sure that when the week ends we will have carried out our responsibilities and will be able to present to our governments successful fruits of our labors.

The wide representation at this meeting from every part of the world, covering both public and private institutions, is another sign of the importance of our institution and these deliberations. These organizations and governments have an important role to play in the development of the hemisphere. One of the reports placed before us by the Board of Directors clearly sets forth the positive role many of the industrialized countries of the world have played in the development of the hemisphere through the provision of resources to the Bank. On the other hand, it also reports conditions that call for correction where nonmember countries are benefiting from Bank resources without any commensurate recognition of the Bank's capital needs and requirements.

It is significant that we have present here representatives of the foreign and domestic private sector. We welcome them—representatives of business, labor, and cooperatives—and I am sure we do not have to stress before this audience the truism that the free private sector in each of the countries is the key to a successful development effort. The flow of private investment, which has improved recently, has not yet achieved the necessary level to accomplish our broad objectives. It is important that all of our governments take all possible steps to accelerate and facilitate that flow. I hope that the Bank may be able to play a more significant role in this area.

We should congratulate the Bank management on selecting as the topic for the deliberations of the round table this year, "Latin American Agricultural Development in the Next Decade." There is no more crucial facet of the development of the hemisphere facing us today than the problems of rural development.

We have been indeed fortunate in the United States to have available an up-to-date penetrating survey and analysis conducted in U.S. Congress on the problems of agricultural development in Latin America and of the Bank's role.

I commend to the Governors two extremely valuable reports of the Subcommittee on International Finance of the House Banking and Currency Committee, under the able and inspired leadership of Representative Henry S. Reuss. These reports conclude that the emerging world food crisis can be avoided in Latin America, where indeed the prospects for expanded food production are far more favorable than in other developing areas of the world. What is needed is additional capital both from domestic and external sources, additional investments and—crucially—more adequate and purposeful comprehensive planning for agricultural development. The Bank, too, has taken exceptional intellectual leadership in dealing with this problem by undertaking a challenging study entitled, "Agricultural Development in Latin America: Current Status and Prospects," and has carried this forward by continuing here at the Shoreham Hotel for the rest of the week the round table discussions.

This year will be an historic year for our hemisphere. We have had the meeting of the Presidents. We are inaugurating here today our eighth annual meeting of the Inter-American Development Bank here in Washington. In September, our sister institutions, the International Monetary Fund and the International Bank for Reconstruction and Development will meet in Rio de Janeiro, Brazil, to face some major international financial issues.

In inaugurating our deliberations I believe we have a responsibility to take into account the arena of international financial problems in order to place our discussions in the proper context. We are actively engaged in negotiations on the future of the international monetary system and new arrangements to assure the continued and adequate growth of international liquidity. This is a matter of vital interest to us all, and to the future of the Bank, which I am confident will culminate in historic decisions in Rio de Janeiro.

Another financial problem of hemispheric concern is the problem of the U.S. balance of payments. The termination of the persistent deficit in the U.S. balance of payments and the continued strength of the dollar as the keystone of the international monetary and trading system remain objectives of the highest national priority to the United States. The report of the Executive Directors before us at this meeting provides recognition that these objectives are also of interest to the Bank, and I am sure that my fellow Governors will agree that these objectives are of critical interest for each of their nations individually as well as for the hemisphere as a whole. What is required is a continuing cooperative effort, taking account of the role and responsibilities of the United States throughout the free world, and designed to avoid actions which by threatening the U.S. balance of payments would also endanger continued assistance to free world development and the search for growth with stability.

I am pleased to note, as Governor for the United States, the cooperative measures adopted in the Bank and the further measures proposed by the Directors for our consideration during the coming week in conjunction with redoubled self-help and mutual assistance efforts. The United States, for its part, takes its responsibility very seriously—both toward the Bank, in which it is the major stockholder, and toward the hemisphere. By its actions in the past, and, I can assure you, today theUnited States strongly supports the concepts of multilateral assistance embodied in the charter, and the important place of Latin America in the world.

As an introduction to a most significant week I have only sketched for you the highpoints. I am sure there will be opportunity for all delegations, including the United States, to comment on these and other important matters.

In addressing ourselves to the task before us in the coming week, let us bear in mind the words which President Johnson at Punta del Este addressed to the youth of our nations:

"The time is now. The responsibility is ours. Let us declare the next 10 years the decade of urgency. Let us match our resolve and our resources to the common tasks until the dream of a new America is accomplished in the lives of all our people."

I again welcome all the delegations to my country and dedicate ourselves to the task at hand which will influence the future course of this institution.

I hereby declare the eighth meeting of the Board of Governors of the Inter-American Development Bank inaugurated.

Exhibit 50.—Statement by Secretary Fowler, May 3, 1967, before the Subcommittee on International Finance of the House Committee on Banking and Currency, on increasing the resources of the Fund for Special Operations of the Inter-American Development Bank

It is a pleasure to appear before you today in support of a proposal to increase the resources of the Fund for Special Operations—the FSO—of the Inter-American Development Bank.

The proposed legislation on this matter was transmitted to the Congress on April 28. There has also been submitted to the President and to the Congress a special report of the National Advisory Council on International Monetary and Financial Policies. This special report describes the background and the details of the proposal and includes a recommendation of the Council that the Congress act favorably on the proposal. I have also made available to the members copies of the Bank's latest annual report, for the year 1966.

I have with me today the Assistant Secretary of State for Inter-American Affairs, Mr. Lincoln Gordon, and the U.S. Executive Director of the Bank, Assistant Secretary of the Treasury, Mr. True Davis. With your permission, I should like to make an introductory statement on the proposal, after which I will call upon these gentlemen to supplement my remarks. Mr. Gordon will provide you with information on the general context in which the proposal is presented—the Alliance for Progress and, most notably, the recent meeting of the Presidents of America in Punta del Este. Mr. Davis will testify regarding the Bank, and describe its management and its administration of the tasks entrusted to it by the inter-American community.

The Fund for Special Operations of the Inter-American Development Bank was established as the so-called "soft-loan window" of the Bank. It has long been amply clear that the less-developed countries cannot assume on conventional banking terms the capital required to advance their development. The problems of economic and social development are too vast, and the resource transfers required from the more-developed to the less-developed countries are too great. This has been recognized in our own bilateral assistance programs, which have long provided the more liberal terms appropriate for long-term development. Among the international institutions, the problem had been recognized prior to the establishment of the Bank by the creation of the International Development Association (IDA)—as an essential partner of the World Bank, to make loans on softer terms than was otherwise possible by the World Bank. As is the case with IDA, the funds to support FSO lending activities can be obtained only from member contributions. There are no private sources of funds on the soft terms required.

The United States has participated in the concessional lending activities of the Inter-American Development Bank through two separate facilities—the Social Progress Trust Fund, created by the United States and administered by the Bank, and the FSO. Through 1964, the United States contributed $525 million to the SPTF and $150 million to the FSO. In 1965, however, it was decided to terminate further contributions to the SPTF, to assign the functions heretofore performed by it to the FSO, and to increase the U.S. contribution to the FSO as the sole remaining soft-loan operation within the IDB. In order to provide for this expanded level of activities, the Congress authorized a U.S. contribution of $750 million in support of FSO operations foreseen through calendar year 1967.

It is now necessary to consider a further replenishment of the resources of the FSO. The last replenishment, as I have noted, was intended to provide for operations through 1967. The Governors of the Bank at their meeting in Mexico City in 1966 instructed the Executive Directors to study the position of the Bank's resources and possible needs subsequent to 1967, and to prepare a report and recommendations for consideration at the 1967 Governors meeting. You will find before you, as an annex in the special report of the National Advisory Council, the report which the Executive Directors submitted to the Governors at their meeting here in Washington last week. After consideration of the Directors' report, I joined the other Governors in adopting a resolution recommending that the Bank's members take the necessary steps, under their constitutional processes, to make effective an increase of the resources of the FSO, as recommended by the Executive Directors, beginning at the end of this calendar year.

But in moving, as I have done, from the meeting of the Bank's Governors in Mexico and their meeting here last week, I have passed over a year of historic consequence to Latin America and inter-American cooperation. This was a year of intense activity which culminated in the meeting of American Presidents 3 weeks ago, and the promulgation on April 14 of the historic "Declaration of the Presidents of America."

The development of the Inter-American Development Bank in its brief existence has been profoundly affected by two great milestone events in inter-American cooperation. The first of these was the Act of Bogotá of 1960. This brought us to recognize the key role of social development in economic improvement. Next was the Charter of Punta del Este, establishing the Alliance for Progress as the guide for all our efforts toward the betterment of the hemisphere and the lives of our peoples. The replenishment of the Fund for Special Operations which we are now asking you to approve would be the first concrete implementation of the third landmark event—the declaration of the Presidents, giving new vigor and new directions to the Alliance of the Americas.

The report of the Executive Directors, the deliberations and actions of the Governors, and the proposal which is now before you have fully taken into account the decisions of the Presidents at Punta del Este.

In accordance with these decisions, the Latin American members of the Bank have again resolved to increase and strengthen their own self-help efforts. This resolve finds its tangible expression in the proposal to double the future contribution of the Latin American members of the Bank to the Fund for Special Operations. For the 3 years 1965–67, their contribution in their own currencies was the equivalent of $150 million; for the next 3 years, they propose to make contributions the equivalent of $300 million. Moreover, the principle of self-help is now being extended to that of mutual self-help. The four largest Latin American members—Argentina, Brazil, Mexico, and Venezuela—propose to permit a substantial portion of their contributions to be used by the Bank to make loans to the other members, which are relatively less industrialized and have relatively weaker financial and resource capabilities.

As is made clear in the report of the Executive Directors, the future activity of the expanded FSO—as well as the activity of the entire Inter-American Development Bank—will be oriented especially toward those problem areas singled out for special attention by the Presidents.

The urgent problem of rural modernization and improved agricultural production—especially of food—will be given the highest priority, as it deserves. I would not miss this occasion to note the extremely valuable contribution toward our understanding of the critical issues at stake, for Latin America and the entire world, which was made last fall by this subcommittee and its distinguished chairman. Your efforts have greatly influenced the approach to the problem reflected in the declaration of the Presidents as well as in the policies of the Bank set forth in the report of its Directors. Please accept my personal appreciation of your contribution.

In addition to redoubled efforts in agriculture, the Bank proposes an extension of its activities in education and health in the directions laid down by the Presidents. And the Bank now proposes to move forward even more vigorously in the new direction agreed upon by the Latin American Presidents—toward the multinational infrastructure required for the development of Latin America.

To this end, the Bank has already established a "Preinvestment Fund" within the FSO to carry out the urgently needed feasibility studies and other necessary preparations for the execution of multinational projects. The Bank proposes to devote annually up to $100 million of its resources (both ordinary capital and FSO) toward the financing of such projects. Multinational projects will not only assist in bringing the continent together by improved transportation and communications and beginning the exploitation of the vast physical resources possessed in common—such as water and power—but also further the Common Market objective which the Latin American Presidents have set for themselves.

It was to meet this new responsibility to move forward with multinational projects that President Johnson, in his message to the Congress of March 13, on the forthcoming meeting of the Presidents, proposed an increase of $50 million in the annual level of our contributions to the FSO, over and above the $250 million annual level of our contributions in the past.

The proposal before you thus seeks your authorization of a $900 million U.S. contribution to the FSO over a 3-year period. Such a U.S. contribution stands in a ratio of 3 to 1 to the proposed contributions of the Latin American members, in contrast to the ratio of 5 to 1 which applied in the last increase of FSO resources agreed in 1965.

As Secretary of the Treasury, as well as U.S. Governor for the Bank, I have had the responsibility to assure myself that the operations of the Bank—as of the other international institutions—are conducted in a manner consistent with our balance-of-payments policy. Beginning with their last expansion in 1965, loans from the U.S. contribution to the FSO were made subject to the same procurement regulations applied in the SPTF. Such funds must be spent in the United States, except in cases where the Bank may approve procurement in a Latin American member country when this is considered advantageous to the borrower. Dollar funds may also be used in the country of the borrower to finance local project costs, but the dollars must then be spent in the United States under special letter of credit procedures similar to those of our own bilateral aid program. The substantially enlarged Latin American contribution to the FSO now proposed will help to limit the use of dollars necessary to finance local project costs, and the Bank has also proposed to limit the use of dollars for local costs—except for agriculture and education—to the levels achieved on the average in 1966. The special letter of credit technique will also be kept under review to improve its effectiveness. Taking account of these measures to strengthen U.S. export additionally associated with U.S. assistance, and on the basis of our experience in the SPTF, we estimate that about 90 percent of FSO funds disbursed in the future will return to the United States.

I am happy to report to you that I have met with complete understanding and cooperation on the part of the Bank in measures to safeguard the U.S. balance of payments. For example, I should like to quote for you some passages from the recent report of the Bank's Directors on the proposed increase in resources:

"Many activities of the Fund require a substantial amount of local currency expenditure. However, in relation to the financing of local costs with dollars, recognition must be given to the problem of the balance of payments of the United States, and the Bank will attempt to hold such financing to an appropriate minimum. The Bank is also striving to improve the present procedures whereby such local cost financing is carried out with the least effect on the U.S. balance of payments. In the light of these problems, which should be regarded as basically transitory in nature, the Bank and its members fully appreciate the difficulties inherent in U.S. responsibilities in the free world. Accordingly, the Bank proposes to cooperate in the greatest possible degree with the United States in meeting these difficulties by suitable measures, which obviously would be subject to review as conditions changed.

"The percentage of dollar financing for local costs will be established in accordance with the nature and priority of the projects but in such a manner that, on the average, this percentage, except in relation to education and agriculture, will not exceed the level which prevailed in 1966."

At last week's meeting of the Governors, I was especially gratified to hear, in several of the public speeches and in a number of private conversations, expressions of understanding regarding the U.S. balance of payments, of realization that our problem in this respect is also one of vital interest to the Bank and individual countries, and of willingness to cooperate with the United States in finding ways to meet the problem. The Governors understand that we can afford to give assistance, bilaterally and through the Bank, in the form of real goods and services and not in the form of financial transfers which might be used to increase or maintain purchases from industrial countries in payments surplus with the United States or for other purposes damaging to the U.S. balance of payments.

Although not a part of the proposal before us today, I should nevertheless like to inform the subcommittee of a new initiative related to the ordinary capital resources of the Bank of considerable interest for the U.S. balance of payments. As the subcommittee is aware, procurement with ordinary capital funds may take place anywhere in the free world on an international competitive basis. There has been increasing concern in the Bank that this procedure has benefited a number of the industrial capital-exporting nations out of proportion to the resources these same countries have made available to the ordinary capital in the form of long-term untied loans or bond issues in their markets. At their meeting last week, the Governors instructed the Directors to study this situation carefully, explore alternative courses of action, and adopt or propose corrective measures for implementation no later than January 1, 1968. A report of the Directors on this matter indicates that one of the basic principles underlying such measures must be the establishment of a link between the benefits which nonmember countries derive from the Bank and the resources they provide, by limiting procurement to those countries making an adequate contribution to the resources of the Bank.

In concluding this statement, Mr. Chairman, let me stress the following thought: If the Inter-American Development Bank is to continue to play a key role in this venture, and to take on the new challenge and responsibilities laid down by the Presidents last month at Punta del Este, it is essential that it have resources equal to the tasks it faces. That is the reason for the request we are making to replenish its Fund for Special Operations.

I urge that you act favorably on this legislation at an early date.

Exhibit 51.—Remarks by Under Secretary Barr, August 16, 1966, at ceremonies marking deposit of the United States Instrument of Ratification of the Asian Development Bank

On March 16, when President Johnson signed the legislation by which the U.S. Congress gave its approval to American participation in the Asian Development Bank, the President turned to the Ambassadors of the Asian members of the Bank—who had been invited to the White House at the President's special request—and told them:

"This is a moment in which history and hope meet, and move on from here as partners * * * This act is an economic Magna Carta * * * This Bank is a symbol that the twain have met, not as Kipling predicted, 'At God's great Judgment Seat,' but at the place of men's shared needs."

We are happy, we are proud, and we are hopeful as we meet with you today in the United Nations to intrust to your keeping the official instruments by which U.S. participation in this shining new venture, the Asian Development Bank, is ratified.

We are happy, because we believe in this project.

We are proud, because by this act of ratification we officially join hands with our Asian friends in a venture that was their thought, that is for their purposes and benefits, that they devised, and that we are honored to be permitted to enter.

We are hopeful, because never before in history have Asians, as they do in this Bank, pledged that they will seek their greatest individual good in the greatest possible common progress.

Through that pledge, the magnificent richness and diversity of the Asian cultures can be brought to bear all on one common aim: the development of Asia's great natural resources, and of her untold human talent, for the provision of a better life for Asian peoples, from Iran to the far reaches of the Pacific Ocean.

But we come here in a mood of optimism for the future for other reasons also. The coming into being of the Asian Development Bank is but one—however important—of a series of notable developments that have taken place since April, 1965, when President Johnson threw the full weight of the United States behind the proposal of the Asians for this Bank.

The Ministers of Education of South Vietnam, Laos, Malaysia, Singapore, and Thailand met late in 1965 with Mr. Eugene Black, President Johnson's Adviser on Southeast Asian Development, who has played a central role in the organization of the Asian Development Bank. At the Bangkok meeting of Asian Education Ministers, plans were laid for making improved and more widely available education the foundation stone upon which economic and social improvement can go forward in Asia.

Out of this has come a suggestion for an Asian Institute of Technology, and other regional centers for the development and teaching of advanced knowledge in such subjects as tropical medicine, agricultural research, science, and language teaching. These prospects were considered by more than 100 specialists from Asian countries who met at Kuala Lumpur at the end of July.

The Mekong Development Committee's dreams are advancing to reality. It recently set up a professional staff at Bangkok, and it is actively promoting and coordinating the planning of water resources development projects in the Lower Mekong River Basin. The most recent step in this direction was the Nam Ngum Development Fund to finance a hydroelectric project, for which the United States put up 50 percent of the funds, joined by seven other countries.

The Governors of the Central Banks of Ceylon, Laos, Malaysia, the Philippines, South Vietnam, and Thailand have begun to meet together to discuss economic and social development, monetary policy, regional cooperation and the operations of the Asian Development Bank.

Only a few months ago, at the initiative of the Japanese Government, high level representatives of all the countries of Southeast Asia sat down together in Tokyo to discuss their economic development from a regional point of view.

Out of this grew a project carrying an immense cargo of hope: the decision to convene a Southeast Asia Agricultural Development Conference, perhaps as early as this autumn. This might result in another historic first for Asia: an Agricultural Development Fund to operate in conjunction with the Asian Development Bank.

In June of this year Japan, the Republic of China, Australia, Thailand, South Vietnam, the Philippines, Malaysia, New Zealand, Korea, and Laos met in Korea and agreed to establish an Asian and Pacific Council.

I will close this brief summary of the creative awakening that is going on in Asia with mention of two political developments of far reaching importance.

First, India and Pakistan decided last fall to halt a conflict that could have destroyed their development prospects.

Second, only a few days ago, Indonesia called off its confrontation with Malaysia.

I think all here will agree that these highlights of events in Asia fully justify our view that in the years to come, one of the world's greatest periods of human progress will be seen in Asia.

We believe that the Asian Development Bank has a major role to play in that progress, and that it will play it fully. In doing so, it will have our warm support.

Exhibit 52.—Remarks by Under Secretary Barr, April 20, 1967, before the Contemporary Club, Indianapolis, Ind.

I thought it might be useful to discuss with you tonight some of the Treasury's thinking on one of the great problems of our times: the need for a new level of international cooperation in handling our international economic affairs.

I want to discuss with you two separate aspects of this problem: the need for more adequate international monetary reserves and the need for better means of handling the world's balance-of-payments problem, including a more cooperative approach to sharing the costs of world economic improvement and world security.

It is almost 2 years ago now that Secretary of the Treasury Henry H. Fowler drew the world's attention to the need for a fundamental reexamination of the international monetary system. At the heart of the suggestions made in July 1965 by Secretary Fowler was a conviction that if we are to continue the tremendous, and tremendously beneficial, economic growth and improvement which has characterized the free world in the postwar era, there would soon be a need for more international reserves than were likely to be supplied by additions to official reserves in the form of newly available gold or U.S. dollars.

The negotiations that began almost 2 years ago, based upon these suggestions, were at that time felt in some quarters to be dealing with a problem that, while real, would probably not become pressing for some time. But we in the United States always felt this problem to be of a more imminent nature than did many people in Europe.

Information which has recently become available about the events during the past 2 years, very strongly confirm our view. The facts are that:

—During the past 2 years the traditional processes by which world reserves are increased have not yielded a growth of liquidity;

—Such inadequate growth of reserves as has occurred in the past 2 years was due to ad hoc, uncontrolled and impermanent special factors, that cannot be projected to the future.

What, then, has happened recently to dry up the traditional sources of reserve increases?

First, the flow of gold into official reserves, which averaged half a billion dollars a year in 1960–64, has stopped. In 1965, official reserves got only a quarter of a billion dollars additional gold. In 1966, gold in official hands actually declined—perhaps by as much as $100 million—for the first time in modern history.

Second, even though U.S. balance-of-payments deficits continued, these deficits did not show up as they had in the past as additions of dollars to monetary reserves. Why? The answer lies in another crucial fact: the fact that during the past 2 years conversions of dollars into gold—chiefly by France—have more than offset dollar additions to official reserves.

Only one conclusion can be drawn from this picture of prevailing uncertainty as to the future of reserve growth through presently available processes, and that conclusion is the following:

We can no longer take continued reserve growth for granted. Consequently, since we want our individual economies, and the world economy as a whole, to continue to grow at healthy rates, there is no time to waste before we agree upon a new means for adding to the world's ability to increase monetary reserves.

Let me emphasize that I am not saying that current circumstances altogether rule out any further growth of reserves through the traditional processes for reserve growth. But that is not the point. The point is that the reserve needs of the world—including the need to reverse the long downtrend in the reserves of the United States—will substantially exceed any such remaining flexibility that traditional reserves can provide. Consequently, we should not—indeed, must not—wait any longer to set up the machinery for the deliberate creation of a new reserve asset.

Now let us look at the balance-of-payments aspect of the world monetary system.

The United States has had balance-of-payments deficits in every year since 1950, with the exception only of 1957.

These dollar outflows have been the principal sources of growth in world monetary reserves in the postwar era. Reserves are increased when dollars that go abroad flow from commercial channels into the possession of central banks and become a part of a nation's monetary reserves.

By the late 1950's, our dollar outflows had become very large, averaging $3.5 billion a year on the overall, or liquidity basis, in 1958, 1959, and 1960. Since dollar outflows become potential claims upon our gold stock when those dollars come into the possession of official holders abroad, these very large outflows built up dollar holdings abroad to the point that the U.S. Government had to take action to abate the further growth of such claims.

Beginning in 1961, the U.S. Government initiated a series of measures to reduce the balance-of-payments deficit. It has been—and is—our aim to bring our payments into equilibrium without the use of restrictive measures that would disrupt trade and travel, and without abandoning our key roles in free world security and economic development.

Despite a number of adverse developments our deficits, measured on a liquidity basis, have fallen from an average of $3.7 billion in the years 1958–60 to an average of $2.5 billion in the years 1961 through 1964, and, in 1965 and 1966, to $1.3 billion and $1.4 billion, respectively. This radical improvement in the last 2 years occurred despite an increase in net military expenditures outside the United States due to Vietnam costs exceeding $950 million, and a decrease in our trade surplus—also accountable, in part at least, to Vietnam—from the peak level of 1964 by $1.9 billion in 1965 and by $3 billion in 1966.

On the official settlements basis, there was an average deficit of $0.5 billion in 1965–66, compared to a $2.2 billion average in the preceding 5 years.

In part we are using short-term temporary measures to dampen our dollar deficits by moderating private capital outflows. We are relying on these holding operations to keep our deficit under control during the period of our special commitments in Southeast Asia and during the period required to realize the benefits of our long-range program. These, of course, may very largely be overlapping time periods.

This short term holding operation tends to obscure both the existence and strategy of the basic program we are employing in the balance of payments adjustment process.

Our basic program—for coming into a sustainable equilibrium—is essentially a long term one, aimed at solving the problem by making use of this Nation's unexampled economic strength in the context from which that strength has been derived: competitive free enterprise.

Let me stress that our long term measures for achieving sustainable payments equilibrium are not matters for the future. They are in being as a program of action that is already showing effects. Let me summarize them:

Exports

First and foremost, we must maintain levels of costs and prices necessary for a strong competitive position in world markets.

In the export promotion field the Commerce Department is now engaged in a host of important and productive works which have a direct beneficial impact on exports today and provide even greater promise for tomorrow.

The Export-Import Bank has a new rediscount facility, and it is steadily streamlining its lending and guarantee programs.

But we realize that more needs to be done in the export field. To this end, a number of questions are being raised: Has the Government simplified its regulations—tax and otherwise—and its financial facilities enough? Is American business throughout the world as imaginative and aggressive as it might be? Must more be done—perhaps directly—to stimulate the interest of our commercial enterprises to sell abroad? Have we done enough to compete at home, on a fair and nonrestrictive basis, with goods now imported? We must constantly ask ourselves such questions and reevaluate the answers.

Travel

The President has announced that he will shortly appoint a Special Travel Task Force to recommend means by which the U.S. Government, working in cooperation with the private sector, can accelerate foreign travel here. Although the travel gap has been widening ($1.8 billion in 1966 compared to $1.3 billion in 1960), receipts from overseas visitors have doubled since 1960. A well-financed, joint Government-private sector effort can surely bring results.

Foreign portfolio receipts

By the Foreign Investors Tax Act, the United States has attempted to help make the tax treatment of investors in this country more equitable. The Treasury is now working with members of the financial community to spread the realization that U.S. corporate securities are one of our most promising export products.

In the financial field, several countries have invested a portion of their reserves in longer term U.S. investments. The yields earned by these investments in long term instruments—purchased with varying maturities to provide for liquidity needs—make them a productive manner in which to carry official reserves.

It must be obvious to all concerned, here and in other countries, that the success of this long term program depends importantly on (1) the continued existence of an open, competitive and cooperative international economic order and (2) substantially strengthened multilateral arrangements to insure the financial viability of programs for free world security and aid to developing nations.

Although this should be obvious, we nevertheless continue to find it necessary and relevant to emphasize to our colleagues from other countries that the way in which the United States handles its balance-of-payments problem also depends on the cooperation it receives from other countries in the process, and upon the way in which other nations with major roles in world economic affairs act in dealing with their own domestic and international monetary problems. We find it also necessary to emphasize that this cooperation is not a matter of helping the U.S. deal with its problem, but is a matter of enabling the world to deal with its payments problem without: undermining the international monetary system; subjecting that system to radical and undesirable change, or withdrawing from commitments involving the security and development of others.

Let me give you an example.

It is a vital part of our long term payments outlook that our income from investments abroad should steadily increase, and should be regarded as a bulwark of long range U.S. balance-of-payments strength.

To this end, our voluntary program for temporarily moderating our private investment outflow avoids cutting off the flow of U.S. private investment overseas. What we do seek is to moderate those outflows by means that mitigate their impact upon our international payments accounts.

However, permanent long term improvement here depends importantly upon changes that must take place in other countries. Why?

One reason lies in the fact that in too many countries, governments have so preempted the flows of savings that private capital markets are thin and costly.

This results in calls upon American financing for projects in foreign countries that can and should be financed by foreign capital markets. To give you a little insight on this problem and its importance:

Between 1958 and 1965, the United States was a net exporter of capital in the amount of $7.9 billion as a result of foreign issues on the domestic market less domestic issues abroad. In the same period, the Common Market countries were net importers through security issues, and indeed on overall capital accounts they had a net influx of almost $1 billion. In conjunction with that, let us note that in these years the EEC countries were running surpluses on current account amounting to $13.5 billion. Thus, not only was there a failure by these countries to help adjust world payments by the export of capital, but, by importing capital they were defeating the balance-of-payments adjustment process.

As another example of the role of better international cooperation in overcoming the world's payment problem, let us look at the need for better burden sharing.

The determination of the share a nation should bear in helping to meet the economic assistance requirements of the less-developed world and the security requirements of our community of nations requires difficult and continuous decisions on a host of issues. These issues cannot be resolved solely on the basis of domestic resources or budgetary considerations.

I believe the Asian Development Bank represents the kind of burden-sharing necessary if the industrial nations are, together, to promote economic progress in the less-developed world in the decades ahead. The Bank has capital of nearly a billion dollars, of which $200 million came from Japan, $200 million from the United States, $415 million from other regional donors, and $150 million from Western Europe and Canada.

While no absolute precision is suggested in the relationship of these numbers, they reflect a realization on the part of many nations that they have responsibilities, that they must meet them, and that the United States should not and cannot bear the whole burden, or even a majority of it any longer.

We will be asking the Congress this year for new funds for the Inter-American Development Bank, the International Development Association, and the Asian Development Bank. In making each request, we have asked and will continue to ask ourselves: (*a*) What are other donor countries contributing? (*b*) How aggressively have the institutions in question attempted to borrow in the capital markets of other donor countries? (*c*) What are the recipients doing, through self-help efforts, to utilize the money efficiently? (*d*) What safeguards are the institutions providing for donor countries that may from time to time be in balance-of-payments difficulty themselves?

The U.S. Government has acted vigorously on its own to reduce the foreign exchange costs of economic assistance and military outlays.

Net dollar outflows on Government grants and capital have been reduced from $1.1 billion in 1961, to an estimated $736 million in 1966. In addition, there is increasing effort to make sure that Government-financed exports do not substitute for commercial exports that would have been purchased in any event.

Between 1961 and 1965 net military foreign exchange expenditures were reduced from $2.5 billion to $1.6 billion despite the Berlin crisis. In 1966, because of Vietnam, the gap widened again. But even without Vietnam the burden on the U.S. balance of payments from its contribution to international security could be large. The United States has vast resources—we have been and are willing to utilize them generously in the defense of freedom but the foreign exchange problem adds complications.

It comes down to this: alliances which rest on important political, social, economic, and military plans should not be made vulnerable because foreign exchange financing problems have not been resolved.

We should be able—indeed we must find ways—to work constructively with our allies on forms of multilateral financial arrangements designed to neutralize the foreign exchange consequences of the locations of our troops and those of our allies. The arrangements should be long term and provide financial viability to our alliances. Discussions now underway between the United States, the United Kingdom, and the Federal Republic of Germany designed to work out security and financial arrangements in a trilateral setting may point the way to designs that could embrace other multilateral arrangements.

It is not only the Treasury that is worried about the kind of world that we are going to have in the near future should we fail to act as a community of nations, and to act soon, to renew and strengthen the types of international economic cooperation that I have been discussing. Our hopes, and our fears, are widely shared in the Congress and, I think it is safe to assume, therefore, in the country.

There is concrete evidence of this. Permit me to cite, in support of my view, the following words from a report of the Subcommittee on International Exchange and Payments of the Joint Economic Committee of the U.S. Congress issued last fall, and significantly entitled: "Twenty Years After: An Appeal for the Renewal of International Economic Cooperation on a Grand Scale." This said:

"The world is in trouble—deep trouble—in at least five different areas of economic negotiation and policy: trade; aid to less-developed countries; maintaining a balance in international payments; international monetary reform; and maintenance of stable price levels in economies marked by full employment and rapid economic growth."

For many months now we have been asking for a rededication of the great community of nations embracing Western Europe, the Americas, Japan, Australia, and New Zealand to the proposition that we shall each gain the most individually when we cooperate to gain the most altogether. We have reminded our friends and allies that if this rededication is not very soon seen to be forthcoming in concrete terms some rather unpleasant alternatives must be faced. These pleas and warnings have been taken by some as a suggestion that the United States is in the process of making a radical change in its international monetary policies.

Nothing could be farther from the truth.

What has been changing, what has changed and what is subject to even further change is our view of what other nations can and—in view of the very much improved economic circumstances abroad—what others should do. We think they can and should do much more by way of cooperation than they could have done in the past. We think that others can and should now do unto the world economy as we have done unto that economy ever since World War II.

Let me spell that out just a little.

We are exerting every effort in our discussion of our balance-of-payments problem, in our programs to solve that problem, and in our negotiations for the improvement of international monetary arrangements to the end that there should be no change in our basic international monetary policies.

With respect to gold, let me note two recent and controlling statements by the Treasury:

On January 10, in response to inquiries with respect to press reports from Paris suggesting that study be given to raising the price of gold as one of the means of meeting international liquidity needs, the Treasury stated:

"The price of gold is determined by its relationship to the United States dollar. This relationship has been fixed at $35 per ounce since 1934, and will remain there. Any suggestion that the price of gold be raised—either to meet needs for additional international liquidity or for any other reason—is completely unacceptable to the United States. Future international monetary arrangements must be based on this fact. This has been made clear to French financial authorities."

On April 11, in response to inquiries concerning statements made the week before as to the possibility of any change in current U.S. gold policies, the Treasury said:

"(1) These statements have no official standing or inspiration. They were made by private citizens and reflect only their own views;

"(2) There is no contemplated change in U.S. policy toward the buying, selling or price of gold.

"(3) This has always been our position and remains so."

Perhaps our posture would be even better understood if we spelled out just a little the roots of our international economic policy as it stands today as an index of the responsibilities of the rest of the world if we are to be able to continue our policies unchanged.

In the 1930's and during World War II a vast part of the world's monetary reserves flowed to this country.

In the two decades since World War II the United States has operated as the world's banker, by reason of taking over the responsibilities of the world reserve currency nation. In this role the United States has recycled world reserves, restoring a sound and balanced pattern of monetary reserves among the nations, in good relation to the size of national economies and the participation of nations in the world's trade.

Now the important thing here is to understand clearly how this was done.

Reserve holdings were restored through the adoption and long continued operation of a foreign economic policy which is unparalleled in world history and which has resulted in an unexampled era of world economic and social and political improvement. The principal elements of U.S. foreign economic policy by which a viable and, indeed, highly beneficial international monetary system has been established since World War II are the following:

1. A liberal trade policy, by which the United States has permitted most of the world to lift itself by its own bootstraps through ever more open access to the largest, richest, and most swiftly growing market in the world, the U.S. market.

2. A liberal view of our responsibility for the economic well-being of other countries, through which we have laid out $15 billion for assistance to Western Europe under the Marshall plan and, subsequently, through fiscal year 1966 $50.7 billion for development assistance to the less developed countries.

3. A liberal and conscientious view of our responsibilities—in a world too weak to defend itself—for the defense of that world against the dangers of aggression from the Marxist world. We have borne the chief costs of this burden and we still do so today. In the defense of freedom, we have spent no less than $860 billion from 1946 through 1967.

4. A liberal policy towards the world's need for private capital under which U.S. bankers and other businesses have been free to go almost anywhere with their money without limitations as to amounts.

It is the dollar outflows resulting from these policies which rebuilt the world's reserves, chiefly the reserves of the other industrially developed nations in Western Europe, the British Commonwealth, and Japan. The dollars that have lodged in official accounts as a result of our trade, aid, and capital outflow policies have been used to the extent desired by foreign governments to rebuild their gold stocks because we have followed without change our policy of converting official holdings of dollars into gold at $35 an ounce.

I think it is possible to summarize this whole rather complex sweep of events fairly simply as follows:

We wound up World War II with a large monetary reserve. Through openhanded trade, aid, and capital outflow policies that have benefited the rest of the world—and the United States—to an unprecedented degree, we have recycled that surplus to fertilize the world economy and make it grow as never before.

What we now say to the rest of the world may be summarized, I think, as follows:

The work of rebuilding the world's reserves—and in this way reconstituting the world economy shattered by the Great Depression and World War II—has been done by the United States.

The present and controlling fact is that the job is finished.

It is now up to the rest of the world to join with us in keeping this good work going.

Nations that have continuing surpluses should be aware that they are just as much out of balance as nations that have continuing balance-of-payments deficits.

Nations with continuing surpluses should realize that there is an obligation upon them to take positive action, through liberalized trade, aid, defense burden-sharing, and capital outflow policies to recycle their surpluses to do the world's work, rather than to hoard their surpluses.

Finally, it should be realized by the world that it is only in the presence of this two-way balance-of-payments adjustment pattern that nations with continuing deficits can expect, or be expected, to come into sustainable equilibrium through the use of sound internal and external economic policies.

Let me just add that the plan for reserve creation that we are seeking during this Summer is completely apart from the balance-of-payments problem. No one in a reasonable frame of mind can suppose that we would seek a new reserve asset to supplement dollars and gold only to weaken the value of that asset by attempting to use it to finance chronic payments deficits. Our objective is to reach balance-of-payments equilibrium by the virtues of our own economic strength and through the soundness of our own economic policies, operating together with the appropriate cooperative actions of the rest of the world along the lines that I have just mentioned.

Exhibit 53.—Excerpts from remarks by Under Secretary for Monetary Affairs Deming, July 14, 1966, at the Third International Investment Symposium, on economic growth and international liquidity

I

Almost 5 years ago, the annual meeting of the International Monetary Fund witnessed the birth of what has come to be called the Group of Ten. This Group comprises the United States, the United Kingdom, Canada, Japan, Sweden, Germany, France, Italy, Belgium, and the Netherlands—10 major industrial and financial nations which came together to further international monetary cooperation. A year later, the Group established the General Arrangements to Borrow, under which it agreed to lend up to $6 billion in its currencies to the Fund, under particular circumstances and conditions. The amounts pledged are over and above each country's quota in the Fund. Of the $6 billion, the U.S. pledge is equivalent to one-third, the United Kingdom's, one-sixth, the five Common Market members combined, 41 percent, and the other three countries, 9 percent.

In 1963, the Group began to study the subject of international liquidity. It had no monopoly on this subject, of course; studies had been going on in the Fund for years, and various governments, officials and academics had, from time to time, put forward proposals for new types of reserve assets and ways to adapt and improve existing liquidity arrangements. And, since the real world does not always wait for complete analyses and perfect plans before it does something, there had been some steps taken to improve the mechanisms of international liquidity—for example, the development of short-term swap arrangements, most notably the swap network based on the Federal Reserve System.

In the summer of 1964, the Ten reported that it found no current shortage of international liquidity but that there might be more needed in the future. Thus, its Ministers and Governors charged their Deputies with continuing study of the subject and particularly asked the Deputies to examine carefully the technical problems involved in the creation of new reserve assets. At the same time, the Group recommended that there be a general increase in Fund quotas.

Secretary Fowler, in a speech made last July, noted the work that had been done, both in general and technical study, and called for the beginning of actual negotiations aimed at producing a specific plan for future reserve asset creation. He suggested the establishment of a preparatory committee, which would produce such a plan for submission to an international monetary conference for discussion and approval, and stated that the United States would participate in such a conference, should one be called.

Last fall, at the time of the Fund annual meeting, the Ministers and Governors of the Ten gave their Deputies a new mandate, which asked the Deputies to "* * * determine and report * * * what basis of agreement can be reached on improvements needed in the international monetary system, including arrangements for the future creation of reserve assets, as and when needed, so as to permit adequate provision for the reserve needs of the world economy." The Ministers and Governors also stated that "* * * as soon as a basis for agreement on essential points has been reached, it will be necessary to proceed from this first phase to a broader consideration of the questions that affect the world economy as a whole."

The Deputies' report will be discussed by the Ministers and Governors of the Ten at the Hague late this month. At that point, they will determine whether, in their judgment, there has been sufficient basis for agreement to proceed into the second phase and presumably will, if they so determine, suggest ideas for the form and nature of the second phase.

Meanwhile, other work in the field of international liquidity and reserve asset creation has been proceeding, both in the Executive Board of the Fund and in other organizations. Thus, the time seems ripe to proceed to a second phase, which would produce a specific plan for reserve asset creation.

I have outlined here the work that has been done in this field. Now let me examine with you the reasons for such work, the importance of the subject, and the problems involved in it.

II

In an address last March in Chicago, the Managing Director of the International Monetary Fund, Mr. Pierre-Paul Schweitzer, made a number of penetrating comments on the adequacy of international liquidity and the need for reserves. He commented that the problem of adequacy of international liquidity is fundamental but, unfortunately, is also "exceedingly elusive." There is recognition that an adequate level of liquidity is needed to sustain the expansion of world trade and world economic growth, but this does not resolve the question of what is the adequate level. In his view, liquidity is adequate when it is "* * * not so scarce as to force countries to balance their accounts at the expense of stifling national and international growth but, at the same time, not so plentiful that countries can continue to run deficits without regard to the international consequences of those deficits in stimulating inflationary pressures abroad."

Mr. Schweitzer pointed out that the amount of liquidity available in the recent past had probably been about right. He suggested that, if it had been too little, international trade could hardly have grown as much as it has, nor could so many countries have achieved and maintained high rates of growth and high levels of employment. If the amount of liquidity had been too great, there would, he thought, almost certainly be greater evidence of inflation than there is at present.

Over the past 15 years, free world reserves have increased at an average annual rate of about 2½ percent. But that figure masks an increase of 5½ percent per year in the world outside the United States and a decline in United States reserves. Of the 5½ percent per year, or $30 billion, gain in reserves outside the United States, new monetary gold supplies provided about one-quarter. Another relatively small amount came from the operations of the IMF, where certain claims that can be exercised virtually at will are treated as part of world reserves. Nearly all the remainder was in the form of dollar balances accumulated by foreign countries or in gold taken from U.S. reserves as previously accumulated official dollar balances were converted into gold.

There are two important points to note here. First, U.S. reserves, which are held primarily in the form of gold, have declined in the postwar period. In part, that decline can be viewed as desirable, in that it permitted a better distribution of reserves. But the United States cannot go on losing reserves indefinitely; in fact, it also needs to increase its reserves over time.

Second, newly mined gold has provided less than 1 percent per year growth to total monetary reserves over the past 15 years. While the 5½ percent per year increase in total reserves outside the United States may be more than adequate, and the 2½ percent rate which includes U.S. figures may be closer to being a desirable rate, there is little question that less than 1 percent is far too little. Thus, it would seem to follow that some new form of reserve asset creation is necessary.

The fact that there is not clear-cut acceptance of this position arises from the belief in a number of continental European countries that the past situation has not been ideal and that the rising level of their reserves has given some impetus to inflationary pressures in their economies. In other words, they might have preferred a slower rate of reserve growth themselves. With most of them, the principal domestic problem has been restraining excessive demands on resources, rather than a deficient rate of economic progress.

At the same time, there is rather general realization in most countries that to swing from a position in which reserves of countries outside the United States were growing at the rate of 5½ percent a year to dependence on very small supplies of new monetary gold would mean cutting down reserve increments to a fraction of recent additions to reserves. This could well be a serious and risky undertaking. Hardly anyone in Europe expects that gold supplies alone would meet the world's need for additional reserves for a very long time.

There seems to be no precise quantitative formula that can produce an optimum figure for reserve growth. In simple terms, we need enough reserve growth to permit countries which wish to increase their reserves to do so without simultaneously forcing other countries to reduce their reserves too much. An international judgment of optimum reserve growth must balance the advantages of avoiding strains on the international payments system from overly restrictive policies aimed at avoiding reserve losses and the disadvantages of providing for excessive financing of deficits and surpluses.

One relationship often cited as a guide to reserve needs is the ratio between reserves and world trade. This relationship can hardly be characterized as precise, but trends in it are worth noting. Over the past 15 years, world trade grew at about 6 percent per year, and reserve growth, as noted, was about 2½ percent—or, outside the United States, 5½ percent. The ratio of reserves to imports in 1951 was 67 percent; in 1965, it was 43 percent.

Since U.S. reserves were falling during this period, the big decline in the ratio was in the United States, and the rest of the world held its ratio reasonably constant. Experience varied, of course, between nations, but there seems to have been a tendency for the ratio to be regarded as comfortable when it was between 30 percent and 50 percent.

What will be regarded as comfortable in the future, no one can tell now. Perhaps one should not use the past as a reliable guide. But it would seem unwise to ignore it completely. Certainly, any long downtrend in the ratio of reserves to trade would be a cause for concern.

III

It may be useful to explore somewhat more deeply the two opposite contentions that the international monetary system is likely to restrain economic growth or has restrained economic growth, or that it has contributed, or is in danger of contributing, to world inflation. Without wishing to sweep aside both of these allegations or to say that they have no bearing, I would suggest that there may be a tendency to exaggerate and overdramatize the relationship, particularly in the short run. I believe that a much stronger case can be made for the importance of an adequate rate of growth in world reserves over a period of years than in terms of a short-run or cyclical impact. Few people have contended in the past that new gold supplies, the principal form of new reserve accretions in earlier days, were an important factor in cyclical or short-term business fluctuations. But they have felt that there was a relationship between these new monetary gold supplies and the general longer run trend of economic growth.

Generally speaking, we can see a priori how a leveling off of world reserves could affect economic growth in two ways: it could lead to domestic policies of economic restraint, and it could result in restrictions on trade and capital transactions across international boundaries.

We are all aware that, during the war and postwar period, import and exchange restrictions were widespread, and this coincided with the fact that, in most countries, reserves were insufficient to meet heavy demands for imported goods of all kinds. With the assistance of the Marshall plan, and of large military disbursements by the United States in Europe, European reserve positions became stronger and trade and payments policies were liberalized.

We are also aware that, in many parts of the world, pressure on reserves has led from time to time to restrictions designed to conserve reserves. But it is not too easy to move from such clear-cut conditions, when reserves are obviously tight in a particular country or countries, to a determination as to whether we need a more or less liberal flow of new reserves for the world as a whole.

To follow this through, let us assume that the present level of world reserves of $70 billion were to become a ceiling and that no enlargement of this total took place over a period of years. We can hardly assume that all national economies would proceed at such a harmonious rate of growth that each country's international transactions would remain perfectly balanced, even if we were to assume that we started with such an ideal condition. Almost certainly, international imbalances would develop and would probably become larger in absolute terms as international trade continued to grow. Under these conditions, whenever any one country was building up its reserves through surpluses in its balance of payments, this would be at the expense of a decline in the reserves of other countries.

Deficit countries would feel the pressure of shrinking reserves and would have to decide whether to restrain domestic growth or to apply restrictions on international transactions, or both. In the meantime, surplus countries could be experiencing some stimulus to their rate of growth which might become converted into inflationary pressures. A surplus is normally expansionary, whether financed in gold or in some other way.

There is a considerable probability that, under modern conditions, many countries might be reluctant to restrain domestic activity and would seek more selective approaches which would be likely to have a direct restrictive impact upon international transactions. If the effect of these measures were to shift a deficit to another country, or countries, these countries, in turn, might follow similar restrictionist policies, with a cumulative tendency in the direction of economic isolationism on the part of deficit countries. Only to the extent that these restrictions came to bear upon the surplus countries would they cease to have this cumulative effect.

Insofar as the deficit countries approached the problem by internal restraint, they might, in the absence of domestic inflationary pressures, and if they had a wide margin of unused resources, bring about a decline in the rate of growth of the world as a whole. This would be particularly true if the deficit countries were relatively large and important in the world's total economy.

On the other hand, surplus countries might face a certain dilemma between their desire to contribute to a restoration of international balance through a reduction of their surpluses and their desire to avoid inflationary pressures. If they undertook to restrain domestic growth, motivated by a natural desire to avoid inflation, the result could be to strengthen their own international position and enlarge their surpluses still further.

Under the conditions that we have postulated, I believe that you can see that it might be in the general interest of all parties to have a certain amount of new reserves flowing into the monetary system. Insofar as new reserves are provided, some countries can add to their reserves without reducing those of other countries. A flow of new reserves could give a certain amount of elasticity to the system and might postpone restrictive measures in the international field or moderate the need for domestic restraint by relieving the strain that would otherwise be placed on the international monetary system.

I would not want, however, to exaggerate the significance of such a cushion of new reserves in terms of its effect on rates of growth or, indeed, on inflationary pressures, even when expansionary forces are tending to place heavy strain on a country's resources. There has been enough experience with reserve shortages and balance-of-payments deficits in the past 10 years to make clear that it is by no means certain that countries with limited reserves do adopt more severe measures of domestic restraint than countries that are gaining reserves but are subject to inflationary pressures. There is considerable evidence that the difference between deficit and surplus countries is more likely to be reflected in selective policies affecting their international trade and capital transactions than in their general domestic economic policies. On the whole, domestic policies seem to have been more largely determined by the broad economic objectives of employment, growth and price stability than by fluctuations in international reserves or balance-of-payments positions.

This has often meant that surplus countries apply policies of domestic restraint in pursuit of their objective of price stability. And deficit countries, which might, as a result, have to go even further than surplus countries in pushing domestic restraint in order to have a favorable impact on their balance of payments, may be strongly tempted to seek more selective ways of meeting their international problem. For example, when countries with large and growing reserves tighten monetary policy and raise interest rates because they find it difficult to carry out fiscal or other measures to restrain inflationary pressures, this means that deficit countries may be left with a lesser margin for applying differentially more effective monetary policies. The ratcheting of interest rates to higher and higher levels by competitive international action may have some effect in dampening the rate of economic growth in the world as a whole but may contribute little or nothing to a better adjustment of international payments. That is, it may exert more restraint in surplus countries or as much as in deficit countries. Other credit restraints, which are not dependent entirely on general interest rates but have a direct and specific quantitative impact, may, under such conditions, have to be called upon to make an effective contribution to balance-of-payments improvements—an example being the selective voluntary credit restraint program in the United States.

In most cases, additional reserves would not, in my view, lead to relaxation of monetary policies, unless the domestic situation, as well as the international position of a country, made this desirable. Fears that new reserves would lead to such relaxation in the short run and thus contribute to inflation are, in my view, exaggerated.

Exhibit 54.—Remarks by Under Secretary for Monetary Affairs Deming, October 31, 1966, at the International Finance Session of the 53d National Foreign Trade Convention, on the international monetary and payments system

I. Introduction

I am pleased and honored at the opportunity to lead off this year's session on international finance. With every year that passes, it seems to me that monetary and payments questions have attracted more attention. What I intend to do today is to look at these questions particularly from the perspective of their significance in the growth of world trade.

To focus most sharply from this perspective, let me pose three questions and suggest some factors that must be considered in answering them.

1. What has been happening to the American balance of payments and what are the implications of these developments?

2. How can the management of the present international payments system—the gold exchange standard—be improved?

3. What is the relationship to world trade of contingency planning for new reserve creation?

The first question attempts to focus attention on the structural factors in the U.S. balance of payments, the steps which have been taken to correct imbalances in it and the implications of recent developments for the United States and for the world as a whole.

The second question involves considerations of the choices open to the major surplus and deficit countries in managing our international monetary system in the near term future—especially before activation of any plan for new reserve creation.

The third question opens the way to an exploration of the relationship between the growth of trade and the need for reserves.

II. The U.S. balance of payments

I need not recite in detail the record of the American balance of payments since the close of World War II. We ended the war with the world's strongest economy and with a strong international reserve position. We gave and loaned generously to help restore a healthy world economy in which foreign trade could thrive. We had surpluses averaging $1.75 billion per year on a liquidity basis in our international accounts from 1946 through 1949, despite our great efforts to rebuild a war-shattered world.

We had deficits averaging $1.5 billion from 1950 through 1956 and a small surplus in 1957. These helped to produce a better distribution of world reserves and paved the way for significant balanced growth in the world economy and in world trade. But, from 1958 on, the United States was troubled with a far larger than desired—or desirable—deficit.

Let me give you a few figures. In 1960, the United States had a balance-of-payments deficit of $3.9 billion. On commercial trade account—I eliminate Government-financed exports from this figure—we had a surplus of $2.9 billion. On what I call "commercial service account"—which does not include any military or other identifiable Government transactions, travel or transportation transactions, or any investment income, fees and royalties—we had a surplus of about $450 million. Thus, what I call commercial trade and service account produced a surplus of $3.4 billion—a healthy sign. By 1964, that figure had grown to $4.6 billion—a good rate of growth—but we still had an overall deficit of $2.8 billion.

What were the minus items in those years? Travel and transportation account showed a deficit of $1 billion in 1960 and $1.2 billion in 1964. Private pensions and remittances showed drains of $500 million and $600 million, respectively. In a sense, then, you might say that the private current account—excluding investment income, fees, and royalties—was in surplus by $1.9 billion in 1960 and by $2.8 billion in 1964.

The big minus items were on private capital account and on Government account. Outflows due to direct investment, to foreign borrowing in the American capital markets, to bank lending abroad, and to nonbank outflows were $3.9 billion in 1960 and $6.5 billion in 1964. I would add to this the errors and omissions figures—negatives of $900 million in 1960 and $1 billion in 1964. In addition, there were net outflows on account of foreign investment in the United States—that is, the inflow of foreign investment was smaller than the outflow of payments on foreign-owned direct and portfolio investment. And, even after crediting all income on U.S. foreign investment and fees and royalties, the resulting private capital account—as I define it to include income as well as outflows—showed a deficit of $1.7 billion in 1960 and of $2.5 billion in 1964. Those figures reflect the fact that, while investment income and fees and royalties had grown significantly from 1960 to 1964, the outflow on direct investment, portfolio investment, bank loans and nonbank financial transactions had grown even faster.

Government account, which includes dollar aid, net military expenditures, debt service, and so on, also was negative—by $4.1 billion in 1960, but by just $3.0 billion in 1964. Efforts made by the Government to tie aid, to reduce the foreign exchange costs of our military requirements abroad, and to make other foreign exchange economies had produced substantial savings between 1960 and 1964.

The record of the first half of 1966 shows a marked change from 1964. What I call the commercial trade and service account was just $1.9 billion at an annual rate—down $2.7 billion from the 1964 figure. This deterioration reflected primarily the rapid runup in imports, due to a strong economy in the United States. Exports increased, but far less than imports.

The travel and transportation deficit was worse by $400 million than in 1964, and the private pension and remittance drain increased by $36 million—both annual rates. Thus, not only did the trade and service surplus shrink, but the deficits on travel and remittances increased.

Fortunately, the private capital account showed marked improvement. Gross outflows were down sharply from 1964—due, in part, to the interest equalization tax and, in part, to the voluntary restraint programs. The really big saving came in the position of the banks, which showed an outflow of $2.5 billion in 1964, against an inflow of about $300 million, annual rate, in the first half of 1966. Here, both tight money and the voluntary program combined to produce a major swing.

Direct investment outflow in the first half of 1966 was a bit lower than last year, but higher than in 1964. But income on overseas investment and from fees and royalties grew. So did portfolio investment from abroad—reflecting, in some measure, the attractive interest rates here. The net effect of the various private capital transactions—including net income receipts—was to produce a net inflow in the first half of 1966, as against an outflow in 1964.

Government account, unfortunately, worsened, reflecting mostly the rising foreign exchange costs of military expenditures centered about the Vietnam operations.

The net of developments in the first half of 1966 was that the deficit was held at about the 1965 level, which was just half that of 1964. This was achieved despite Vietnam and a very strong domestic economy—no mean feat.

For this audience, it is not necessary to recite the various measures taken to reduce the deficit on a liquidity basis from $3.9 billion in 1960, to $2.8 billion in 1964, to $1.3 billion in 1965, and to hold it at about that annual rate in the first half of 1966.

What is important to note is that both general measures—fiscal and monetary policies—and selective measures have been employed. The recent report on the adjustment process of Working Party Three of the Organization for Economic Cooperation and Development suggests that both types of measures may be required to adjust imbalances.

What is also important to note is the strong tendency of our commercial trade and service account to worsen when our own economy steps up its growth rate sharply, relative to other competing industrial countries. This is what happened between 1964 and today. A more sustainable growth rate in the future—a prime goal of policy—would bring about improvement in the current commercial balance. Here both fiscal and monetary policy will continue to play a large role. Here, also, export promotion can help, and you people can play a direct part.

But, even after utilizing fiscal and monetary policy in reasonably optimum fashion, there might still be question as to whether, with the Vietnam conflict, equilibrium can be attained in our international accounts without further special measures. As noted, we already have employed some selective measures to restrain capital outflow and reduce the foreign exchange costs of our military and aid responsibilities. Should the United States seek to give absolute priority to the quick attainment of equilibrium, or should we seek just to continue to progress toward that goal without invoking severe special measures?

These are questions that should not be answered solely by the United States, because actions taken here have implications for many other countries. As Secretary Fowler observed in his speech before the International Monetary Fund in September, there are three broad possibilities open to the United States in dealing with the problem.

The first course would be to apply more direct general and selective measures that reduce the flow of dollars to the rest of the world in general. This would mean that the developing countries, as well as the developed countries, might have lower dollar receipts. Developing countries would have fewer dollars to spend in Europe, and Europe would export less.

The second course would be to direct measures consciously, so as to impinge as selectively as possible on the surplus countries. Measures that affect capital outflow or other factors could be so directed.

The third possibility, certainly the one to be most desired, is to seek in concert with the surplus countries the best way of sharing the adjustments to be made to achieve equilibrium in the world's payment pattern—including the timing of these adjustments. This would call for a more active, rather than a passive, policy on the part of the surplus countries. It would take account of the fact that an unduly slow rate of growth can create a balance-of-payments surplus and an export of unemployment which should not be any more acceptable internationally than an unduly rapid rate of growth leading to a deficit.

III. The adjustment process

I might close this section of this talk with a bit more reference to the Working Party Three report on the adjustment process. The study represents an important contribution—not only because it breaks some new ground—but because it represents the combined judgment of senior officials of the leading financial and trading countries represented on the Working Party.

One is struck, in reading the Working Party's report, with the very complex character of the present-day adjustment process. This is partly because governments now pursue a much wider variety of domestic and international objectives, which must be taken into account in any policy mix. Thus, full employment, a satisfactory growth rate, reasonable price stability, equitable distribution of income, and balanced regional and sectoral development, as well as nonrestrictive foreign trade, reasonably free capital movements, and provision of foreign aid, are all objectives of policy. The policy instruments available to governments are not always adequate to achieve the most desirable blend of programs looking toward these objectives. Another complexity results from the fact that different countries may give somewhat different priorities to the various aims.

In the field of general policies, the report suggests that there is a need for greater flexibility in budgetary management, in the variability of tax rates, and in the development of expenditures by regional and local authorities. Price and income policies also have their bearing on the balance-of-payments problem, as well as other national policy objectives.

The report also stresses the fact that surplus countries have a responsibility to formulate policies with a view to correcting imbalances, just as do deficit countries.

Finally, it is notable that the report has little to say about the imposition of quantitative restrictions on imports, which took so prominent a place in past discussions. Although mentioning this possibility, the report passes it over with very little discussion, noting that some countries have preferred temporary imposition of surcharges on imports to restrictions.

But the main point of interest to foreign traders is that essentially the whole approach to adjustment has veered away from trade restrictions to a much more elaborate mix of general and selective policies affecting government transactions and capital movements, leaving trade largely influenced by general policies, rather than specific restrictions. The foreign trader can, therefore, be reassured that the major countries, in their considerations of the adjustment process, are looking toward a rising level of world trade and seeking corrective measures that will not interfere with this growth trend.

IV. Improvement in the management of the gold exchange system

I turn now to the second question I posed—How can the present monetary and payments system be improved? Here, I shall refer to the recent report of the Deputies of the Group of Ten countries—especially the second chapter of that report, which deals with this subject.

One might wonder why there is any reason to even think of improving a system that has worked so well for the past two decades. There have been problems, but they have been met quite successfully. And world trade has expanded remarkably. The annual figures on world trade have succeeded one another in an impressive parade of growth.

A growth rate for world imports of 7 percent to 8 percent in value terms, during the past several years, is, indeed, striking. Some of this increase is due to price rises, but, even after adjustment for this factor, we find a gratifying rate of expansion year after year.

I believe that one important factor in this growth of world trade has been the parallel growth in world reserves, stemming, in large part, from U.S. deficits. I want to comment more broadly on this point a little later.

But here I want to note that the recent Group of Ten report cited four points relating to both the current smooth functioning of the world payments system and to possible improvements in it.

First, there is recognition of the great utility of the arrangements for quick, short-term credit facilities among central banks—most notably the Federal Reserve swap network. And there is recognition that these facilities might be enlarged and improved to make the present system function even better.

Second, there is approval of the process of multilateral surveillance—which is a grand way of describing the cooperative and consultative procedures that take place regularly among countries belonging to the OECD and the Bank for International Settlements. This process has worked well so far, but the major countries believe it can, and should, be improved to work even better.

Third, there is reference to possible use of long-term loans of reserves under special circumstances.

Fourth, however, there is concern expressed about certain destabilizing tendencies in the payments system which result from shifts of international reserves and reserve composition. There is, consequently, recommendation for periodic review of reserve policies of Group of Ten countries.

On the whole, the tenor of the above discussion is that the present monetary system is functioning effectively and is facilitating growth in world trade. It has been an evolving system—one which has been improved over time, and one which can be improved further. But, generally, the improvements foreseen are also evolutionary, rather than revolutionary.

The reasons for this rather cheerful attitude are not hard to see. The system has worked well. It has weathered successfully several potential crises, through judicious application of corrective national policies, international consultation and cooperation, and use of both formal and ad hoc credit arrangements.

But the fourth point noted above—potential destabilizing factors arising from shifts in reserves and their composition—needs further comment. It is seen most clearly as a product of three forces:

—Any net shifts in reserves from countries with low gold ratios to those with high gold ratios increases the demand for gold.

—Annual additions to the monetary gold stock have been smaller than the recent demand for gold to add to foreign reserves.

—The focus of such monetary demand for gold—above these annual additions of new gold production—is on the United States, which, alone among the countries of the world, freely converts its currency into gold for foreign monetary authorities.

In sum, the world outside the United States has been making larger annual additions to international reserves than could be satisfied by newly mined gold. The United States—as the great reserve currency nation—has provided additional reserves with dollars flowing from its deficits. But, when these dollars flow to high gold ratio countries, some of them are presented to the United States for conversion into gold. This does not affect the total of reserves in the converting country, but it reduces the U.S. reserve base.

Since 1949, the U.S. gold reserve has been reduced by $11 billion.

Part of this loss was useful to the world and facilitated world trade by building up reserves of the rest of the world. But this process, when carried out to an extreme, is destabilizing.

As noted, the Group of Ten report recognized this problem and suggested periodic multilateral review of the reserve policies of its members, so as to ameliorate it. Some individual suggestions for specific correctives also were given, but none attracted wide support. The report recommended that further study be given to this problem, for there was recognition that national reserve policies should take account of their impact on the world monetary system.

The United States cannot afford to continue the pattern of international payments deficits financed in the first instance by dollar outflows which add to world reserves. This is a major reason for a new type of reserve asset that is not dependent upon U.S. deficits.

I shall turn to reserve creation in a moment. But, before doing so, I wish to point out that creating new reserves does not obviate the need for attaining equilibrium, or even a surplus from time to time, in the balance of payments of the United States.

We need not only an end to the long decline in the U.S. reserves, but also an upward trend in these reserves. Nor will reserve creation put an end to the need for national reserve policies that take account of their impact on the monetary system as a whole.

V. Reserve creation and world trade

There is a wide range of opinion with respect to the immediate need for and the impact of reserve creation on world trade. The Joint Economic Committee of the U.S. Congress says the world is in deep trouble as a result of slow action on international monetary reform. Some individuals have gone farther, stating that, in their opinion, real shrinkage in world trade, rather than merely a slowdown in the growth of trade, might be the consequence of a failure of world reserves to grow at something like the recent rates.

On the other hand, a number of people have said that they see no present shortage of reserves in the world and have expressed skepticism as to the imminence of a need to add new sources of reserves.

This variety in points of view arises, in part, from the fact that European reserves have been rising steadily, while U.S. reserves have been declining. But it also reflects the fact that the present rate of growth in reserves in continental Europe is widely regarded as adding to inflationary pressures.

The practical middle ground among this range of views has been found in the idea of a contingency plan for reserve creation, to be activated when a multilateral determination has been made that there is a need to supplement existing reserves. This concept was proposed by Secretary Fowler last year. It has achieved wide support from the Deputies and Ministers of the Group of Ten, and, more recently, it was supported in the speeches of most of the Governors at the annual meeting of the International Monetary Fund.

The 1966 Annual Report of the International Monetary Fund concludes that the level and change in a country's reserves influences that country's policies primarily in two areas—its internal financial policies, and its policies with respect to capital movements, foreign trade, and foreign aid. In general, high or adequate levels of reserves and growing reserves tend to influence governments to liberalize foreign trade, aid, and capital export policies, and to ease internal financial policies, unless the latter are constrained by inflationary developments.

Reserves may grow in three ways—by earning them through balance-of-payments surpluses, by borrowing them, or through a direct allocation of newly created reserves.

In the first case, where new reserves are earned—spent by one holder and received by another via payments deficit and surplus—the effect can be, and frequently is, expansionary on internal incomes, and an impetus is given to liberalization of foreign trade and capital movements. Foreign aid also may be increased. The country losing reserves tends, on the other hand, to follow more restrictive policies.

In the second case, the country borrowing reserves does so in order to meet deficits and adjust more smoothly. This tends to moderate and stretch out such restrictive policies as might have to be imposed in the absence of credit sources.

In the third case—direct allocation of newly created reserves—I would see no reason why expansionary internal policies would have to result—at least in the short run—but more liberal trade, aid, and capital movement policies should be encouraged. In the longer run, it is possible that additional reserves from direct allocation would permit generally less restrictive internal policies, as well as leading to more liberal foreign trade, aid, and capital exports.

It seems to me that some of the fears expressed about created reserves reflect the feeling that they might be spent quickly, thus resulting in too rapid transfer of real resources from surplus to deficit countries and possible inflationary pressures in the surplus countries. This need not be the case—if the newly created reserves are not in excessive quantity and if recipients follow reasonably sound internal and external policies.

The International Monetary Fund presents some useful data in its current annual report as to the use of reserves in the past. These data show that most countries, outside the United States, have tended to maintain their reserves within a range of about 30 percent to 60 percent of their annual imports. On the average, in 1965, the developed countries as a group (including the United States) held reserves equal to 43 percent of annual imports, and the less-developed countries, as a group, stood at 42 percent of imports. In both cases, the figures today are lower than in 1951, when they were 68 percent and 64 percent, respectively, or in 1959, when they were 60 percent and 50 percent, respectively. Even excluding the United States and the United Kingdom, the other industrially advanced countries in the Group of Ten showed a ratio of 41 percent in 1965, as against 30 percent in 1951, and 45 percent in 1959.

These Fund studies suggest that there will be a considerable tendency for new reserves to spread themselves around the world in proportion to the percentage rise in a country's imports. Since the trade figures seem likely to continue to grow more rapidly than the rate of reserve creation, most countries are likely to wish to add the new reserves to their existing reserves, at least over a period of years, in order to slow down the declining ratio of reserves to imports. Hence, I doubt that reserve creation will, in fact, permit surplus countries to acquire more reserves than they wish to hold.

Because of the large size of the U.S. economy, we would receive a substantial proportion of newly created reserves, but I would expect the United States also to build up its reserves, over a period of years. Hence, on this score also, I would consider the fear of inflationary pressures arising from new reserves to be largely groundless.

The Fund suggests that a shortage of international liquidity is more likely to manifest itself, at least initially, in the form of restrictions on trade and capital transactions than in generalized deflationary symptoms in the world economy.

This reflects the fact that countries utilize selective techniques to adjust deficits in their balances of payments and are reluctant to apply general fiscal and monetary policies to situations where domestic considerations may not call for the same general policies as does the country's international position. This is an important conclusion and is of special interest to foreign traders and investors.

But, it may be asked, how can more reserves result in more liberal trade or investment policies, unless the country concerned uses the reserves to finance a larger deficit—which I have just said is not very likely on a substantial scale over a period of years.

I think the answer is to be found in the probable reactions of governments in various balance-of-payments positions. When deficit countries have the protection of a more adequate cushion of reserves, the danger of competitive and cumulative escalation of restrictions will be reduced. Countries in reasonably good balance-of-payments equilibrium—experiencing moderate deficits and surpluses over a series of years—are less likely to overreact to deficit positions which may, in fact, prove transitory. I do not believe that most surplus countries would accumulate excessive reserves as an end in itself.

There is a good chance that the policies of the surplus countries would tend to become more liberal under a system which would give assurance that the aggregate of world reserves might be expected to expand in an orderly fashion, thereby producing slowly rising reserves, even if balances of payments were in equilibrium.

As to contingency planning, itself, the second phase of negotiations is now about to begin. A series of joint meetings is scheduled, which will bring together the Executive Directors of the International Monetary Fund and the Deputies of the Group of Ten. Last summer's report of the Deputies prepared the way for this second stage by reaching a wide consensus on a number of principles and elements of a contingency plan. I will not attempt to recapitulate them here. I should note, however, that there remain two principal questions to be resolved. They concern some aspects of participation in the plan, especially the procedure for arriving at decisions to activate a contingency plan, and the general rules of behavior governing the use and acquisition of new reserve assets by individual countries.

VI. Conclusion

To conclude, I want to make three simple points.

1. The deficit in the U.S. balance of payments is running at a rate just half of what it was in 1964 and about one-third of what it was in 1960. This is a creditable achievement in the face of the foreign exchange costs of our military and aid responsibilities and commitments and our position as a supplier of capital. It is even more notable in the face of the foreign exchange costs of Vietnam.

This record has been achieved by programs involving both general and selective measures. We intend to press on toward our goal of equilibrium. The questions concerning this goal are related to time and means. These questions should not be answered solely by the United States, because the rest of the world has both interests and responsibilities in the answers. The most desirable course is to work in cooperation with the surplus countries to achieve the best way of sharing the needed adjustments.

2. The present gold exchange standard has functioned, and is functioning, well. It is an evolving system, which has been made sufficiently flexible to meet the needs of the world and to underpin the great boom in world trade. It can—and undoubtedly will—continue to improve through evolutionary development.

But a factor of some instability could result from the reserve policies of some major trading countries, where tendencies for shifts in reserves and the composition of reserves could place strains on the entire system. Therefore, as the Group of Ten report suggests, it is desirable to have international review of such policies. The great trading nations need to follow both adjustment and reserve policies designed to minimize destabilizing tendencies. The fixed relationship between gold and the convertible U.S. dollar remains a firm foundation of the system.

3. The present sources of reserve growth—newly mined gold and dollars flowing from large U.S. deficits—are unlikely to produce sufficient reserve supply to satisfy the world's needs and desires. Therefore, the case for creation of a new form of reserves seems clear—the question really is "when" rather than "if." Contingency planning for this purpose is going on. It should be encouraged, so as to produce during this next year an agreed-upon plan for activation when needed.

Adequate reserve growth is important, especially in the longer run, to the growth of liberal trade and to the flow of international investment. Foreign traders and investors have a definite interest in assuring an adequate growth trend in world reserves.

Exhibit 55.—Excerpts from remarks by Under Secretary for Monetary Affairs Deming, December 8, 1966, before the Economic Club of Chicago, on the U.S. balance of payments and international liquidity

The U.S. balance of payments

Let me begin with a brief review of the record of the American balance of payments since the close of World War II. We ended the war with the world's strongest economy and with a strong international reserve position. We gave and loaned generously to help restore a healthy world economy in which foreign trade could thrive. We had surpluses averaging $1.75 billion per year on a liquidity basis in our international accounts from 1946 through 1949, despite our great efforts to rebuild a war-shattered world. We had deficits averaging $1.5 billion from 1950 through 1956 and a small surplus in 1957. These helped to produce a better distribution of world reserves and paved the way for significant balanced growth in the world economy and in world trade. But, from 1958 on, the United States was troubled with a far larger than desired—or desirable—deficit.

Now, let me interject two brief technical notes. First, I want to highlight the difference between the deficit on the "liquidity basis" and that on the "official settlements basis." This is important from both a policy and a financing standpoint.

The very term "balance of payments" indicates that it is a "balance"—inflows have to balance outflows. The question is how the deficit is measured—that is, how the financing settlement is achieved.

On the official settlements basis, the deficit is measured by the increase in our liabilities to official monetary authorities. On the liquidity basis, the deficit is measured by the increase in our liquid liabilities, both to monetary authorities and to private holders. Last year, the liquidity deficit and the official settlements deficit were about equal—$1.3 billion each. So far this year—in the first three quarters—the liquidity deficit is running a shade less than last year—about $1.2 billion, annual rate—but the official settlements deficit has disappeared and there is a surplus of about $500 million, annual rate. That is, our liabilities to official monetary authorities have declined. Both figures, of course, may change as a result of fourth quarter results, which will not be known for another couple of months.

The financing point is important because only official holders of dollars have the right to convert them into gold, which affects the U.S. reserve position. Private holdings can come into official hands, but, so long as they remain in private hands, they represent no immediate potential claim on our gold stock.

And, with the dollar being the major transactions currency for world trade, some growth in private holdings is perfectly natural as world trade expands.

The policy point is important also. Balance on an official settlements basis implies no net increase in official holdings of dollars but would leave room for private holdings to rise. If they do rise, we would have a deficit on the liquidity basis, unless official holdings declined by a like amount.

The Committee for Economic Development has just issued today a report, "The Dollar and the World Monetary System." It recommends that we strive to attain equilibrium on an official settlements basis and, by implication, infers that we should have a deficit on the liquidity basis equal to private world demand for increased dollar holdings.

My second technical note relates to the presentation of balance-of-payments accounts, as I use them in this talk. I should note that the CED report I just referred to uses a somewhat similar presentational approach.

Conventional balance-of-payments accounts are grouped into current account, capital account, and errors and omissions. Both current and capital account include private and Government transactions, and capital account excludes investment income and fees and royalties. These, along with travel and transportation transactions, pensions and remittances, and so on, are included in the current account.

The conventional presentation is perfectly straightforward and useful, but, for analytical reasons, I prefer to group the transactions into four basic accounts: (1) Commercial trade and service account, (2) travel and transportation account, (3) private capital account, and (4) Government account.

In my grouping, the commercial trade and service account excludes Government-financed exports and all Government and military transactions. These go into the Government account, along with Government loans, grants, military costs, etc. I do include private pensions and remittances in the commercial trade and service account. The private capital account, as I present it, includes the income items as well as the investment items and also includes "errors and omissions," which seem to be largely unidentified capital movements. Travel and transportation account is, of course, merely presented separately, rather than being included in services.

Finally, for simplicity, all of the figures I cite in this presentation are on the liquidity basis, rather than the official settlements basis. This has the effect of stating the overall deficit in somewhat larger amounts and showing the deficit on private capital account as larger, or the surplus smaller, than it would be under the official settlement basis.

In 1960, the United States had a balance-of-payments deficit of $3.9 billion. On commercial trade and service account, we had a surplus of $2.8 billion. By 1964, that surplus had grown to $3.9 billion—a good rate of growth—but we still had an overall deficit of $2.8 billion.

Travel and transportation account showed a deficit of $1.1 billion in 1960 and $1.2 billion in 1964.

The big minus items were on private capital account and on Government account. Outflows due to direct investment, to foreign borrowing in the American capital markets, to bank lending abroad, and to nonbank outflows were $3.9 billion in 1960 and $6.5 billion in 1964. I would add to this the errors and omissions figures—negatives of $900 million in 1960 and $1 billion in 1964. In addition, there were net outflows on account of foreign investment in the United States—that is, the inflow of foreign investment was smaller than the outflow of payments on foreign-owned direct and portfolio investment. And, even after crediting all income on U.S. foreign investment and fees and royalties, the resulting private capital account—as I define it to include income as well as outflows—showed a deficit on the liquidity basis of $1.7 billion in 1960 and $2.6 billion in 1964. Those figures reflect the fact that, while investment income and fees and royalties had grown significantly from 1960 to 1964, the outflow on direct investment, portfolio investment, bank loans and nonbank financial transactions had grown even faster.

Government account, which includes dollar aid, net military expenditures, debt service, and so on, also was negative—by $4.1 billion in 1960, but by just $2.8 billion in 1964. Efforts made by the Government to tie aid, to reduce the foreign exchange costs of our military requirements abroad, and to make other foreign exchange economies had produced substantial savings between 1960 and 1964.

Unfortunately, our third quarter statistics are not yet fully in hand, so the detail on 1966 performance covers only the first half. The record of the first half of 1966 shows a marked change from 1964. What I call the commercial trade and service account was just $1.1 billion at an annual rate—down $2.8 billion from the 1964 figure. This deterioration reflected primarily the rapid runup in imports, due to a strong economy in the United States. Exports increased, but far less than imports.

The travel and transportation deficit was worse by $400 million than in 1964.

Fortunately, the private capital account showed marked improvement. Gross outflows were down sharply from 1964—due, in part, to the interest equalization tax and, in part, to the voluntary restraint programs. The really big saving came in the position of the banks, which showed an outflow of $2.5 billion in 1964, against an inflow of about $300 million, annual rate, in the first half of 1966. Here, both tight money and the voluntary program combined to produce a major swing.

Direct investment outflow in the first half of 1966 was a bit lower than last year, but higher than in 1964. But income on overseas investment and from fees and royalties grew. So did portfolio investment from abroad—reflecting, in some measure, the attractive interest rates here. The net effect of the various private capital transactions—including net income receipts—was to produce a net inflow in the first half of 1966, as against an outflow in 1964.

Government account, unfortunately, worsened, reflecting mostly the rising foreign exchange costs of military expenditures centered about the Vietnam operations.

The net of developments in the first half—and, for that matter, the first three quarters—of 1966 was that the deficit was held at about the 1965 level, which was just half that of 1964. This was achieved despite Vietnam and a very strong domestic economy—no mean feat.

What is important to note is that both general measures—fiscal and monetary policies—and selective measures have been employed to reduce the deficit. The recent report on the adjustment process of Working Party Three of the Organization for Economic Cooperation and Development suggests that both types of measures may be required to adjust imbalances.

What is also important to note is the strong tendency of our commercial trade and service account to worsen when our own economy steps up its growth rate sharply, relative to other competing industrial countries. This is what happened between 1964 and today. A more sustainable growth rate in the future—a prime goal of policy—would bring about improvement in the current commercial balance.

I now want to come back to the difference between the liquidity and official settlements balance.

As noted, on the official settlements basis, we had a deficit of $1.3 billion in 1965 and, for the first 9 months of this year, we had a surplus of $500 million. Last year, we financed the deficit with an outflow of gold of almost $1.7 billion, offset, in part, by a minor improvement in our IMF position. This year, despite an official settlements surplus, we have had a net outflow of gold of $450 million and a deterioration in our IMF position of about the same amount. So, for the past 21 months, we have financed an official settlements deficit of $800 million with an outflow of gold of about $2.1 billion and a net decline in our IMF position of $400 million—taken together, somewhat more than three times the deficit. The difference reflected a decline in officially held dollar balances and an increase in our holdings of foreign exchange.

While developments in this period point up this problem more sharply than would be the case over a different time span, they do call attention to a fact of some concern. The United States was called upon to overfinance heavily a moderate official settlements deficit with gold and drawings of the IMF. Such a drain on U.S. reserves imposes an unnecessarily heavy strain on the international monetary system.

A more satisfactory development concerns the reduced outflow of gold this year. In the first three quarters of this year, the U.S. gold reserve declined by $450 million. However, $600 million was taken by France alone, and Treasury sales of gold for industrial and commercial uses in the United States took another $100 million. In our other gold transactions, we had a net inflow. France made a prepayment of $70 million to the United States in September and did not request a conversion of dollars into gold last month. There has been some recent decrease in the large and persistent French surplus, though it is not clear whether this is more than seasonal. We will be watching with interest the unfolding results of measures just announced by France for liberalization of the regulations governing foreign access to the French capital markets and freer participation by French investors in capital transactions originating abroad.

Another interesting development has been the very large part of our overall deficit which is reflected in short-term liquid holdings by foreign private banks and individuals. In the first three quarters of this year, the increase in these holdings was actually greater than the overall deficit measured on the liquidity basis. It is for this reason that, on the official settlements basis, which does not count increases in these holdings as part of the deficit, we had a surplus. This phenomenon, in great part, is accounted for by U.S. banks borrowing funds from their branches abroad to supplement their domestic source funds.

Although a large part of the recent increase in privately held liquid liabilities is traceable to the tight money situation in the United States and may, accordingly, be temporary, it is reasonable to anticipate some continuing demand for increased private dollar holdings by foreigners—stemming from growth in world commercial and economic activity. This is the basis for suggestions that we accept the official settlements balance as an equilibrium target. But, so far in 1966, even a surplus on this basis has been accompanied by further drain on our gold stock and our total reserve position. This is a feature that causes concern and represents a destabilizing element in the international monetary system. Any balance or surplus—however defined—which is accompanied by continued large reserve losses cannot be regarded as satisfactory.

International liquidity

I turn last to a brief consideration of the discussions on international liquidity.

Representatives of the Group of Ten and the Executive Board of the International Monetary Fund—as well as other groups, both official and private—have been discussing for some time the possible needs for, and ways and means of, creating new international liquidity. The discussions stem from the fact that the present sources for increases in international reserves are likely to prove inadequate over the coming years and shortages of such reserves could have deflationary effects and lead to restriction of world growth and world trade.

The need for reserve growth is brought out in statistics presented in the International Monetary Fund's annual report for 1966. These data show a declining trend in the ratio of countries' reserves to imports. In 1951, developed countries as a group, including the United States, held reserves equal to 68 percent of annual imports, and the less developed countries as a group stood at 64 percent. In 1959, the ratio for the developed countries had fallen to 60 percent and that for the developing countries to 50 percent. At the end of 1965, this figure had fallen to 43 percent for the developed countries and 42 percent for the developing countries. In the Group of Ten, itself—excluding the United States and the United Kingdom—the ratio of reserves to imports was 30 percent in 1951, rose to 45 percent in 1959, but fell to 41 percent in 1965.

Also to be noted is the trend in reserve growth. During the eight years, 1958–65, world reserves increased by $13.6 billion, averaging $1.7 billion annually. However, excluding the United States—where reserves declined by $9 billion during this period—reserves of all other countries increased by $23 billion, an average of about $3 billion annually. Nearly 75 percent of these reserve gains by other countries was accounted for by deficits in the U.S. balance of payments over the period. Gold and IMF transactions accounted for the remainder.

An observation of trends during the past 3 years, however, reveals that, while overall reserve growth has been maintained, the principal sources of this growth have been changing. In the 12-month period ending in June 1964, new gold supplies accounted for $1.2 billion of the $1.6 billion in reserve growth. In the following year, ending June 1965, there was an increase of $1.7 billion in reserves, with most of it coming in the form of improved positions in the IMF, arising primarily from the substantial drawings by the United Kingdom; almost no new gold entered the system. The United Kingdom drawing, of course, will be repaid, so the addition is not permanent but temporary. Then, in the year ending June 1966, world reserves increased by $2.3 billion, but more than a third of that came as a result of the United Kingdom taking into its reserves some financial assets that had not previously been so counted. IMF operations again resulted in reserve growth, although these were not so significant as during the preceding period. New gold, meanwhile, contributed only about $300 million.

Thus, in one way or another, the pace of reserve growth has been maintained so far, but we have entered into a period in which the sources of further growth are not at all certain.

Based on these considerations, indicating that the supply of reserves from traditional sources—mainly gold and dollars—would be insufficient to meet growing needs, it has become clear that it is necessary to establish a contingency plan for deliberate creation of international reserve assets to be held by monetary authorities in order to supplement their holdings of gold and foreign exchange. It will be useful to establish the machinery as soon as possible, even though activation will depend on an international assessment of the need for reserves.

After a first stage of exploratory discussions in the Group of Ten, a decision was taken last fall by the Ministers and Governors of the Ten and by the International Monetary Fund to engage in a series of joint meetings between the Deputies to the Finance Ministers and Central Bank Governors of the Ten and the Executive Directors of the International Monetary Fund. It was the hope that, through these joint meetings, in which the views of all Fund members would be represented, a consensus would be developed on a specific plan for deliberate reserve creation.

The first of the joint meetings was held in Washington at the International Monetary Fund on November 28, 29, and 30. There was a full and harmonious exchange of views and a consensus was evident on many issues. We are hopeful that the successful beginning of this cooperative effort will lead to the development of a contingency plan for reserve creation for submission to the annual meeting of the International Monetary Fund in 1967.

Exhibit 56.—Remarks by Assistant Secretary Davis, March 1, 1967, before the Zurich Economic Society, Zurich, Switzerland, on the opportunities and risks of financing world progress

It is a great pleasure to return to your Confederation of Helvetian States, for during my stay here as United States Ambassador, I learned much about this great country of yours. I learned about the chemical industry, about the machine tool industry, about your banking industry, and certainly learned much about watch tariffs. But most importantly, I further learned to appreciate the Swiss philosophy of love for freedom and patriotism, for we share these same beliefs in the United States.

Perhaps all of you do not know that when the United States was founded, a large part of its Constitution was "borrowed" from several of your cantonal constitutions and when your Constitution was rewritten in 1848, much of ours was "borrowed" back again.

As the largest democracy in the world, we salute you and your nation for being the oldest democracy in the world.

I returned to the United States in 1965 as Assistant Secretary of the Treasury, a position which I still hold, but in addition to this responsibility, last year President Johnson appointed me as the U.S. Executive Director of the Inter-American Development Bank. This has been both a refreshing and a challenging experience. It has brought me into close professional and personal contact with many of the leaders of the developing nations of Latin America and I have had the opportunity to observe, at first hand, the magnitude of the problems these leaders face in attempting to satisfy their peoples' legitimate aspirations for a better life.

I have learned how this Bank has been able, through its loans and technical assistance activities, to make a major contribution toward meeting some of the pressing needs of Latin America. I have also seen how this relatively young institution has served as an effective catalyst in mobilizing substantial resources from among its own members, as well as from a number of the outward looking advanced countries of the free world, including Switzerland. The Bank's recent sale of bonds in your capital market is an outstanding example of the type of international cooperation a multilateral financial institution can inspire.

Yet for any institution of this type to be successful, it must provide a means of bettering the standard of living of the peoples of these nations, but more importantly, it must offer an opportunity for industrialized nations to further their own trade while they are also offering assistance. In other words, all frontier markets must exhibit proof of performance, for no country is going to invest in a hopeless cause.

Looking back from where we are now, I would assume that 150 years ago, the Mississippi Valley in the United States and the Amazon Valley in South

America offered the same opportunity with the same risk of investment. History has shown that the investment placed in the Mississippi Valley made a handsome profit for the investors who were willing to take the risk, and now the Amazon Valley is potentially ready to return a handsome profit to those who are willing to invest there.

In the era of colonialization, commercial interests had a saying that "trade follows the flag." But today, with the increasing independence of nations, this phrase no longer applies. For now, "exports follow investment."

I do not wish to give you the impression that I consider the desire for more rapid improvement in standards of living and for greater progress to be unique to the countries of Latin America. The pressure for progress is an essential characteristic of every country, whether it is classified as advanced and industrialized, or as emerging and less developed. You might be interested to learn in this connection that one of Switzerland's foremost expatriates, who became one of our greatest Secretaries of the Treasury of the United States—Albert Gallatin—conceived a bold program of economic development and public works in America 160 years ago as a means of absorbing what was then thought to be an embarrassingly large fiscal surplus. While circumstances conspired to prevent implementation of Gallatin's proposals, these were direct antecedents of the massive programs for publicly financed improvements which were to take place during the late 19th and 20th centuries and, spiritually at least, antecedents of efforts to lift the standard of living in the less developed countries of the world today.

We should regard these new markets as opportunities to correct our own nations' deficits. This is not a bottomless well in which we are investing our money, but this is a means of capital development within the underdeveloped nations, and can very easily be compared to the economic investment made in Western Europe following World War II.

There are, however, certain elemental differences among nations which distinguish the richer from the poorer. There is, for example, the contrast between hunger and starvation in some areas, as compared to the fully stocked food shops in other areas. There is the contrast between mud huts and disease-ridden hovels on the one hand and shiny new houses and apartment buildings on the other. And there is the contrast between utter despair over not being able to provide sufficient sustenance for children to survive tomorrow, and concern over such matters as the means of financing automobiles or higher education for children.

The job of narrowing such contrasts as these through assistance to the poorer nations of the world is one of the enormous challenges the free world now faces. To paraphrase a statement by one of our great American Presidents, Abraham Lincoln—the world cannot long endure, one-quarter in gratifying opulence and three-quarters in grinding poverty. It is clear that the cost of helping to finance the poor nations will never be lower than it is today. It is even more clear that the ultimate costs to the richer nations, if they fail to meet this challenge, will rise in geometric proportions as time goes on.

However, let me state that this is a good investment, and one that we in the United States believe not only offers a proper return, but assists in the all important work of helping needful nations to help themselves.

The burden which the richer nations must assume for this purpose—whether through bilateral assistance programs or through the many multilateral institutions such as the Inter-American Development Bank established to act, in a sense, as trustees in this great endeavor—is a heavy one. No single country can, or should it be expected to, carry this burden alone. Every advanced nation has the inescapable duty of contributing its share of the cost.

In the past, some countries have been forced by circumstance and through default of others to carry a disproportionate share of this burden. For more than a decade following the end of World War II the United States carried most of the burden virtually alone. Gradually, as reconstruction progressed in Europe, we were joined by other free world countries in this effort. It is of particular interest that the Russians further joined in recognizing this new productive business to the extent that today Russia enjoys a favorable trade balance with practically every country in Western Europe.

At times, as this larger international effort gathered momentum we heard some say that such countries as France were, in fact, devoting proportionally more of their resources to aiding the less developed countries than was the United States. This fallacious reasoning deliberately ignored the fact that the United States has borne, and continues to bear, the lion's share of the unproductive burden of defending economically and militarily freedom all over the world, Particularly as some of these self-styled leaders in foreign aid withdrew into their national boundaries leaving unfulfilled responsibilities in their former colonies and territories. This defense burden must also be counted in adding up the balance. Finally, I am sure you can well appreciate the lonely burden we also bear because of the dollar's role as a key international reserve currency.

While there is very little new that I can say about the need for a more equitable sharing of the burdens—and in particular the burden of financing progress in the less developed countries of the world—I would like to summarize for you the essentials of my Government's position on the subject.

First, the free world needs to find ways and means of meeting the legitimate needs of those developing countries which are doing what they can to help themselves. It is obvious nothing will happen unless it is good for the nations that are willing to make these investments. This is just like a business which is seeking to expand its activities into a new sales area. Business will not make any money on its investment until it has sold its product in the market place. We believe that these investments in developing nations are sound and will ultimately be returned to us through the means of commercial sales and exchange after these countries and markets have been developed.

Second, the burden of doing this—the cost of financing economic and social progress—should be equitably distributed in such a manner that the objective of satisfactory rates of progress in the less developed is achieved, while at the same time the strength of the donor countries—individually and as a group—is preserved.

Third, the success of these efforts depends crucially on maximum cooperation from developed countries individually on the one hand, and on maximum multilateral cooperation and improved multilateral institutions on the other hand.

Who can say what are the legitimate needs of developing nations? These needs are the development of the hopes and dreams of these peoples.

I would mention briefly the recently inaugurated Asian Development Bank which, with a dozen nonregional countries—including your own country—contributing and joining provides an outstanding example of the type of orderly and productive ties which can, with determination and ingenuity, be devised between the advanced and the less developed countries. The Asian Development Bank and the Inter-American Development Bank epitomize the growing movement toward regional cooperation which stems from a realization that progress in every part of the world requires joint enterprises to develop shared sources of wealth.

In his recent message to Congress on foreign aid, President Johnson referred to this movement as springing from a "philosophy of pragmatic regionalism" reflecting the facts of economic life. "Political unity," the President continued, "is neither required nor expected. But the resources available for development are too scarce to scatter among many countries when greater promise lies in joint action. We must take full advantage of the benefits of cooperation."

President Johnson has established "the guiding principles" on which our U.S. programs will be based, and they are:

"*Self-help.*—Nations develop primarily through their own efforts. Our programs can only be supplements, not substitutes. This is the overriding principle.

"*Multilateralism.*—Every advanced nation has a duty to contribute to its share of the cost.

"*Regionalism.*—The future of many countries depends on sound development of resources shared with their neighbors.

"*Agriculture, health, and education.*—These key sectors are the critical elements of advancement everywhere in the underdeveloped world."

The commercial potential of American agriculture holds the greatest hope for social progress and international welfare of any goal reachable in the 20th century. Investing in world agriculture today to feed the increasing population of the world, offers a greater potential than did the industrial investments of the 19th century. If nations don't want to take advantage of this type of opportunity, then I feel they are shortsighted.

Further, we will defeat world domination by Communism through food production alone. In fact, one of the major reasons leading to Khruschev's ouster was his failure to change the Russian diet from starch to protein.

Nations must be on the alert to increase their productivity in all areas, but particularly we must be conscious of food production in this era of predictable world overpopulation. In order to help these younger nations, we are more than willing to have them tap the great research of American agriculture to "seed and breed" to help themselves.

It is my Government's firm conviction that countries which are accumulating savings in the form of reserves should, if they are to accept their proper responsibilities, permit public and private capital to flow out to the less developed countries in reasonable magnitudes and on reasonable terms. The surplus countries should share their surpluses by giving multilateral and regional financing institutions liberal access to their capital markets.

This is only a starter, however, and should be followed or accompanied by increased outflows of public capital on liberal terms and technical assistance to the maximum extent permitted by the surplus country's internal and external resources. A policy such as this not only increases the help available to deserving less developed countries, but also contributes substantially to effective global balance-of-payments adjustment processes which are essential to the continued operation and stability of the international monetary system.

The "Report on the Balance of Payments Adjustment Process" issued last August by Working Party Three of the OECD's Economic Policy Committee recapitulates these policy considerations, in part, in the following terms:

"It would * * * be desirable for countries in a strong balance-of-payments position to take advantage of the favorable opportunity to increase their aid contributions, either by facilitating the access of international institutions to their capital market or by other means. It would also be advantageous if countries in a strong balance-of-payments position could increase the proportion of their aid which is granted on an untied basis and, where possible, undertake reverse tying."

So far, few of the nations in a position to adopt these precepts have, to my knowledge, chosen to do so despite the obvious and increasing urgency of the needs. On the contrary, it is unfortunately still the case that some industrialized nations which are not pulling their fair share of the load, continue to derive substantial net benefits from untied resources being made available through international and regional financing institutions.

For example, in the so-called hard window of the Inter-American Bank, there has been made available through the end of 1966 convertible currencies in the aggregate amount of $653 million. Of this amount, the Latin American members of the Bank have provided $173 million and the United States has provided $375 million. Other advanced nonmember nations have provided $105 million in the form of funds loaned to the Bank. Against this 16 percent share of the Bank's total ordinary capital resources supplied by these nonmember industrialized countries, it should be noted that as of mid-1966 these countries had enjoyed 28 percent of the procurement business made possible by the Bank's ordinary capital lending operations.

The basic inequity of this uneven benefits-contributions relationship for this one institution alone is obvious. The question clearly arises as to how long such a situation can be allowed to persist. I suggest that it may soon be necessary to take steps to bring about a better balance, a more equitable balance in the relative cost benefits ratio of development assistance by limiting procurement to those nations who are investing in the developing countries of the world.

My Government, for reasons well known to you, will tailor its foreign assistance programs to rest on the basic strength of the dollar and our balance-of-payments position.

As regards our policy of administration, our actions in these areas must be approved by our Congress, which means the American public. President Johnson in all of his actions aspires to public acceptability, and let me assure you that the American public is solidly behind his programs. Given our international monetary responsibilities, this must be so and we must continue to insure that our aid programs have the least possible effect on our balance of payments. The criticisms one hears of our aid policies and in particular of our aid-tying procedures fail to take into any account these broader issues. And they fail to take into account as well the fact that the United States followed a liberal policy in this particular respect over a long period of years when massive amounts of its resources were devoted to the reconstruction of war-torn Europe and to the creation of great multilateral institutions including the International Monetary Fund, the World Bank, and the regional development banks which have played, and will continue to play, such an important role in bringing about a more orderly and a better world in which to live.

The United States is willing to take the initiative in forging a bold new concept to enable less fortunate nations to help themselves. No individual or nation desires charity. They want to develop their own economy to become independent, and then prosperous, and in this area we will assist them.

You can rest assured that the United States will continue to carry its fair share of the burden of financing the world's progress requirements. You can rest assured that we will continue to be in the forefront of freedom's battlefields the world over. You can rest assured that we will continue to seek an early successful conclusion to international monetary reform negotiations, designed to guarantee a prosperous and expanding international financial framework for progress. And you can rest assured that we will be equally unremitting in our efforts to ensure that the other great nations of the free world play their proper and equitable role in all of these great endeavors.

As your forebears fought so valiantly for your freedom in the great battles of Morgarten and Sempach, as did our ancestors in our great battles of Lexington and Yorktown, we are both still primarily interested in the freedom and happiness of mankind. But today, we are involved in an economic war where we are using dollars and francs instead of swords and halberds to defeat our common enemy. We shall withstand the attacks, we shall prosper, and in so doing create a great new and free world for mankind.

Exhibit 57.—Remarks by Assistant Secretary Knowlton, May 2, 1967, before the World Affairs Council, on the U.S. balance-of-payments problem: a long-range strategy

I. Introduction

I want to discuss with you today a problem that is statistical; sexless; senseless, in the eyes of some; and remote in the minds of most. In other words, the U.S. balance of payments.

Despite these distasteful characteristics, the subject has recently been embraced with considerable conversational fervor; the light shed upon it appears to vary in inverse proportion to the conversational heat.

You are all no doubt familiar with the problem in a general way—and many of you are familiar with its intricacies. For every year but one of the last seventeen, the United States has paid out more dollars to foreigners than it has taken in. Some of these dollars have moved into the hands of foreign monetary authorities who can convert them into gold if they so desire. In 1956 the amount of liquid dollars held by foreign countries totaled $14.6 billion, and our gold stock totaled $22.1 billion. By the end of 1966 foreign liquid dollar holdings had grown to $27.9 billion ($13.7 billion in official hands), and our gold stock had dropped to $13.2 billion.

As the problem persists, individual sectors of our society tend increasingly to blame other sectors for the deficit. The prescription of some (outside the administration) is to have us bring back our troops from Western Europe or drastically to reduce our foreign economic assistance programs. Some (not in the financial business) would reduce or eliminate various types of private capital outflows. Others (presumably not members of the jet set) select the American tourist, conveniently pictured as sipping champagne and ogling bare-bosomed girls in a Paris nightclub, as the villain. And still others (usually those doing poorly in trade) would have us erect trade barriers. Each group views its own contribution to the deficit as morally sacrosanct and economically viable in the long run—even if costing us a few dollars in the short run.

As if this chorus were not sufficiently diverting for the policy makers, there is a simultaneous dialogue in progress over whether the steady increase in U.S. liquid liabilities and the steady decline in reserve assets is really a problem at all. Here our advice ranges from that of distinguished professors who view the process as one of normal banking intermediation and exhort us "not to do something but just stand there" to the disciplinary exhortations of foreign central bankers, who pursue cure of the deficit with the religious zeal of Captain Ahab in pursuit of the white whale.

We are confronted, on the one hand, by those who would have us break the link to gold (the only question being whether to do it now, with $13 billion left, or to let it all drain out first) and, on the other, by those who would apply a good dose of old-fashioned economic discipline, stagnate the economy, and, presto, bring ourselves into equilibrium. Somewhere in between are advocates of a dollar bloc.

None of these groups—in my view—lives in the real world as it exists today, or as we want it to exist in the future.

II. Basic assumptions

Today, I want to discuss the U.S. balance-of-payments problem—and our strategy—in what I hope is a more frontal and pragmatic way. Time does not permit me to discuss the closely related problem of international liquidity and the negotiations in progress for the reform of the international monetary system.

With respect to the U.S. balance of payments per se, I will assume that:

—It is a problem.

—The problem must be solved.

—It can only be solved through effective, long-range measures.

—It need not be solved by restrictive measures and can, as a practical matter, be solved largely by a combination of increasing our private balance-of-payments receipts and exercising restraint over our Government outlays.

—It requires an organized approach in which the talents and resources of the Government and private industry are more effectively coordinated.

—And, finally, it cannot be solved without positive action by other countries.

III. The short-term strategy

I will comment on the short-run picture only in passing by saying that shorter term measures include:

—The interest equalization tax, which we are attempting to extend and strengthen;

—the Voluntary Federal Reserve Program to restrain capital outflows from banks and other financial institutions;

—the Voluntary Commerce Program designed to moderate direct investment outflows.

Like the shots of cortisone pumped into Sandy Koufax's left elbow, these measures have enabled us to produce a respectable balance-of-payments performance during a difficult—and presumably temporary—period in which Vietnam costs have had an important adverse impact. They have enabled us to reduce our liquidity deficit in the last 2 years to $1.4 billion, on average, compared to $2.8 billion, on average, in the preceding 5 years; they helped reduce our official settlement deficit to $0.5 billion, on average, in the last 2 years, compared to $2.2 billion, on average, in the preceding 5 years.

IV. The long-range strategy

A. *Goal.*—The U.S. long-range balance-of-payments objective—stated most simply—is to reach and sustain the degree of equilibrium necessary to preserve confidence in the stability of the dollar as a transactions and reserve currency. (I use the word "preserve" advisedly. Confidence in the dollar exists today. The fact that 94 percent of our gold losses to foreign central banks in the last 3 years are attributable to purchases by one central bank suggests these drains relate to factors other than lack of confidence in our currency.)

B. *Structure.*—We must achieve this objective in the right way. I suggest that the most rational and desirable profile for balance-of-payments equilibrium would be one in which:

—The United States would meet its fair share of international commitments on behalf of mutual security in the free world and economic development in the poorer nations of the free world.

—The United States would export private capital. We have the most efficient capital market in the world; to deprive a world that needs capital of access to this economic resource would, over the long run, constitute an act of economic perversity.

—To cover these Government outflows and private capital outflows, the United States would increase its balance-of-payments receipts from a variety of sources, of which the most important are exports of goods and services, including travel; direct investment income, including royalties; and foreign portfolio investment.

C. *Implementation.*—Let me now suggest specific ways in which we can increase the receipts and limit the payments in question. As you will see, achievement of the desired balance-of-payments profile will require new actions, better planning, and a greater sense of urgency on the part of many people. It also requires, in my opinion, far greater self-confidence in ultimate success than many analysts in Government, in business, and in the academic community have lately professed.

1. *Increasing our trade surplus.*—The time has come for us to improve our trade surplus by launching a powerful long-range export drive. Price and cost stability are essential ingredients of success in this endeavor. After outperforming our major competitors with respect to costs and prices in the period 1960–65, we did no better than hold our own in 1966. If we are to increase our market share in the future, as we must, we must again outperform our major competitors in this important respect.

With respect to export promotion, the Commerce Department has already greatly intensified its efforts.

> U.S. trade missions, begun in 1954 largely as goodwill tours, have been entirely recast as vehicles for hard-selling of American products, services, and investments abroad.
>
> Attendance at commercial trade fairs has climbed from 1.6 million persons in fiscal 1963 to an estimated 5 million in fiscal 1967 to date. The number of U.S. firms participating in these fairs has jumped from 147 in 1963 to 522 thus far in 1967 and may well exceed 1,000 by the end of the year.
>
> Commerce is now storing in computers vast new quantities of information on the international trading interests of 23,000 U.S. corporations. Of these, 10,000 are not now exporting but have indicated an interest in doing so. Commerce helps these novice exporters by suggesting a variety of established channels for distributing their products overseas.

The recent report of the National Export Expansion Council (the so-called Kimberly Report) struck just the right note, in my view, when it stated:

"An export expansion program, projected for 10 years, should be planned to analyze the total potential for American exports, market-by-market, based upon three kinds of growth: (1) a normal growth based on an expanding world economy; (2) a penetration growth based on taking business away from foreign countries which are competitors; and (3) the introduction of new products and services which are presently unavailable in world markets.

"There should be an expansion of electronic data processing involving market information, trade opportunities, identification of prospective exporters, and the compilation of export data to permit tabulation of results."

With respect to export financing, we have made progress in the last year in streamlining the operations of the Export-Import Bank. It has simplified its procedures. It has a new rediscount facility. New loan authorizations by the Bank are up 70 percent to an annual rate of $3.7 billion in fiscal year 1967. Additional measures to improve the quality and quantity of support the United States can give exporters in the field of finance are under active consideration by the administration and the Congress.

In the tax field, we have in the last year streamlined regulations relating to exports. The Government has under continuing review the relationship between tax systems here and abroad; if differences exist or should materialize that would put our exporters at an unfair disadvantage, we intend to take appropriate measures to correct the situation.

The United States is extraordinarily competitive at the two extremes of the export spectrum—agriculture and advanced technology. The world food outlook is such that we can be optimistic about the demand for our agricultural production and our ability to supply greater quantities of food to help meet it. In advanced technology, our computer industry—to cite one example—has in the last 15 years reduced the cost of making 100,000 calculations from $1.38 to 3½ cents—the kind of price reduction that does not show up in official statistics measuring national competitiveness. The nature of modern technology is such, furthermore, that it quickly "attaches itself" to other, more humdrum manufactured products (the machine tool is now often computer controlled) so that our technological lead—if maintained—should manifest itself across a growing range of export products.

Thus, given an economic policy in which cost and price stability are emphasized, given adequate support by the Government in the fields of promotion, finance, and taxation, and given adequate interest by exporters themselves, we ought to increase our trade surplus substantially in coming years. We should certainly have that as a major national policy objective.

A U.S. trade surplus $3 billion to $4 billion higher than the $3.7 billion of 1966 is not going to create havoc domestically in an economy with a gross national product of $760 billion or in an expanding international trading world in which the exports of all countries currently exceed $200 billion. We have had a trade surplus of this magnitude before, in 1964. A return to such a level—or new high ground—is essential to a healthy solution of our payments problems.

2. *Increasing our travel receipts.*—As one Washington economist likes to point out, a travel gap is really no different than a banana gap, or a steel gap, or a widget gap. The kinds of institutions and measures necessary to stabilize or narrow the travel gap—$1.8 billion in 1966—are, in fact, similar to those necessary to increase our merchandise trade surplus.

Last year, the U.S. Travel Service operated with a minuscule $3 million budget—a budget that compares with $10 million for Canada, $10 million for Spain, $7 million for Mexico, $5 million for France, and $5 million for Greece.

Imagine what could be accomplished with a major budgetary effort on the part of the U.S. Government—more funds not only for the U.S. Travel Service, but also for improved customs and reception centers, translation services, better park facilities, and so on. One can let one's imagination run wild in terms of a variety of actions—governmental and nongovernmental—that would increase foreign travel to the United States. For example:

Why can't we have an attractive, comprehensive guidebook for the United States, translated into a variety of foreign languages?

Why can't we give foreigners "standby" status on domestic airlines similar to that given to students and military personnel?

Why can't we fill thousands of empty university dormitory beds at vacation periods, provide revenues to the universities in question, and low cost lodgings to foreign student travelers?

Why can't we develop a system of certified guides using U.S. students with a high level of foreign language proficiency and familiarity with U.S. history and points of interest?

Why can't our airlines fight harder at international air conferences for differential air rates encouraging traffic to the United States?

Why can't we have a permanent World's Fair of Science and Technology—a scientific Disneyland, located somewhere in the United States—that would attract tourists and promote U.S. exports as well?

We need more interest, more action, and more imagination by both the Government and the private travel business. I am hopeful that the new travel task force about to be appointed by the President will make recommendations for institutional arrangements and for increased budgetary support of such an effort.

3. *Increasing our direct investment income.*—There is much debate about the effect of direct investment on our trade balance. Some analysts contend that the construction of manufacturing plants abroad preserves markets and promotes American exports. Others allege that the transfer of production from the United States to the foreign country results in a loss of U.S. exports.

One does not have to resolve this debate to reach the conclusion that at the very least direct investment must be sufficiently profitable to permit corporations to send home a steadily increasing stream of dividend and royalty income. The surplus of income over direct investment outflow must grow. Recent performance on this score has been disappointing.

Since the beginning of 1960, U.S.-controlled corporations have invested $42 billion (net of depreciation) in new plant and equipment and working capital outside the United States. The annual amount of such investments—financed from earnings retained from abroad, other foreign funds, and funds from the United States—rose from $3.7 billion at the beginning of the decade to nearly $10 billion in 1966. According to our estimates, this $42 billion investment has produced an incremental return in the form of earnings and royalties of only about 7 percent. (I include retained as well as repatriated earnings in this calculation.)

Since only about 37 percent of the financing for this investment came from the United States, the performance in balance-of-payments terms has been better but still inadequate. The annual excess of dividend and royalty income over direct investment outflows doubled, from $1 billion to $2 billion, in the period 1960–62. It has since remained on a $2 billion plateau.

These poor results can be attributed, in part, to a number of special factors—hopefully largely nonrecurring.

It would be difficult for corporate managements to increase domestic investments across a broad range of industries as rapidly as these expenditures have been climbing abroad in recent years without making mistakes. The business of making investments abroad is inherently more difficult than making them here—there are the added difficulties of language, distance, finding personnel. Mistakes have undoubtedly been made, and it seems reasonable to assume that recent rates of increase cannot be sustained on sound business grounds.

There has undoubtedly been an element of "fashion" in recent overseas spending. A study last fall by a New York investment banking firm of 40 U.S. corporations accounting for 70 percent of U.S. direct investment in Western Europe indicated that almost half gave the desire "to be a world-wide enterprise" as the most important reason for making the investments in question; only 10 percent gave the desire to "earn a higher rate of return or profit margin" as the most significant motivation.

Even the best conceived investments of the last 2 years may not yet be providing maximum potential rates of return because of start-up costs.

Growth rates in certain important countries have slowed; favorable results have thus been delayed.

The cost of financing abroad is higher than here. In response to the voluntary programs administered by the Department of Commerce, firms have been financing a larger percentage of their investment with funds obtained outside the United States—67 percent in 1966 as against 54 percent in 1960. The higher cost of foreign financing should have only a minor impact over the long run—but it has its most telling impact in the early stages of operation.

Past investment ought to become more profitable as mistakes are corrected, and operating rates improve. Future investment decisions by business should be more selective and prudent. If these favorable trends can be coupled with a moderate further reduction of direct investment outflows from the United States as European capital markets adjust to higher levels of overseas borrowing by U.S. corporations, the excess of our dividend and royalty receipts annually over direct investment outflows—could and should increase by $2 billion to $3 billion by the end of the decade.

Our present program and our long-range strategy are based on this premise.

4. *Increasing foreign portfolio investment in the United States.*—Just as the U.S. travel industry must regard the sale of U.S. travel facilities to foreigners as an export, so the financial community should look upon U.S. securities as exports.

In exercising its fiduciary responsibilities, the investment community cannot, of course, put itself in the position of never recommending sales of domestic securities by foreigners. However, a number of the factors that make the United States a natural exporter of capital (its efficient money and capital markets make it cheap and convenient for foreigners to raise funds here) also make it a natural importer of certain types of foreign capital over the long run. The breadth of trading in our securities, the quantity and quality of information available on corporations, the speed with which information is transmitted to stockholders, the variety of investment instruments that are available (a new kind of mutual fund has recently been invented) make the United States a place where every long-term investor should put a portion of his savings. If he does, then outflows of other needed types of capital from the United States will be offset, in part, by these inflows, and we will have a more rational, if not perfectly balanced, two-way flow of funds.

The Fowler Task Force Report of 1965 addressed itself to this problem. Passage of the Foreign Investors Tax Act, designed to end tax discrimination against foreign investors, represents the latest and most important effort of the Government to implement the recommendations of that group.

The financial community is already hard at work selling securities to foreigners. It can probably do more.

Is there any way in which the industry can organize itself, on a cooperative basis, to provide foreign investors with more up-to-date, consistent information on changes in securities regulations? to translate brokerage material into foreign languages? and to encourage more corporations to translate reports into foreign languages?

Can foreign investment decisionmakers be brought here more often and in larger numbers to visit companies uniquely American in managerial approach and in technological and merchandising skill? If such visitors were interested in obtaining first-hand exposure to U.S. economic policymakers—whose views are not irrelevant in investment decisionmaking—top Government officials would be at their disposal.

Looking to the more distant future, should our stock and commodity exchanges view themselves in more global terms, open for longer hours, providing material in all major languages, and beaming quotations via communications satellites to the major financial centers of the world?

There may be considerable scope also for investment in a variety of medium- and long-term U.S. instruments by those stewards of central bank assets who are more concerned with the creative utilization of their nation's reserves than with the preservation of sterile and outmoded traditions. As the Bible tells us, the steward who buried his master's talent in the sand was dismissed; those who wisely invested the talents entrusted to them earned their master's trust and praise.

5. *Limiting Government foreign exchange expenditures.*—We in the Government must not delude ourselves or others that the balance-of-payments deficit will disappear automatically when the Vietnam fighting stops and our foreign exchange costs in Southeast Asia drop. They will drop—and hopefully quite substantially—but like the month of June, they may "bust out all over" again, in other forms, unless we exercise self-discipline and insist that other nations do their fair share—in the military and economic assistance field—in meeting joint responsibilities.

We have already made quite an effort to hold down the foreign exchange costs of our military and economic assistance programs.

We have tied our bilateral aid so that virtually all of our aid money returns to us in the form of exports. Our job now is to make sure that the exports we receive from aid-tying do not simply substitute for exports we would have received anyway. A Treasury-Commerce-State-AID team will begin visits later this month to a number of major aid-recipient countries to see how performance can be improved.

We must intensify our technical assistance efforts, training personnel in less-developed nations in the skills needed to sell and service U.S. products in their home countries. The U.S. Government should consider bringing more technicians from developing countries to the United States for training, not only in order to obtain exports while our aid programs are in progress but also after they have phased out.

In the field of multilateral economic assistance, the emergent Asian Development Bank with 20 percent of the capital provided by the United States, and the rest by Japan, Canada, Western Europe, and other regional donors represents the kind of burden sharing necessary if the industrial nations are, together, to promote economic progress in the less-developed world in the decades ahead.

With respect to other multilateral institutions, an increased U.S. contribution to the World Bank's soft loan window (International Development Association) will be contingent upon satisfactory balance-of-payments safeguards. The Executive Directors of the Inter-American Development Bank are looking at ways in which the balance-of-payments burden of their operations can be more equitably distributed.

In the military field, the Defense Department has already taken a broad range of steps—in the handling of procurement, construction, and personnel—to minimize the balance-of-payments costs of its activities. It has accelerated the sale of military equipment. Trilateral discussions between Germany, the United Kingdom, and the United States, the results of which are to be announced today, have included consideration of the problem of equitable financing of required troop levels.

The determination of a nation's "fair share" of economic and military assistance is not a simple matter. As Secretary Fowler recently stated, this issue can no longer be resolved solely by relating the size of a given country's contribution to the size of its gross national product. The form in which a donor provides aid, the terms of its aid, and its international liquidity position must be taken into account.

With U.S. negotiators approaching these critical matters in this spirit, I am confident we will cut the foreign exchange costs of our various overseas commitments from present levels when the fighting in Vietnam stops.

V. Summary

What I have been suggesting today is that a marginal change in world trading patterns, spearheaded by a well organized, long-range U.S. export drive, can increase our trade surplus by $3 billion to $4 billion; that more profitable overseas direct investment and a continuation of our present strategy, which calls for financing more of that investment from overseas sources, will lead to a $2 billion to $3 billion gain in our direct investment accounts; that a more vigorous effort in the travel field will enable us, at worst, to prevent further deterioration in the travel deficit; that better organized efforts to sell U.S. securities by the U.S. securities industry will lead to a secular uptrend in foreign portfolio inflows compared to the flat trend of recent years; and that governmental discipline and hard-headed negotiations on burden-sharing will enable us to reduce official foreign-exchange expenditures.

Together, these changes—which do not alter the character of the U.S. role in the international world—could bring a dramatic overall change in our balance-of-payments results.

It would be naive to expect all of these things to happen quickly, or easily, or all of them to fall into place together in a given year.

As we move toward equilibrium by reducing our deficits, other countries with payments imbalances in the form of surpluses must also move into equilibrium. The program that I have outlined above for the United States calls for adjustment in the trade surpluses of these countries, improvement in their capital markets, and the export of more capital from them on more generous terms to the less-developed world.

Many countries have been seduced by the belief that time alone would yield a solution to their deficit. Milton Gilbert of the Bank for International Settlements has put it as follows:

"In case after case in the postwar period we have seen deficit countries procrastinate and play around with half measures while the situation deteriorated, while reserves were drawn down, and while liquid resources were borrowed from abroad—not because the need for policy action was not clear but because political difficulties stood in the way of firm action. And then, as the means of financing the deficit became scarce and a crisis developed, such obstacles were brushed aside; the policy actions previously claimed to be impossible and unworkable suddenly became possible and did work."

In the last resort, other deficit nations have invariably turned to a variety of restrictive devices to solve this problem: among them, controls on capital flows, on tourism, on trade; deflationary measures that have slowed demand for imports, increased exports, and at the same time thrown hundreds of thousands of individuals out of work. Surely these are not appropriate measures for the United States. Surely the United States has the time to solve this problem through the application of sound long-range measures.

Today, I have tried to list the kinds of positive, expansionary measures that I believe will solve our problem. Taken alone, certain of the measures I have described will have a trivial impact. But the cumulative impact of all these measures could be great—resulting in better business for the American businessman, greater long-range flexibility for the U.S. Government in international affairs; and a larger—not a smaller—economic pie for the world.

Exhibit 58.—Treasury and Federal Reserve foreign exchange operations, February–September 1966

This ninth 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 Federal Reserve Bank of New York, and Special Manager, System Open Market Account.[1]

During the past 6 months, the international financial system was again subjected to considerable buffeting, particulary during the first 3 weeks of July when speculation against sterling reached major proportions. The impact of these pressures was cushioned, however, by use of the Federal Reserve reciprocal currency network and other central bank credit arrangements which, in the case of sterling, provided the time needed by the British Government to plan and put into effect the sweeping corrective program announced on July 20. By late August the sterling and other exchange markets had settled down to reasonably

[1] For previous reports on Treasury–Federal Reserve foreign exchange operations, see 1962 annual report, pp. 469–480; 1963 annual report, pp. 386–393; 1964 annual report, pp. 322–339; 1965 annual report, pp. 417–439; and 1966 annual report, pp. 473–495.

well balanced and orderly trading but in an atmosphere of continuing anxiety.

Against this background of market uncertainty, the Federal Reserve broadened earlier discussions of increases in several of the swap lines to negotiation of a general expansion of virtually the entire network. The general objective of these negotiations was to increase the reciprocal credit facilities available, both to the Federal Reserve and to its central bank partners, to levels well above the size of any routine drawings that might reasonably be expected and thus to create a broad margin of safety against any unforeseeable threats to international currency stability. As a result of these negotiations, the Federal Reserve swap network has been enlarged from $2.8 billion to $4.5 billion.

Partly due to the backwash of the speculative pressures on sterling and partly reflecting seasonal payments patterns, the Federal Reserve made several drawings on the reciprocal currency lines during July and August in order to absorb flows of dollars to certain continental European central banks. A total of $150 million equivalent of Swiss francs was drawn in July under the arrangements with the Swiss National Bank and the Bank for International Settlements (BIS); drawings also were made under the arrangements with the Netherlands Bank in the amount of $65 million equivalent, with the National Bank of Belgium for $30 million equivalent, and with the Bank of Italy for $225 million equivalent. In late August the entire drawing on the Bank of Italy was repaid from a U.S. drawing of lire from the IMF, and a repayment of $10 million was made on the drawing from the National Bank of Belgium. As of August 31, therefore, the total outstanding drawings by the Federal Reserve amounted to $235 million.

During the course of the late spring and summer months, the Bank of England drew on the swap line with the Federal Reserve, and $300 million remained outstanding as of August 31. With the increase in the Federal Reserve-Bank of England facility to $1,350 million, there thus remains available to Britain somewhat more than $1 billion of unused credit facilities under the arrangement. Moreover, on September 13 the Bank of England announced the negotiation of new facilities with other central banks. Apart from the new facilities the Bank of England still has at its disposal important unused facilities arranged previously. Finally, in August the Bank for International Settlements drew $75 million from the Federal Reserve under the reciprocal credit facility that provides for drawings against European currencies other than Swiss francs.

In April and May, before the exchange markets became disturbed by flows of volatile funds, the U.S. Treasury also made further substantial progress in retiring outstanding obligations in the foreign currency series. In the summer of 1965 a good start had been made in repaying German mark-denominated obligations of the Treasury as the German balance of payments moved into deficit, and further progress continued through July 1 by which time the total mark obligations outstanding had been reduced from a peak of $679 million to $350 million. In addition, opportunities appeared to acquire Swiss francs and Austrian schillings, and repayments of $46 million of Swiss franc securities and $50 million of Austrian schilling securities were effected. As a result, such Treasury foreign currency obligations were reduced on balance by $400.2 million equivalent from the peak of $1,259.1 million in July 1965 to $858.9 million equivalent on September 6, 1966. Since the Treasury regards such foreign currency obligations only as a means of financing temporary balance-of-payments deficits, it naturally takes advantage of every market opportunity to retire such obligations at maturity or, in certain circumstances, to effect repayment in advance of maturity.

During the period under review, the Bank of Italy continued its cooperative efforts to minimize the impact on world financial markets of Italy's heavy balance-of-payments surplus. As previously noted, the Federal Reserve made drawings of $225 million in Italian lire on the swap line of the Bank of Italy in July and early August, and this swap drawing was liquidated later in August. The lire needed to repay the Bank of Italy were acquired by a U.S. Treasury drawing of $250 million equivalent of lire from the International Monetary Fund (IMF). In order to insure that the Fund's supply of lire would be adequate to finance such a U.S. drawing, the IMF, whose lire holdings were at a low level, arranged to borrow from Italy the lire needed for the U.S. drawing. This transaction was of material benefit to the United States and Italy, and it demonstrates the flexible manner in which the Fund can assist reserve currency countries as well as other countries in financing their balance-of-payments surpluses and deficits.

Sterling

Sterling enjoyed a 6-month period of recovery, following the announcement of new international support for the pound on September 10, 1965. As dollars flowed back to the Bank of England between September and February 1966, the Bank repaid in its entirety $890 million in short-term credit received from the Federal Reserve and the U.S. Treasury and, in addition, succeeded in liquidating a substantial part of its forward exchange commitments. In late February, however, sterling began to weaken once again, and by July the pressures had reached crisis proportions. Indeed, even when the British Government reacted to the massive attack on the pound by announcing on July 20 a profound and far-reaching austerity program, the exchange markets were so demoralized after 2 years of almost continuous tension that there was no immediate recovery in sterling. To be sure, the intense selling wave was stemmed, but market sentiment remained extremely cautious and after a brief upward surge the sterling rate again declined. By early September, however, there was evidence that the British Government's determination to defend sterling would receive broad public support and that the program was already beginning to show results.

At the end of February the sterling rate moved below par for the first time since September 1965, as the exchange markets became more cautious in view of the disappointing January trade results and the impending British general election scheduled for late March. These uncertainties were reflected particularly in a reduced volume of trading in sterling and an increased vulnerability of the spot rate to any downward pressures. When the sterling rate dropped very sharply on March 9, to $2.7930, the Federal Reserve entered the market with heavy bids for sterling. This reminder of continued U.S. official support quickly reassured the market, and sterling rebounded to about $2.7960 on the following day. Over succeeding weeks, however, the pound again eased as the uncertainties generated by the approaching election were reinforced by an increasing stringency in the Euro-dollar market—a development that was to intensify in coming months and exert recurrent pressure on sterling as funds flowed from London.

The Labor Party's decisive victory at the polls on March 30 produced little reaction in the exchange markets since this result had long been anticipated. Indeed, the markets remained relatively quiet throughout April, awaiting Chancellor Callaghan's new budget. When the budget was announced, however, the market interpreted it as being only moderately restrictive, with the principal provisions not taking effect until the fall, and initially there was some selling of sterling. With support from both the Bank of England and the Federal Reserve, the market soon regained its equilibrium, but it remained vulnerable to any new setbacks.

In this atmosphere the outbreak of the British seamen's strike in mid-May was a devastating blow. Sterling quickly declined to about $2.7900 in heavy trading, and as the strike dragged on, the market became increasingly apprehensive. The announcement of a large reserve decline in May heightened the general tension, and the first of a series of intensive and prolonged selling waves began on June 3. Relief from these pressures was provided temporarily by the announcement in mid-June that the short-term credits from European central banks which had formed part of the September 1965 arrangements in support of the pound had now been placed on a continuing basis, this time including French participation. The Federal Reserve and U.S. Treasury participation in the September 1965 arrangements continues to be available to the United Kingdom alongside these other facilities.

The respite for sterling provided by the announcement of this arrangement was short-lived, however, as increasing stringency in the Euro-dollar market left British interest rates not fully competitive, with consequent outflows of funds from London in late June. While spot sterling came under pressure, forward sterling quotations narrowed and a sizable arbitrage incentive in favor of the United Kingdom developed in relation to short-term instruments in the New

York market. Consequently, the Federal Reserve Bank of New York, with the agreement of the Bank of England, undertook market swap transactions in which, for System and Treasury accounts, it bought a total of $66.6 million equivalent of sterling spot and sold it for delivery one month forward. This operation reduced the arbitrage incentive to shift funds from New York and at the same time eased exchange market pressures and bolstered spot sterling quotations.

As the maritime strike continued and the situation in Rhodesia remained unresolved, market sentiment steadily deteriorated. Despite a 9 percent rise in exports in the 5 months prior to the outbreak of the strike, the United Kingdom's trade account had not improved significantly over the corresponding months of 1965 as import demand had remained abnormally high. Moreover, the figures released at the end of June indicated that in the preceding 4 months, British reserves had declined by $372 million, even after recourse to central bank assistance. In addition, uneasiness was heightened by evidence of dispute within the Labor Party over the proposed tightening of the incomes policy, an important element in the long-term resolution of Great Britain's payments difficulties. The resignation from the Government of Mr. Frank Cousins, a veteran trade union leader, proved particularly disturbing to market confidence.

Selling pressures on sterling intensified, reaching very heavy proportions in mid-July. In the face of these sales, the Bank of England continued to provide firm support for the pound in both spot and forward markets, and on July 14 raised its discount rate from 6 percent to 7 percent and doubled the special deposits required of the London and Scottish banks. The market, however, shrugged off the discount rate increase as merely a technical adjustment to rising interest rate levels abroad. That same afternoon Prime Minister Wilson, in speaking to Parliament, confirmed that Britain was faced with a new financial crisis and warned that additional measures would be taken by the Government. As tension mounted, sterling was heavily sold in both the spot and forward markets, but determined resistance by the Bank of England prevented the market situation from getting out of hand.

Against this background, the British Government on July 20 introduced a massive austerity program that called for a wage freeze, restraint on prices and dividends, additional taxes, reduced travel allowances, and further curbs on public expenditures both at home and overseas. The new program clearly strikes at the problem of excessive domestic demand and, given adequate time, should prove effective. Reflecting the confidence of the U.S. Government that the British program could accomplish its objectives, the Federal Reserve moved into the sterling market shortly after the British Government's announcement on July 20 in order to stem, and if possible reverse, the drain on the Bank of England's reserves. By July 22 the sterling rate had recovered from $2.7866 immediately before announcement of the new program to a level above $2.7900.

In the final week of July and the beginning of August, the sterling rate held fairly steady, but no vigorous recovery developed as the market waited to see whether the British Government would succeed in carrying through so drastic a program. Indeed, sterling remained vulnerable to downward pressures throughout the month of August, and as yields on dollar-denominated investments rose rapidly, exerting a strong pull on funds from London, the spot sterling rate declined to $2.7880 while forward sterling discounts narrowed very sharply to under 1 percent. Nevertheless, there is already evidence that the British Government's new program has begun to take hold at the same time that the measures introduced in the April budget are also taking effect. Even before the full effect of these corrective measures is felt, the technical position of sterling, which has been grossly oversold in recent months, should bring about a strong recovery of the sterling rate. In the meanwhile, with the reinforcement of the Bank of England's credit lines that has now taken place with the Federal Reserve and other central banks, the Bank clearly has ample resources to deal with any temporary speculative flurries that might otherwise impede the progress of recovery.

Federal Reserve reciprocal currency arrangements and commitments

[In millions of dollars equivalent]

Institution	Total facility		System commitments Aug. 31, 1966
	Feb. 28, 1966	Sept. 15, 1966	
Austrian National Bank	50	100	
National Bank of Belgium	100	150	20
Bank of Canada	250	500	
Bank of England	750	1,350	
Bank of France	100	100	
German Federal Bank	250	400	
Bank of Italy	450	600	
Bank of Japan	250	450	
Netherlands Bank	100	150	65
Bank of Sweden	50	100	
Swiss National Bank	150	200	75
Bank for International Settlements	[1] 300	[1] 400	75
Total	2,800	4,500	235

[1] Half is available in Swiss francs and half in other European currencies.

Swiss franc

The Swiss franc declined steadily during the first quarter of 1966 as a result of seasonal influences and sizable outflows of capital induced by easy monetary conditions in the Swiss market, rising Euro-dollar rates, and attractive yields on offshore U.S. corporate issues. In early March, when the Swiss franc fell to $0.2304⅛ the Swiss National Bank sold dollars to moderate the rate decline and replenished its dollar holdings by selling Swiss francs to the Federal Reserve and U.S. Treasury.

From February through early April, the U.S. authorities bought a total of $118 million equivalent of Swiss francs. With these francs, the Federal Reserve System fully repaid its $40 million equivalent German mark-Swiss franc swap with the BIS, while the U.S. Treasury liquidated a similar swap for $15 million equivalent (see *Federal Reserve Bulletin* for March 1966). The System temporarily added $46 million equivalent to its Swiss franc balances, simultaneously selling these Swiss francs forward to the Treasury for delivery on May 16 and July 20, on which dates the Treasury repaid at maturity two Swiss franc-denominated securities issued to the Swiss National Bank as fiscal agent for the Swiss Confederation. (These repayments reduced the amount of such commitments from $349.9 million to $303.7 million equivalent.) At the same time the Treasury added $17 million equivalent to its Swiss franc balances. In addition, the Treasury purchased $18 million in gold from the Swiss authorities.

During April monetary conditions in Switzerland tightened and the Swiss franc began to strengthen. When the rate reached its effective ceiling of $0.2317½ in early May, the Swiss National Bank entered the market as a buyer of dollars for the first time since the beginning of the year. The franc remained at the ceiling in subsequent weeks as the Swiss banking community began to repatriate funds to meet midyear liquidity needs and as foreigners who had previously borrowed Swiss francs switched to less costly Euro-currencies, purchasing Swiss francs to pay off their borrowings. At the same time mounting pressures on sterling added further to the demand for Swiss francs. Consequently, during May and June the Swiss National Bank took in $200 million through outright purchases and an additional $82 million in short-term swaps with Swiss commercial banks to help provide for their temporary midyear requirements.

By July, uncertainties generated by the pressures on sterling again dominated the foreign exchange markets, and the usual reflux of funds from Switzerland following the midyear window-dressing date was sharply reduced. As some additional funds gravitated to the country, the franc remained at or close to its ceiling. Accordingly, in July the Federal Reserve reactivated its swap facilities with the Swiss National Bank and with the BIS—drawing $75 million of francs from each bank to absorb uncovered dollars from the Swiss National Bank. In addition, the Swiss authorities purchased $20 million of gold from the U.S. Treasury. Thereafter, however, pressures on sterling subsided somewhat, and with yields on dollar investments moving higher during late July and August, funds once more began to flow out of Switzerland, and the franc eased to levels well below its ceiling.

German mark

The deficit that had emerged in the German balance of payments during 1965 continued at a reduced rate in early 1966. In the first 5 months of this year official German reserves declined by $310 million (exclusive of a payment on its increased IMF quota), reflecting short-term outflows of funds attracted by higher Euro-dollar rates and rising net overseas expenditures for services. Consequently, during this period the mark was generally on offer at rates somewhat below the parity of $0.2500.

The ready availability of German marks enabled U.S. monetary authorities to continue purchasing marks—as they had since June 1965—in order to repay medium-term mark-denominated U.S. Treasury indebtedness to the German Federal Bank. By March 1, 1966, some $175 million equivalent of such bonds had been repaid (see *Federal Reserve Bulletin* for March 1966). In the next 4 months a total of $117 million equivalent of marks was purchased for Treasury account, mostly in the New York market. The Treasury used these marks, together with balances on hand, to redeem at their respective maturities on April 1, June 1, and July 1 an additional $150 million equivalent of mark-denominated bonds held by the German Federal Bank. Thus in the course of 12 months ended in mid-1966, the Treasury had reduced its mark-denominated bond indebtedness by $326 million to $350 million equivalent.

The German Federal Bank had been pursuing a generally more restrictive monetary policy throughout 1966, and on May 26, in line with this policy, it announced an increase in its discount rate to 5 percent from 4 percent. With large tax payments also falling due in June, the German money market tightened toward midyear. This factor, together with increasing pressures on sterling, the usual midyear window-dressing operations, and the beginning of a recovery in the German trade position following a sharp deterioration in 1965, contributed to renewed demand for marks. By late June the spot mark had risen to parity. The further worsening in the sterling situation and the continued improvement in Germany's trade account imparted additional strength to the mark in July, and by the end of that month official German reserves were $391 million higher than at the end of May. More balanced conditions emerged in the exchanges in August, however, and mark quotations steadied at about $0.2506.

Italian lira

Italy continued to register a substantial balance-of-payments surplus during the first 8 months of 1966. The surplus was smaller than a year earlier, however, partly because of a wider trade deficit but mainly because of a sizable outflow of long-term capital attracted by the high yields available in the international bond market. In addition, Italian commercial banks once again began supplying fairly important amounts of short-term funds to the Euro-dollar market in the early months of the year. These short-term outflows offset the overall surplus, and Italian official reserves changed little during the first half of 1966.

At the beginning of 1966 the Federal Reserve had outstanding a drawing of $100 million under its swap arrangement with the Bank of Italy. In February it liquidated this drawing—using $50 million equivalent of lire purchased in a special transaction with a foreign central bank, and $50 million acquired through a sterling-lira swap with the BIS. In March and May there were occasionally small offerings of lire in the New York market, and the Federal Reserve purchased a total of $10 million equivalent. These lire were used on May 25 to reduce the third-currency swap with the BIS from $50 million to $40 million equivalent.

In June demand for lire began to rise as Italy's tourist season moved into full swing. By this time, moreover, most Italian banks had already eliminated any net liability position vis-a-vis foreigners, and in these circumstances the Bank of Italy was no longer prepared to shift dollars abroad through short-term swaps with those commercial banks at preferential rates. As a result, the Italian payments surplus was increasingly reflected in the growth of official reserves, which rose rapidly during the summer months.

Accordingly, the Federal Reserve drew on its $450 million swap facility with the Bank of Italy in July and early August, absorbing a total of $225 million from the Italian authorities. These drawings under the swap arrangement were liquidated through a U.S. drawing of $250 million equivalent of lire from the IMF on August 22. The lire drawn from the Fund were sold by the U.S. Treasury to the Federal Reserve, which in turn used $225 million equivalent to repay in full its swap commitment to the Bank of Italy. The remaining $25 million equivalent, plus $1 million of existing lira balances, was used to reduce to $14 million the sterling-lira swap with the BIS. Technical forward commitments in Italian lire undertaken by the Federal Reserve and the Treasury in 1965 remained unchanged during the period covered by this report.

Belgian franc

The Belgian franc traded below its ceiling during the first half of 1966, as the sizable current-account surplus of the previous year gave way to a small deficit. In the late spring, however, as credit policy in Belgium tightened and the money market firmed, the spot franc rate began to strengthen. The National Bank of Belgium moved to reinforce its existing measures of restraint by raising its discount rate by ½ percentage point to 5¼ percent on June 2. Nevertheless, official reserve gains remained small until July, when funds were repatriated as a result of both the domestic liquidity squeeze and the speculative pressure on sterling. The spot franc rate moved to its ceiling in late July, and the National Bank began purchasing fairly sizable amounts of dollars.

In order to absorb some of the rapid increase in Belgium's holdings of dollars, the Federal Reserve in August reactivated the $50 million standby portion of its $100 million swap facility with the Belgian National Bank and purchased a total of $30 million from the Belgian authorities. Later in August, however, the Belgian money market eased and funds once again began flowing abroad in response to higher dollar investment rates. The National Bank then began to supply foreign exchange to the market and to cover these losses by purchasing dollars from the Federal Reserve. Thus, by the end of the month the System was able to reduce its short position in Belgian francs to $20 million equivalent.

Dutch guilder

The Dutch guilder was generally on offer during the first 4 months of the year, as both seasonal weakness and some special factors contributed to a widening in the Netherlands trade deficit. Occasionally, tight money market conditions in Amsterdam induced inflows of short-term funds which temporarily offset the downward pressure on the guilder rate, but on balance quotations eased noticeably. As early as January the guilder was quoted below par, and by late April it had reached the lowest level since the revaluation of March 1961.

Effective May 2 the Netherlands Bank raised its discount rate to 5 percent from 4½ percent in order to curb the growth of domestic bank credit and stem the deterioration of the Dutch balance of payments. The guilder immediately rallied and then continued to rise, reaching par by early June.

After midyear, increasingly tight money market conditions in Amsterdam and growing tensions in the sterling market led to a sizable inflow of funds. As a result, Dutch reserves increased by $94 million in July and rose further in early August, and the Federal Reserve reactivated its $100 million swap facility with the Netherlands Bank—drawing a total of $65 million of guilders and using them, together with $2.5 million of guilder balances, to absorb an equivalent amount of dollars. By mid-August, however, the Dutch money market had eased and, as increasingly attractive interest rates on dollar investments were exerting a pull on Dutch funds, there was no further need for System operations in guilders.

Austrian schilling

Austria's international reserves decreased in late 1965 and early 1966, as a consequence of a weakening in the Austrian balance of payments. In order to meet this development, the Austrian National Bank in April sold to the U.S. Treasury $25 million of Austrian schillings, and the Treasury used these schillings to repay at maturity an Austrian schilling-denominated Treasury bond. Austria's overall payments position then improved, and through the early summer months the Austrian National Bank was able to add somewhat to its reserves. In late August, however, there was again an outflow of funds from Austria, and official reserves declined. Once again, this provided an opportunity for the Treasury to acquire Austrian schillings, and on September 6 the Treasury paid off another $25 million equivalent Austrian schilling-denominated bond, thereby reducing its total schilling-denominated indebtedness to $50 million equivalent.

Canadian dollar

Movements in the Canadian dollar rate during the early months of the year were significantly influenced by fluctuations in the volume of new Canadian securities offered in New York. At the same time, seasonal weakness in the trade account and Canadian Government purchases of about $110 million of U.S. holdings of Canadian Government debt resulted in a decline of $323 million in Canada's official gold and dollar reserves during the first half of the year (after payment of $47 million to the IMF in connection with its quota increase).

About mid-June, however, the return of seasonal strength in Canada's external accounts, announcements of some fairly sizable new securities sales in New York, and conversions of sterling by Canadian exporters as the pound came under increased pressure led to a firming of the Canadian dollar rate. Moreover, the announcement on June 20 of a new Canadian-Russian wheat agreement, providing for shipments to Russia of $740 million of wheat over 3 years, helped to sustain market demand. Official reserves nevertheless declined once again because of additional official purchases on July 2 of $31 million of U.S.-held Canadian Treasury securities.

Canadian dollars also were actively sought in the forward market during much of the period as a result of covered conversions by Canadian banks of domestic time deposits into U.S.-dollar investments. In early summer this demand was reinforced by intermittent buying by grain interests and by exporters hedging future sterling receipts. The latter activity subsided in August, however, when an easier tone also reappeared in the spot market, with quotations fluctuating narrowly just below $0.9300. There were no Federal Reserve or Treasury operations in Canadian dollars during the period except for those relating to IMF transactions described below.

Other currencies

There have been no official U.S. transactions in French francs, Japanese yen, or Swedish kronor this year.

International Monetary Fund

During the period under review the United States made two types of drawings on the IMF. The first, designated "technical," extended the practice initiated in February 1964 of obtaining currencies from the IMF for sale to other countries making repayments to the Fund (see *Federal Reserve Bulletin* for September 1965, pages 1235–1236, for detailed explanation of this type of operation). The U.S. Treasury arranged between March and August for drawings totaling $300 million equivalent of Canadian dollars. Whereas earlier the facilities were drawn on in their entirety at their inception, under current arrangements drawings are made periodically, as needed.

The second type of drawing was of the more conventional type in which member countries obtain currencies for use directly in the financing of their international payments deficits. The United States first had recourse to the Fund in this manner in July 1965 when it made a multicurrency drawing equivalent to $300 million and used most of the drawing to fund earlier short-term credits. On August 22, 1966, the Treasury again went to the Fund for this purpose, drawing $250 million equivalent of Italian lire and subsequently selling the lire to the Federal Reserve for liquidation of its $225 million equivalent swap commitment to the Bank of Italy and a partial repayment of a sterling-lira swap with the BIS. The Fund, whose lira balances were at a low level, borrowed the required lire from the Italian government under an agreement lying outside the $6 billion General Arrangements to Borrow (GAB). This was the first occasion on which the IMF had employed its authority under the articles of agreement to borrow needed currency from a member country other than under the GAB, and it marked another significant step in the evolution of the Fund's credit machinery.

U.S. drawings from the Fund between February 1964 and August 1966 totaled $1,532 million. At the same time, other countries have drawn dollars from the Fund, thereby reducing the Fund's holdings of dollars in excess of 75 percent of the U.S. quota and thus reducing this country's repayment obligation to the Fund. Consequently, at the end of August 1966 net U.S. indebtedness to the Fund was only $893 million.

The vital role that the IMF plays in the international financial mechanism was greatly reinforced last February when a general Fund quota increase of 25 percent or more, adopted in 1964 by the Governors of the Fund, became effective for 58 members who had accepted the proposal and whose combined quotas as of February 23, 1965, constituted the requisite two-thirds majority for approval. By August 31 an additional 32 members had submitted their ratification, and Fund resources had been increased from $16 billion to $20.6 billion, or close to the ultimate $21 billion target for the Fund's entire 104 nation membership. The quota increases must be paid to the Fund partly in a member's own currency and partly in gold. Such gold payments, however, have entailed gold losses for the two key currency countries, the United States and the United Kingdom, as other members have converted dollars and sterling into gold for payment of their gold subscription. In order to compensate for these losses, the quota increase arrangement provides that the Fund will deposit a total of up to $350 million of gold with the Federal Reserve Bank of New York and the Bank of England. Insofar as the United States is concerned, these compensating operations began in September 1965, and as of August 31, 1966, the Federal Reserve Bank of New York held for U.S. Treasury account $202.7 million of gold so deposited by the IMF. The gold is reflected in the Federal Reserve's statement of condition under "other assets" and the deposit liability under "other deposits."

Gold market developments

The price of gold in the London market has ranged between $35.11 and $35.1940 during the first 8 months of this year, with upward pressures on the price predominating during much of the period. The underlying supply/demand relationship in the market has been quite different this year, however, from the same period a year ago when similar price pressures prevailed. Private demand for gold this year has remained well below last year's levels, no doubt reflecting in part the much more attractive interest yields this year as a result of tightening credit conditions in many countries. On the other hand, the supply of gold coming on the market has also been considerably reduced from last year, primarily because of the shift in South Africa's balance-of-payments position. Whereas during the first 7 months of 1965 South African gold reserves declined by $213 million, adding roughly that much to the supplies available from new production for sale in London, during the same period this year South African gold reserves increased by $250 million, with consequent reduction of the amount of new production available for sale. As a result of this swing in South Africa's payments position and reserves, therefore, there has been a temporary decline of about $500 million in gold coming on the London market from this source. Moreover, there were no Russian sales of gold during the first 8 months of this year. Over coming months there is a reasonable likelihood that the flow of gold to the London market will return to more normal levels.

U.S. Treasury securities denominated in foreign currencies, 1966

[In millions of dollars equivalent]

Issued to—	Outstanding January 1	Issues, or redemptions (−)			Outstanding August 31
		First quarter	Second quarter	July-August	
Austrian National Bank	100.7		−25.2		[1] 75.5
National Bank of Belgium	30.2				30.2
German Federal Bank	602.1	−100.6	−100.6	−50.3	349.5
Bank of Italy	124.8				124.8
Swiss National Bank	257.3		−23.2	−23.0	211.1
Bank for International Settlements [2]	92.6				92.6
Total	1,207.8	−100.6	−148.9	−73.3	883.8

[1] $25.2 million equivalent redeemed on September 6.
[2] Denominated in Swiss francs.

NOTE.—Discrepancies in amounts are due to valuation adjustments and rounding.

U.S. net monetary gold transactions with foreign countries and international institutions [1] January–June 1966

[In millions of dollars at $35 per fine troy ounce; U.S. net sales (−), net purchases (+)]

Country	First quarter	Second quarter
Canada	+100.0	+50.0
Colombia	+7.0	----------
France	−102.8	−220.7
Lebanon	−10.8	----------
Switzerland	+7.0	+11.0
United Kingdom	−19.0	−7.2
All other	−15.6	−.4
Net sales	−34.0	−167.3

[1] Not reflected in this table are U.S. monetary gold transactions with foreign countries mitigated through special deposits by the IMF.

Exhibit 59.—Treasury and Federal Reserve foreign exchange operations, September 1966–March 1967

This tenth joint interim report reflects the Treasury-Federal Reserve policy of making available additional information on foreign exchange operations from time to time.[1]

This report was prepared by Charles A. Coombs, Vice President in charge of the Foreign Department of the Federal Reserve Bank of New York, and Special Manager, System Open Market Account.

During the period September 1966 through early March 1967, all outstanding drawings on the Federal Reserve swap network—both by foreign central banks and by the Federal Reserve—were repaid and the $4.5 billion of credit lines available under the network have thus been restored to a fully available standby basis (see table I). Federal Reserve drawings of $235 million outstanding as of the end of August 1966 were fully liquidated, while subsequent Federal Reserve drawings of $100 million on the Bank of Italy and $140 million on the German Federal Bank were also repaid by early 1967.

By early March 1967, the Bank of England had completely liquidated its swap drawings on the Federal Reserve, which had reached a peak of $450 million last July, while also fully repaying further special credits in sizable amount received during the height of the sterling crisis from both the Federal Reserve and the U.S. Treasury. Drawings on the Federal Reserve of $233 million by the Bank for International Settlements (BIS) and a small amount by another central bank during the period have also been paid off.

Since the inception of the Federal Reserve swap network nearly 5 years ago, total drawings on the network have amounted to $7.7 billion, of which 91.3 percent was repaid within 6 months and 98.5 percent within 9 months, while no drawing has been outstanding for so long as a year. Nor has there been any instance of unduly protracted use of other comparable central bank credit arrangements. The assurance of such integrity in the use of central bank credit facilities has been the foundation on which the Federal Reserve swap network and related credit arrangements have been built up into a solid defense line against international currency speculation.

[1] See also exhibit 58.

Another significant development during the period under review was the joint endeavor of the Federal Reserve and several other central banks, together with the BIS, to minimize a potentially severe strain on the Euro-dollar market toward the close of 1966. The Euro-dollar market, which has become a multibillion-dollar operation, functions as a truly international money market and consequently cannot rely, as can a national money market, on the support of any single central bank to relieve temporary stringencies or knots in the market.

There is a great deal that the central banks whose nationals use the Euro-dollar market can do in an ad hoc, informal way, however, to alleviate undesirable strains on the market. Such a seasonal stringency in the Euro-dollar market appeared on November 29, 1966, when yearend window-dressing activities abruptly pushed the 1-month Euro-dollar rate from 6½ percent to 7⅜ percent, while rates for other maturities reacted sympathetically. On the very same day, concerted action to deal with the situation was taken by several central banks and the BIS.

First, the Swiss National Bank announced that, as in previous years, it would be prepared to enter into swaps over the yearend with Swiss commercial banks. Under these swap contracts, the Swiss National Bank bought spot dollars against a forward resale contract. The dollars so acquired were immediately channeled back into the Euro-dollar market, either directly or via the BIS, thus preventing an abrupt contraction in the supply of Euro-dollars. The volume of such operations by the Swiss National Bank reached the record total of nearly $400 million during December. In addition, the Swiss National Bank placed in the Euro- dollar market $75 million, which it had purchased outright in November.

Second, the BIS, with the agreement of the Federal Reserve, began drawing upon a $200 million swap line with the System for the express purpose of channeling these dollars into the Euro-dollar market to counter yearend strains. During December the BIS employed in such operations the full $200 million facility while also shifting $75 million of its own investment funds into the Euro-dollar market. These operations by the BIS supplemented its normal participation in the Euro-dollar market.

Third, the New York Reserve Bank, acting for both Federal Reserve and Treasury accounts, immediately moved into the sterling market, where spot rates were beginning to sag as a result of the competitive pull on British funds by the Euro-dollar market, and executed a total of $88 million of 1-month swap contracts, thereby helping to insulate sterling from the yearend strain.

During the closing weeks of the year, the Netherlands Bank also rechanneled some funds into the Euro-dollar market, while the German Federal Bank and the Bank of Italy took action to reduce the pullback of Euro-dollar placements by their banks. As a result of these coordinated actions, the 1-month Euro-dollar rate fell back to 6⅝ percent by December 12, 1966, and rates tended to soften further during the remainder of the month as the Euro-dollar market remained adequately supplied with funds. By thus averting an abrupt rise in Euro-dollar rates toward the end of the year, such central bank operations may also have facilitated to some extent the general easing of credit internationally during recent months.

Sterling

During the past 6 months, sterling has staged a strong recovery from the severe crisis of last summer. This has reflected a gradual strengthening of confidence in the pound, with consequent short covering. The easing of credit conditions internationally has also contributed to a reversal of earlier drains of short-term funds out of sterling to other markets. More fundamental has been the remarkable achievement of the British Government in securing public acceptance of perhaps the most drastic stabilization program ever to be put forward by a democratic government in peace time.

The wage-price freeze and other measures announced by Prime Minister Wilson on July 20 were so severe, in fact, that the market initially was skeptical of their political feasibility, and selling pressure on the pound continued unabated. In order to demonstrate U.S. Government support of the British Government's defense of sterling, the New York Reserve Bank, acting for both Federal Reserve and Treasury accounts, moved into the market immediately following Prime Minister Wilson's announcement with massive bids for sterling to all major New York dealers and, despite continuing selling pressure, drove the rate up sharply to more than $2.79. These operations were sustained for 3 days in sizable volume and seemed to exert a useful stabilizing influence in a badly demoralized market. But as confidence remained at a low ebb and the competitive pull of other markets for short-term funds became even stronger, no significant amount of short covering developed, and sterling was subject to pressure through most of August.

More generally, the world economy was confronted in the late summer of 1966 with seriously strained credit conditions in many national money markets. These tensions in domestic markets were naturally aggravated by widespread anxiety as to whether the British Government's battle to defend sterling would succeed. Against this background of dangerous unsettlement in the financial markets, the Federal Reserve announced on September 13 a generalized increase in its swap facilities from $2.8 billion to $4.5 billion, including a $600 million rise to $1,350 million in the line with the Bank of England. The Bank of England simultaneously announced that it had arranged additional facilities with other central banks. Initial wire-service reports of these large increases in international credit facilities were necessarily cryptic, and the market—unclear about their implications—responded with some nervous selling. In order to maintain orderly conditions and prevent any slippage in quotations, the Federal Reserve Bank of New York again entered the sterling market, making moderate purchases for both Federal Reserve and Treasury account, with the rate at about $2.7877 As it became clear to the market that the increased central bank credit facilities did not reflect an exhaustion of existing credit lines but were rather designed to provide a broad margin of safety against unforeseeable contingencies, sentiment in the sterling market began to improve.

Moreover, during the course of September, the British trade unions endorsed the Prime Minister's call for wage restraint, and there was increasing evidence that the July 20 measures were beginning to take hold. By the end of the month the spot rate was up to $2.7910 and sterling was in good demand as the oversold position of the market began to be reflected in a covering of short positions. For the first time in 4 months, the Bank of England was able to forego net recourse to central bank assistance.

In succeeding weeks sterling continued to improve as further covering of short positions was encouraged by better trade figures as well as by the November 10 announcement that Britain would initiate top-level discussions aimed at membership in the Common Market. Also, during this period interest rates on dollar investments receded from their August-September highs, and the drain on sterling from this source came to an end. In October and November, the Bank of England added $120 million to United Kingdom reserves, while making a start on repaying central bank assistance.

This pattern of gradual recovery was interrupted briefly at the end of November and in early December, both because of the mounting tensions surrounding Britain's impasse with Rhodesia and because of the usual yearend window-dressing preparations of commercial banks in several continental centers. Such yearend window dressing led to large flows of funds across the exchanges, most notably outflows from London on a short-term covered basis—either directly to countries repatriating funds or to an increasingly stringent Euro-dollar market.

These covered outflows from London in turn brought about an appreciable narrowing in the discount for 1-month sterling, and, with U.S. money rates continuing to decline, incentives developed to move private funds from the United States into United Kingdom money market instruments. Such flows, while desirable from the point of view of sterling, would have had adverse consequences for the U.S. balance of payments. In order to avoid such a development, while at the same time bolstering sagging spot quotations for sterling, the Federal Reserve Bank of New York, in consultation with the Bank of England, engaged in market swaps for the Federal Reserve and the Treasury, purchasing $88 million of spot sterling against sales for delivery in January 1967. These operations complemented the coordinated action being taken by several other central banks and the BIS to relieve potentially disruptive yearend pressures in the Euro-dollar market.

During December, therefore, sterling was well insulated by concerted central bank action designed to cushion yearend short-term capital flows, and occasional intervention by the Bank of England in defense of the pound was only moderate. The announcement that Britain's seasonally adjusted trade balance had moved into surplus in November for the first time in the postwar period helped generate new demand for sterling, and as the year drew to a close, there was additional buying of sterling when some British corporations repatriated profits for the yearend. On balance, the Bank of England had a small reserve gain from exchange operations in December, even after further repayments of short-term central bank credits.

After the turn of the year , the progressive relaxation of monetary restraint in the United States, Germany, and other countries, combined with reflows of funds from the continent, resulted in a sharp decline in Euro-dollar rates. Yields on British local-authority deposits also declined, but more slowly, so that for the first time in a year a significant incentive developed to shift funds from Euro-dollars to local-authority sterling deposits. The Bank of England on January 26 reduced its discount rate from the crisis level of 7 percent to 6½ percent. Central banks in several other financial centers also cut their discount rates, but the general lowering of interest rates left those in Britain still relatively attractive and short-term investment funds continued to be drawn to London.

In addition, demand for sterling reflected the underlying improvement in the United Kingdom payments position and the beginning of the period of seasonal strength, including in particular substantial buying for oil royalty payments. Moreover, as confidence recovered still further, foreigners continued rebuilding their sterling balances. As dollars flowed back to the Bank of England, the bank continued its practice of devoting the bulk of such receipts to repayment of central bank debt while adding only modest amounts to its reserves.

As sterling moved through crisis to convalescence, the Bank of England made extensive use of the network of central bank credit facilities of various types that have been constructed during the past 5 years. In the case of the Federal Reserve swap line, Bank of England drawings rose to a peak of $450 million at the end of July 1966, declined to $400 million by the end of September, to $350 million at the yearend, and were paid off completely by early March 1967. In addition to drawings on the Federal Reserve swap line, the Bank of England made use of sizable special credits provided by the U.S. Treasury and, to a lesser extent (that is, a maximum of $50 million), by the Federal Reserve. After rising to a peak during the midsummer months, such special credits declined to $175 million at the end of September, to $160 million at the yearend, and were fully liquidated during January 1967. During the height of the crisis, the Bank of England also secured credit assistance from other central banks with repayments being subsequently effected.

German mark

The German balance of payments swung into sizable surplus in the second half of 1966. Official gold and convertible currency reserves rose by $578 million in the 6-month period, resulting in a net reserve gain of $419 million for the year as against a loss of $617 million in 1965. The swing was largely related to cyclical factors. The German economy, which had been overheated through most of 1965 and early 1966, cooled off considerably in the second half of last year. With domestic pressures easing, the growth of German imports slowed and exports began to rise sharply. The resultant improvement on trade account was the major force behind the re-emergence of a payments surplus, as other current-account items continued in deficit and the capital accounts were about in balance.

Starting late last year, monetary measures were taken to bring about renewed expansion in the German economy. After reducing reserve requirements in December, the German Federal Bank in January and February cut its discount rate in two steps from 5 percent to 4 percent per annum and further lowered commercial bank reserve requirements.

The balance-of-payments surplus was reflected during the period under review not only in rising official reserves but also in a strengthening of the German mark. After fluctuating slightly above par ($0.2500) in September, the spot rate advanced in October to about $0.2515 as the trade surplus widened. The tightening domestic money market, coupled with the onset of the usual yearend liquidity pressures, prompted German banks during November and December to repatriate funds normally held abroad in foreign currency assets. Despite the relaxation of reserve requirements in Germany, these demands carried the mark rate even higher, and as it approached its upper limit of $0.2518⅞, the German Federal Bank made very large purchases of dollars.

Under the circumstances, the Federal Reserve acted in cooperation with the German authorities in December to alleviate the exchange market pressures resulting from these flows of funds. In order to meet the demand for marks that spilled over into the New York market, the Federal Reserve sold $28.7 million equivalent of marks from its balances early in December. When the market began bidding strongly for marks on a 1-month swap basis shortly before Christmas, the System shifted its intervention and sold $17.5 million equivalent of marks spot against repurchase 1 month later. In addition, the System absorbed $155 million of the dollar gains of the German Federal Bank, using $15 million of marks previously held outright and $140 million of marks drawn under the swap arrangement with the German central bank.

After the yearend, there was a substantial reflow of funds out of Germany. In addition to using existing mark balances, the Federal Reserve was able to acquire sufficient marks—from the maturing 1-month swaps, from purchases in the New York market, from Spain following its drawing of marks from the IMF, and through the German Federal Bank—to repay by mid-February its $140 million mark swap drawing. Nevertheless, the mark remained strong in the exchange market, as the German trade account continued in heavy surplus. With the re-emergence of a German payments surplus, the U.S. Treasury was unable to make further progress in reducing its indebtedness in mark-denominated securities issued to the German authorities. The overall amount outstanding remained at $351 million at the end of February, compared with $602 million at the beginning of 1966.

Swiss franc

In April the Swiss franc began to strengthen after having declined steadily during the first quarter of 1966, and by early May it had reached its effective ceiling of $0.2317½. The franc remained at its ceiling in subsequent weeks as a result of repayments of Swiss franc borrowings by foreigners, attributable to a tightening of the domestic money and capital markets, and later because of capital repatriations in connection with midyear liquidity needs. Consequently, the Swiss National Bank purchased $200 million outright, and effected an additional $82 million in short-term swaps with Swiss commercial banks to help provide for their temporary midyear requirements.

In July, tensions associated with the pressures on sterling dominated the foreign exchange markets and the usual seasonal outflow of funds was converted into an actual inflow of $69 million. Accordingly, the Federal Reserve drew $75 million of francs from the Swiss National Bank and another $75 million of francs from the BIS, using these funds to absorb uncovered dollars from the Swiss central bank. In late July, however, Swiss francs gradually came on offer as the pressures on sterling began to subside and high interest rates abroad gave rise to extensive capital outflows. In early autumn, with funds continuing to move out of Switzerland, the spot rate declined to $0.2305¼ and the Swiss National Bank began selling dollars to the market. In addition, there were relatively heavy official requirements for dollars between September and November. The consequent reduction in its dollar holdings led the Swiss National Bank to buy $60 million against Swiss francs from the Federal Reserve during this period. The System used the Swiss francs so acquired to reduce its swap drawings from the Swiss National Bank to $15 million equivalent.

In November the Swiss commercial banks began to repatriate large amounts of funds in connection with heavy yearend requirements and when the spot rate moved to its ceiling, the Swiss National Bank purchased $75 million in the market. Then, at the end of the month, the Swiss National Bank—as it had done in previous years—announced that it would buy dollars from the Swiss commercial banks on a short-term basis and the spot rate immediately receded from the ceiling. The swaps eventually reached a record level of $398 million. In order to prevent these movements of funds from putting pressure on the Euro-currency markets, the Swiss National Bank, as usual, rechanneled the dollars so acquired into the Euro-dollar market.

After the yearend the Swiss franc eased further, and during January and February the spot rate was generally under $0.2310. Aside from the unwinding of the December market swaps, however, outflows of funds from Switzerland were smaller than usual because lower interest rates in other countries made short-term investments abroad somewhat less attractive. Consequently, while the Federal Reserve was able to reduce its swap drawing from the Swiss National Bank by $5 million to $10 million equivalent with francs purchased in New York, the $75 million drawn from the BIS in July remained outstanding. The U.S. authorities therefore decided to use some of their sterling balances to enter into a $75 million equivalent sterling-Swiss franc swap with the BIS, half each for the System and the Treasury accounts. The Federal Reserve then purchased the Treasury's share of the swap proceeds and thus acquired sufficient Swiss francs to liquidate completely its $75 million Swiss franc drawing from the BIS. Finally, at the end of February, the Federal Reserve repaid its remaining $10 million drawing from the Swiss National Bank with francs purchased from that bank.

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Italian lira

Italy registered a substantial balance-of-payments surplus during 1966, although on a decidedly smaller scale than in 1965. At first, reserve gains were moderate as Italian commercial banks made large short-term investments in the Euro-dollar market. About midyear, however, Italian payments moved into a period of seasonal strength, and there were short-term capital inflows resulting from growing speculation against sterling. Moreover, by then most Italian banks had eliminated any net liability position vis-a-vis foreigners, and the Bank of Italy was no longer prepared to shift dollars abroad through short-term swaps with those banks at preferential rates. Consequently, there was a marked rise in Italian official reserves, and the Federal Reserve reactivated its swap facility with the Bank of Italy, in July and August drawing lire to absorb a total of $225 million from the Italian authorities. These drawings were repaid on August 22, when the U.S. Treasury drew $250 million of lire from the IMF and sold the lire to the System. Using the remaining $25 million of lire, plus some balances, the System reduced to $14 million equivalent a sterling-lira swap with the BIS (originally $50 million at its inception in February 1966 but reduced to $40 million equivalent during the spring).

While these operations were underway, large amounts of dollars continued to flow into official Italian reserves during August. Accordingly, in early September the System again used its swap line, drawing lire to absorb $100 million from the Italian authorities. Shortly thereafter, however, Italian reserves began to decline, as strong seasonal inflows subsided, a tighter Euro-dollar market exerted a renewed pull on Italian bank funds, and the Italian authorities prepaid $145 million of postwar debt to the United States. Against this background, the System in late September purchased $13.9 million of lire from the Bank of Italy and, adding some lire on hand, unwound its remaining $14 million equivalent sterling-lira swap with the BIS.

In succeeding months, dollars were generally in demand in Italy in response to conversion of lira borrowings by foreign firms and outflows to the Euro-dollar market; as a result, lira quotations eased steadily, falling below par by mid-January. Offerings of lire in the market were sizable, and between October and January the Federal Reserve purchased sufficient lire in New York to repay in full its $100 million equivalent swap drawing from the Bank of Italy. The $600 million swap facility was thus fully restored to a standby basis.

Although the turn in Italy's balance of payments in late 1966 was sufficient to make possible the liquidation of System lira commitments, Italy's overall reserve position strengthened over the year as a whole. In particular, Italy's creditor position in the IMF increased by some $336 million. In view of the substantial surplus in their payments position, the Italian authorities at the yearend purchased $60 million of gold from the U.S. Treasury in order to replenish their gold holdings. Beginning in January, however, Italy's foreign exchange requirements increased, partly for seasonal reasons. As a result, the Italian lira remained below par and Italian official dollar holdings declined by about $200 million in January and February.

Federal Reserve and Treasury technical forward commitments in Italian lire, undertaken in 1965, were rolled over periodically during the course of 1966.

Dutch guilder

The Netherlands money market tightened around midyear and as mounting tensions in the sterling market led to additional inflows of funds, Dutch official reserves rose sharply. The Federal Reserve accordingly reactivated its swap facility with the Netherlands Bank—drawing a total of $65 million of guilders which it used, together with $2.5 million of guilder balances, to absorb dollars from that bank.

By mid-August, however, the Dutch money market had eased, and as increasingly attractive interest rates on dollar investments were exerting a pull on Dutch funds, the spot guilder rate began to decline, falling below par by mid-September. In order to moderate the decline, the Netherlands Bank sold some dollars to the market and later bought $10 million from the Federal Reserve against guilders. The System in turn used the guilders to reduce its swap commitment to $55 million equivalent as of September 16.

During the fall the guilder moved back above par and subsequently fluctuated within a narrow range during the remaining weeks of 1966 as the Netherlands trade account was seasonally strong and the money market in Amsterdam firmed.

During this period the Netherlands Bank intervened only sporadically and then mainly to relieve money market pressures, which were particularly strong in early November and again in mid-December. In so doing, it used the technique of market swaps— buying dollars spot from Dutch commercial banks and selling them forward (in this instance for 1967 delivery). To help moderate yearend pressures in the Euro-currency markets, the Netherlands Bank reinvested its December dollar purchases in the Euro-dollar market.

At the end of 1966 foreign currency requirements of the Dutch Government led the Netherlands Bank to buy $20 million against guilders from the Federal Reserve, and the Federal Reserve immediately used the guilders to reduce its swap commitment with that bank to $35 million equivalent. Then, in January, there was a flow of funds from the Netherlands into sterling (through dollars), and the central bank provided some support for the guilder. These dollar losses, coupled with the conversion into dollars of the guilder portion of Spain's multicurrency drawing from the IMF, reduced the Netherlands Bank's dollar holdings, and the bank purchased $35 million from the Federal Reserve against guilders. The System in turn repaid the remainder of its outstanding guilder swap drawing, restoring the $150 million arrangement fully to a standby basis. There were no further Federal Reserve or Treasury operations in guilders during the period covered by this report.

Belgian franc

During the early summer of 1966 Belgium's trade and service accounts moved into surplus, and the Belgian franc began to strengthen. By late July the Belgian franc had reached its ceiling and the National Bank of Belgium began buying fairly sizable amounts of dollars. In order to absorb some of these gains, the Federal Reserve in early August drew $30 million of francs under the $50 million standby portion of the reciprocal swap arrangement with the National Bank.

Belgium's current account swung into deficit later in August, and the National Bank then started supplying foreign exchange to the market, covering these losses by purchasing dollars from the Federal Reserve against Belgian francs. By late September, such purchases totaled $30 million, and the System had fully repaid its swap drawing from the National Bank.

During the early fall the Belgian franc drifted somewhat below par as a result of a continued deterioration in the trade account, and in November the Belgian central bank again began to lose dollars. Because of these market losses, and exchange requirements of the Belgian Treasury, the National Bank again needed dollars in the last few weeks of 1966. The bank bought $30 million from the U.S. Treasury against Belgian francs, which the Treasury used to build up a balance for future contingencies. Thus, by the end of 1966 the Treasury had a fully covered position in Belgian francs, since its franc balances matched its Belgian franc-denominated bond indebtedness.

During the first 2 months of 1967 there was an improvement in the Belgian current account, and the franc moved somewhat above par after mid-January. Tighter Belgian money market conditions associated with a large Belgian Government bond flotation contributed to the rise in the rate, but at no time were there any significant pressures in the market, and at the end of February Belgian official reserves were virtually unchanged.

Canadian dollar

Although there were some large capital flows to Canada during the first half of 1966, seasonal weakness in the trade and tourist accounts early in the year and sizable covered conversions of domestic time deposits into U.S. dollar investments by Canadian banks accounted for net Canadian demand for foreign exchange. During the summer months the Canadian dollar strengthened, but official gold and exchange reserves continued to decline as Canadian authorities purchased from U.S. residents nearly $141 million of Canadian Government debt and some $25 million of International Bank for Reconstruction and Development (IBRD) bonds to adjust their total official reserve holdings to levels mutually agreed upon with the United States. Including those purchases and a $47 million gold payment to the IMF in connection with Canada's quota increase, Canadian gold and foreign exchange reserves fell $420 million during the first 9 months of 1966.

During the fourth quarter the spot rate for Canadian dollars declined, as there were few new Canadian securities offerings in New York, and Canada's balance of payments again entered a period of seasonal weakness. By early November spot quotations had fallen below the $0.9250 parity, and they remained below par in the remaining weeks of the year when there were large financial outflows associated with dividend payments to nonresidents and yearend repatriations of funds by foreigners. There was no significant selling pressure, however, and there was little net change in official Canadian gold and foreign exchange reserves during the final quarter. (Late in the year the U.S. Treasury purchased $17 million of Canadian dollars from the Bank of Canada for resale to IMF members having repurchase obligations to the Fund. Earlier in 1966 the U.S. Treasury had drawn a total of $400 million equivalent of Canadian dollars from the IMF for sale to Fund members meeting repayment obligations.)

Seasonal factors continued to run against Canada in early 1967. With an easing in monetary conditions in the United States, however, there was a revival of Canadian borrowing in New York and some repatriation of Canadian funds from the Euro-dollar market. As a result, the spot Canadian dollar rose sharply during January. Once the borrowings in New York were completed, however, the spot rate tended to ease, and through mid-February it traded just above par in a quiet and balanced market. At the end of the month there was a flurry of selling when the Royal Commission on Taxation made its report, and the spot rate eased just below par.

International Monetary Fund

The United States continued the practice initiated in February 1964 of drawing currencies from the IMF for sale to countries making repayments to the Fund. During the period under review, takedowns were made under the drawing of $100 million of Canadian dollars arranged on August 18, and the United States arranged an additional "technical" drawing for $30 million equivalent of German marks.

U.S. drawings from the Fund—both regular and technical—between February 1964 and February 1967 totaled $1,640 million. During the same period other countries drew dollars from the Fund, thereby reducing the Fund's holdings of dollars and reducing this country's repayment obligation. Consequently, on February 28, 1967, net U.S. indebtedness to the IMF was $933.5 million.

The general Fund quota increase of 25 percent adopted in 1964 by the Governors of the Fund was ratified by two more members during the period, bringing the number of ratifications to 92; Fund resources were thereby increased to over $20.9 billion. As indicated in previous reports, a member must pay its quota increase to the Fund partly in its own currency and partly in gold. The quota increase arrangement provides that the Fund will deposit a total of up to $350 million of gold with the Federal Reserve Bank of New York and the Bank of England to compensate for any losses arising from other members' gold subscription payments to the Fund. As of February 28, 1967, the Federal Reserve Bank of New York held for U.S. Treasury account $213.4 million of gold so deposited by the IMF.

The gold market

Early estimates suggest that official gold reserves of the non-Communist world declined somewhat over the course of 1966. Although private hoarding demand evidently declined somewhat, industrial and artistic use again rose, and with new gold supplies off sharply, total demand exceeded the volume of gold coming on to the market. This imbalance was reflected in higher prices on the London gold market and in the activity of the central bank gold pool, which for the first time since its inception closed the year with a net drain on its resources. In the past 5 months, however, the supply-demand relationship has improved, as South African sales have risen and hoarding demand has declined.

South Africa, the world's leading gold producer, had a payments surplus for the first half of the year and on balance absorbed into its own reserves slightly more than $200 million of gold from new production in 1966. In addition, the Soviet Union apparently sold no gold in 1966 for the first time in recent years. Commercial and artistic use of gold continued to rise, but private hoarding demand moderated. Tight monetary conditions in many countries increased the yields on alternative investments and undoubtedly cut down on speculative buying. On the other hand, speculative demand was encouraged by several factors during the year—the Vietnam conflict, the Rhodesian situation, and the repeated intimations on the part of French officials that the price of gold should perhaps be raised. In addition, the sterling crisis during the summer led to strong demand and a firm price throughout the third quarter.

During the period under review, the London gold price backed away from the high of $35.1940 reached in August and September and dipped below $35.15 on several occasions in October and early November. Demand was diminishing as the pressures on sterling eased, and at the same time the volume of South African supplies was picking up rapidly following an adverse swing in South Africa's payments position. Nevertheless, with the approach of the yearend, demand became very strong once again, influenced partly by heightened tensions in the Middle East and by rumors that economic sanctions might be applied to South Africa in connection with the Rhodesian situation. As a result, the price rose to $35.1971 toward the end of December. Thereafter, the market eased once again in early 1967, although there were brief flurries of demand in response to renewed French official discussion of the role of gold in world monetary arrangements. The lifting of restrictions on French gold trading in Paris was taken in stride both in the London market and elsewhere on the Continent, and at the end of February the London fixing price had fallen to $35.1486.

TABLE I.—*Federal Reserve reciprocal currency arrangements and commitments, February 28, 1967*

[In millions of dollars equivalent]

Institution	Amount of facility	System commitments
Austrian National Bank	100	
National Bank of Belgium	150	
Bank of Canada	500	
Bank of England	1,350	
Bank of France	100	
German Federal Bank	400	
Bank of Italy	600	
Bank of Japan	450	
Netherlands Bank	150	
Bank of Sweden	100	
Swiss National Bank	200	
Bank for International Settlements	[1] 400	
Total	4,500	

[1] Half is available in Swiss francs and half in other European currencies.

TABLE II.—*U.S. net monetary gold transactions with foreign countries and international institutions, 1966* [1]

[In millions of dollars at $35 per fine troy ounce; U.S. net sales (−), net purchases (+)]

Country	First half	Third quarter	Fourth quarter	Year
Canada	+150.0	+50.0		+200.0
France	−323.5	−277.3		−600.8
Italy			−60.0	−60.0
Switzerland	+18.0	−20.0		−2.0
United Kingdom	−26.2	+126.0	−20.1	+79.8
All other	−19.5	−22.0	−5.9	−47.6
Net sales	−201.2	−143.3	−86.0	−430.6

[1] Not reflected in this table are U.S. monetary gold transactions with foreign countries mitigated through special deposits by the IMF.

Exhibit 60.—Press release, August 18, 1966, announcing a U.S. drawing from the International Monetary Fund

Secretary of the Treasury Henry H. Fowler today announced a U.S. drawing of $250 million equivalent of Italian lire from the International Monetary Fund and a further series of technical drawings on the Fund of $100 million in Canadian dollars.

The Italian lira drawing represents an ordinary, nontechnical use of U.S. drawing rights on the Monetary Fund. During the course of the year Italy has been running a substantial balance-of-payments surplus, and in order to help finance this surplus as well as U.S. international payments the United States requested a drawing of lire from the Fund. To meet the U.S. request, the Fund, whose regular lira holdings are at a low level, arranged to borrow from Italy the lire needed for the U.S. drawing.

This transaction which is of mutual benefit to the United States and Italy, demonstrates the flexible manner in which the Fund can assist reserve currency countries as well as other countries in financing their balance-of-payments surpluses and deficits.

The $100 million equivalent technical drawing of Canadian dollars represents a continuation of the practice begun in February 1964 of obtaining currencies for sale to other countries making repayments to the Fund. As in the last two technical drawings, the arrangements for this one provide for periodic takedowns over the next 3 to 4 months.

Exhibit 61.—Press release, September 15, 1966, announcing a $70.8 million debt prepayment by France

Secretary of the Treasury Fowler announced today that the Government of France has made a further advance payment of $70.8 million on its remaining indebtedness to the United States.

This prepayment will apply to the debt of the Government of France to the United States under the Surplus Property and Lend-Lease Agreements of May 28, 1946, and December 6, 1947. It will reduce the amount of outstanding French Government debt to the United States stemming from post-World War II loans and financial settlements to about $300 million.

Since 1947 the Government of France has repaid a total of approximately $1,850 million, of which $810 million has been paid in advance of the dates specified in the loan agreements.

Exhibit 62.—Press release, September 16, 1966, announcing publication of the results of a survey of export financing

The Treasury Department today announced the publication of a booklet, "Survey of Export Financing." It contains the results of a questionnaire survey of 2,869 U.S. manufacturing firms with export operations.

Assistant Secretary for International Affairs Winthrop Knowlton said in a foreword to the study:

"This initial study deals with export credit extension by exporting firms—a field which has never before been surveyed comprehensively.

* * *

"The study raises more questions than it answers. Hopefully, it will lead to analyses in depth of situations where there is (1) a possibility that larger amounts of export credit financing might add to total U.S. exports; or (2) conversely, a possibility that export credits already being extended are more than adequate.

"These are questions that have to be determined ultimately by each manufacturing exporter. His good judgment, the willingness of the private banking system and other private lenders to give a high priority to export financing, and the provision of whatever supplementary Government facilities are necessary, will ensure that the use of export credit plays an appropriate role in the expansion of U.S. exports."

The booklet was written by Philip P. Schaffner, Director of the Office of Balance of Payments Programs, Operations, and Statistics, under whose direction the survey was conducted.

The introductory chapter presents background information on the survey and summarizes the more significant data.

Chapter II presents an assessment of the export financing situation by reporting firms, on the basis of their experience during 1965. The firms commented on the effects of changes in terms or availability of export credit, or in the use of export guarantees and insurance, on their export performance. A number of firms provided additional information on the export financing operations of private lending institutions and on the export guarantee and insurance operations of the Export-Import Bank and the Foreign Credit Insurance Association.

Chapter III analyzes data provided by the survey on the export credit structure of U.S. manufacturing firms. The data are presented by industry categories and by size of firm, as measured by export volume. The relationship between shares in total export credit extended and shares in total exports of different categories of firms receives particular consideration.

Exhibit 63.—Press release, September 29, 1966, announcing purchase by Italy of $145 million in debt from the United States

Secretary of the Treasury Fowler and Harold F. Linder, President and Chairman, Export-Import Bank of Washington, announced today that the Italian Exchange Office (Ufficio Italiano dei Cambi) has purchased promissory notes aggregating $145.1 million from the Export-Import Bank of Washington. These notes were under loans made since 1959 to the Italian Credit Institution (Istituto Mobiliare Italiano) to assist in financing sales of various U.S. goods and services to Italian industry.

This purchase represents substantially all of the indebtedness of the Italian Credit Institution to Eximbank currently outstanding. The unpaid maturities under the loans are due, for the most part, in the next 6 years.

In July 1961, the Italian Exchange Office undertook a similar purchase of loans made in prior years.

Exhibit 64.—Press Release, November 17, 1966, on settlement of 1929 loan to Greece

Secretary of the Treasury Henry H. Fowler today received a bond from Greece in settlement of a long outstanding loan made by the United States to that country in 1929. The bond was given in settlement of a $12 million U.S. loan made in 1929 to aid in the resettlement of Greek refugees from Asia Minor. The bond was presented to Secretary Fowler by Greek Ambassador Alexander A. Matsas, at the Treasury.

Secretary Fowler said that the settlement was "evidence of the growing strength of the Greek economy" and noted that the proceeds would be used to strengthen Greek-United States cultural ties.

The settlement was made according to the terms of an agreement reached in 1964, providing for full repayment of principal and partial repayment of arrears of interest. The new bond, totaling $13,155,921, will be retired with 2 percent interest over an 82-year period. The settlement agreement was implemented following signature by President Johnson November 5 of the recently enacted "Greek Loan of 1929 Settlement Act."

The proceeds to the United States of the settlement will be used to help finance cultural and educational programs between the United States and Greece.

At the ceremony, Secretary Fowler said:

"I am particularly delighted to participate in a ceremony marking the implementation of the agreement between the Greek and United States Governments for the repayment of a longstanding debt. Receipt of this $13.2 million bond from Ambassador Matsas, on behalf of the Government of Greece, represents another important milestone in the warm and cordial relationship that has characterized the association between our two countries.

"This settlement is an important contribution to the elimination of Greece's external prewar debt and constitutes a further step in promoting capital investment in Greece. Greece's ability to wipe out this indebtedness is evidence of the growing strength of the Greek economy.

"In reaching an accord to settle the 1929 indebtedness of Greece to this country, we have also provided a means of continuing and enhancing further understanding between our two peoples. The funds derived through repayment will be used exclusively to continue the educational and cultural exchange activities being carried on between our two countries. This means that funds will be available for Greek professors, scholars, and students to travel and study in the United States, and for Americans with similar interests in Greece.

"I know that this program will add to the breadth and depth of friendship and understanding that traditionally exists between Greeks and Americans of all walks of life."

Attending the ceremony with Secretary Fowler and Greek Ambassador Matsas was U.S. Ambassador to Greece Phillips Talbot.

Exhibit 65.—Press release, December 30, 1966, announcing a technical drawing by the United States from the International Monetary Fund

Secretary of the Treasury Henry H. Fowler today announced a technical drawing by the United States on the International Monetary Fund in the amount of $30 million. The drawing was made in German marks.

This is one of a series of technical drawings which began in February 1964, carried out to avoid drains on the U.S. gold stock caused by demands for gold on the part of nations making debt repayments to the IMF. The currencies drawn by the United States in such technical transactions are sold to other Fund members for their use in making repayments to the Fund in these currencies.

The current drawing, together with past drawings, both technical and regular, brings the total drawn to $1,640 million. Due to dollar drawings by others, the U.S. repayment obligation amounts to only about $940 million however. Drawing rights in the gold tranche (virtually automatic U.S. drawing rights in the Fund) of about $320 million will remain at year end.

Exhibit 66.—Press release, January 25, 1967, announcing that Treasury is recommending an extension and increase in maximum rate of the interest equalization tax and Presidential authority to vary rates

Treasury Secretary Fowler announced today that the Treasury is sending to the Congress a bill

—to extend the interest equalization tax for another 2 years, and

—to give the President authority to vary the effective annual rate of the tax between zero and 2 percent per year.

The proposed new IET legislation would continue in force an essential part of our balance-of-payments program, that, unless extended, will expire July 31, 1967.

The extension is necessary

—while pressure on our balance of payments continues,

—while capital markets abroad continue to be insufficiently responsive to domestic and international needs, and

—as a reinforcement to the voluntary program administered by the Federal Reserve Board to restrain the flow of capital abroad.

The proposed flexibility in the rate at which the tax may be applied over the 2-year period would

—facilitate the lowering of interest rates in the United States,

—provide protection in case of possible emergence of a wider difference in the yield on investments in this country and elsewhere, and

—provide a tool that could be used sensitively to affect yields on the foreign investment of American funds in response to changing needs and comparative costs of money here and abroad.

The 2 percent maximum rate is double the ceiling under the present law.

In order to avoid accelerated purchases by U.S. residents of foreign debt obligations or foreign equities prior to legislative enactment, the bill sent to the Congress would make a 2 percent per annum rate effective tomorrow, January 26, 1967.

The interest equalization tax as it now stands seeks to abate the outflow of dollars from the United States by adding approximately one percentage point to the annual interest costs of foreigners who borrow in the United States for periods of one year or longer. Similar provisions apply to the purchase of foreign equities by U.S. residents.

The tax has proved extremely useful in holding down the deficit in U.S. transactions with the rest of the world, i.e., in holding down our balance-of-payments deficit, by limiting new foreign borrowing in U.S. capital markets, in limiting purchases by U.S. residents of outstanding foreign issues, and in reinforcing the Federal Reserve voluntary program.

Loans connected with exports continue to be exempt so as to assist the American business community in keeping U.S. exports—a major favorable element in our balance-of-payments accounts—at a high level. There is no change in the exemption afforded direct investments.

Moreover, loans to and investments in less-developed countries are exempt from the tax, as before.

The existing exemption for new Canadian security issues is continued, as is the exemption for loans to Japan.

A technical explanation of the bill follows.

Proposed Interest Equalization Tax Extension Bill Explanation

The accompanying interest equalization tax extension bill is proposed by the Treasury Department as an amendment to chapter 41 of the Internal Revenue Code.

The bill extends the tax for 2 additional years so that it will now expire July 31, 1969. Furthermore, the bill increases the strength and flexibility of the tax by granting to the President authority, when conditions warrant, to vary the statutory rates of tax between a zero rate and a rate which is double the existing rates of tax. In order to prevent an increased outflow of funds while the legislation is under consideration by the Congress, the bill would also double the existing rates of tax provided in the statute. The increased rates of tax will apply with respect to acquisitions made after January 25, 1967 (the date on which the Secretary of the Treasury transmitted the recommendation to the Congress). Provision is made, however, to exempt from these amendments acquisitions made pursuant to firm commitments existing on January 25, 1967.

The bill makes certain specific changes for the purpose of revising the existing provisions of the Internal Revenue Code in accordance with the new proposals. These changes are as follows:

(1) *Extension of tax.*—Section 2 of the bill amends section 4911(d) to extend the termination date of the tax to July 31, 1969.

(2) *Imposition of tax.*—Section 3 of the bill amends section 4911(b) of the Code in two respects:

(*a*) *Rates of tax.*—The bill would double the rates of tax provided in existing law. As a result the tax on an acquisition by a U.S. person of stock of a foreign issuer would be increased from 15 percent to 30 percent and the tax on the acquisition by a U.S. person of a debt obligation of a foreign obligor would be increased in accordance with the table set forth below. As under existing law, the tax on the acquisition of a debt obligation will vary depending on the period remaining to the maturity of such obligation on the date it is acquired. Debt obligations with a period remaining to maturity of less than one year will continue to be exempt from tax.

The following table shows the rates of tax applicable under existing law to acquisitions of debt obligations of foreign obligors and the proposed rates of tax:

If the period remaining to maturity is—	*Rates of tax under existing law*	*Rates of tax under proposed amendment*
	Percent	*Percent*
At least 1 year, but less than 1¼ years	1.05	2.10
At least 1¼ years, but less than 1½ years	1.30	2.60
At least 1½ years, but less than 1¾ years	1.50	3.00
At least 1¾ years, but less than 2¼ years	1.85	3.70
At least 2¼ years, but less than 2¾ years	2.30	4.60
At least 2¾ years, but less than 3½ years	2.75	5.50
At least 3½ years, but less than 4½ years	3.55	7.10
At least 4½ years, but less than 5½ years	4.35	8.70
At least 5½ years, but less than 6½ years	5.10	10.20
At least 6½ years, but less than 7½ years	5.80	11.60
At least 7½ years, but less than 8½ years	6.50	13.00
At least 8½ years, but less than 9½ years	7.10	14.20
At least 9½ years, but less than 10½ years	7.70	15.40
At least 10½ years, but less than 11½ years	8.30	16.60
At least 11½ years, but less than 13½ years	9.10	18.20
At least 13½ years, but less than 16½ years	10.30	20.60
At least 16½ years, but less than 18½ years	11.35	22.70
At least 18½ years, but less than 21½ years	12.25	24.50
At least 21½ years, but less than 23½ years	13.05	26.10
At least 23½ years, but less than 26½ years	13.75	27.50
At least 26½ years, but less than 28½ years	14.35	28.70
28½ years or more	15.00	30.00

(*b*) *Presidential authority to adjust rates.*—The bill would give the President authority to increase or decrease, by Executive order, the rates of tax if he finds that the rates of tax currently in effect (whether such rates are those set forth in the statute or a prior Executive order) are lower or higher than those necessary to limit the total acquisition by U.S. persons of stock of foreign issuers and debt obligations of foreign obligors within a range consistent with the balance of payments objectives of the United States. Thus, if the President finds at sometime in the future that the rates prescribed in the proposed statute are higher than those necessary under then current conditions to so limit such acquisitions, he may issue an Executive order establishing lower rates of tax. Furthermore, the President may, subsequent to issuing an Executive order, modify such order in the light of changed circumstances and either reinstitute the statutory rates or set other more appropriate rates. The rates of tax established by an Executive order issued under this provision may be zero or any fraction of the rates set forth in the statute (as amended) but may not exceed such rates. The same fraction shall be applied uniformly to all of the rates set forth in the statute. The rates established by the Executive order will be in effect with respect to acquisitions made subsequent to the date the order is issued. However, the President has discretion to specify in an Executive order either that the rates of tax set forth in such order shall apply to all acquisitions made after the date such order is issued or that such rates shall not apply to acquisitions made subsequent to the date the order is issued pursuant to such firm commitments in effect on or prior to such date as are specified in such order. In addition, the President may apply an Executive order reducing the rates of tax retroactively to acquisitions made after a date specified in such order but prior to the date such order is issued.

(*c*) *Commercial bank loans with a period to maturity of one to 3 years.*—Subsection (b) of section 3 of the bill provides that the same rates of tax as those set forth in section 4911 of the statute (as amended) or in any Executive order varying such rates shall apply to acquisitions in the ordinary course of the commercial banking business of debt obligations with a period remaining to maturity of 1 year or more and less than 3 years if such acquisitions are subject to tax under Executive Order No. 11198 and section 4931(c) of the Code.

(*d*) *Effective date.*—Subsection (c) of section 3 of the bill contains the effective date provision for the amendments made by subsections (a) and (b) of section 3. Under paragraph (1), the amendments made by the bill will apply to acquisitions of foreign stock or debt obligations made after January 25, 1967. Paragraphs (2), (3), and (4) set out exceptions to the general effective date and paragraph (5) qualifies the exceptions.

Under paragraphs (2), (3), and (4), the amendments made by the bill do not apply to acquisitions made pursuant to firm commitments in existence on January 25, 1967. These exceptions to the effective date provisions are patterned after the exceptions contained in the original Interest Equalization Tax Act and in the Interest Equalization Tax Extension Act of 1965.

Paragraph (5) provides that, notwithstanding paragraphs (2), (3), and (4), the amendments made by the bill will operate to extend the benefits of lower rates to the transactions described in such paragraphs if an Executive order is issued which lowers the rate of tax applicable to such transactions.

(*d*) *Returns.*—Subsection (d) of section 3 of the bill sets forth rules governing the filing of returns and provides that if, by reason of enactment of the bill, a person incurs additional liability for interest equalization tax with respect to acquisitions of stock or debt obligations made after January 25, 1967, for which a return has been filed under section 6011(d)(1) of the Code before the date of enactment, such person must make an amended return showing such additional liability. Similarly, if enactment of the bill initially creates liability with respect to such acquisitions, the person incurring such liability must make a return. The returns prescribed by this subsection must be filed on or before the last day of the month following the close of the calendar quarter in which the date of enactment occurs, or at such later time as the Secretary of the Treasury or his delegate may prescribe.

Exhibit 67.—Joint release, May 2, 1967, of the Treasury Department and Federal Reserve Board on exchange of letters on German reserve policy

Public announcements were made today by the United States, British, and German Governments on the results of discussions among the three countries concerning their military forces in NATO and the balance-of-payments consequences of United States and United Kingdom troop deployments in Germany. The U.S. press release refers to the fact that the German Bundesbank, in agreement with the German Government, has made known its intention to continue its practice of not converting dollars into gold as part of a policy of international monetary cooperation.

In this connection, the Treasury Department and the Federal Reserve Board are releasing herewith the texts of an exchange of letters between the President of the Bundesbank, Karl Blessing, and the Chairman of the Federal Reserve Board, William McChesney Martin, Jr., concerning the Bundesbank's general reserve policy. Also released was the text of a letter to the Bundesbank from Chancellor Kiesinger, stating that the German Government supports the Bundesbank's policy.

April 13, 1967.

Hon. KARL BLESSING,
President, Deutsche Bundesbank,
Frankfurt (Main), Germany.

DEAR KARL: I am pleased to acknowledge receipt of your letter of March 30, 1967, together with a copy of the letter from Chancellor Kiesinger to you of the same date.

Your letter speaks for itself regarding the Bundesbank's policy with respect to conversions of dollars into gold from the U.S. Treasury, and the support of the Government of the Federal Republic of Germany for this policy is made amply clear in the Chancellor's letter.

I am deeply grateful for your efforts and understanding in bringing this about and I am sure it will prove mutually very helpful. Please accept my warm appreciation.

With all good wishes,

Sincerely yours,

WM. McC. MARTIN, Jr.

DER PRÄSIDENT,
DEUTSCHE BUNDESBANK,
Frankfurt am Main, March 30, 1967.

Mr. WM. McC. MARTIN, Jr.,
Chairman, Board of Governors, Federal Reserve System
Washington, D.C. 20551.

DEAR MR. MARTIN: There occasionally has been some concern expressed in the United States that DM expenditures resulting from the presence of American troops in Germany lead to United States losses of gold.

In this connection we would like to point out three things. (1) Changes in Bundesbank reserves reflect a combination of developments in all parts of the German balance of payments; (2) DM expenditures for American troops in Germany and compensating German military purchases in the United States are only two factors in that balance; (3) German foreign exchange reserves have shown very little net change over the past several years.

Furthermore, the situation should be viewed within the context of the general reserve policy of the Bundesbank. You are, of course, well aware of the fact that the Bundesbank over the past few years has not converted any of the dollars accruing out of German foreign exchange surpluses into gold from the U.S. Treasury. The increases in our gold reserves over these years came about mostly through gold sales of the IMF in connection with the DM purchases for the British drawings in the IMF and through our participation in the Central Banks' Gold Pool.

By refraining from dollar conversions into gold from the U.S. Treasury the Bundesbank has intended to contribute to international monetary cooperation and to avoid any disturbing effects on the foreign exchange and gold markets. You may be assured that also in the future the Bundesbank intends to continue this policy and to play its full part in contributing to international monetary cooperation.

Sincerely yours,

KARL BLESSING.

[Translation]

THE FEDERAL CHANCELLOR,
FEDERAL REPUBLIC OF GERMANY,
Bonn, March 30, 1967.

Mr. KARL BLESSING,
President of the German Federal Bank (Deutsche Bundesbank), Frankfurt/Main.

DEAR MR. BLESSING: The Federal Government has taken note of the letter of March 30, 1967 from the Bundesbank to the Chairman of the Federal Reserve Board. The Federal Government approves of the content of this letter and supports the policy of international monetary cooperation, reflected therein. The Federal Government bases its approval on the assumption that the American partners will consider the Bundesbank's declaration of intent to be a contribution toward facilitating the progress of the offset negotiations with respect to the period after July 1, 1967.

The Federal Government has also taken note of the intention of the Bundesbank to purchase with reserve funds U.S. Government medium-term securities in the total amount of $500 million in four equal quarterly installments, beginning July 1, 1967.

Very sincerely yours,

(Signed) KIESINGER.

Exhibit 68.—Press release, May 2, 1967, announcing the signing of an exchange agreement by the United States and Argentina

Secretary of the Treasury Henry H. Fowler, the Ambassador of Argentina, Alvaro C. Alsogaray, and the President of the Central Bank of Argentina, Pedro E. Real, today signed a $75 million exchange agreement between the United States Treasury and the Government and Central Bank of Argentina.

The exchange agreement is for a 1-year period. It is designed to assist Argentina in its efforts to promote economic stability and freedom in its trade and exchange system. The agreement provides for the conduct of exchange operations, as deemed mutually desirable and advantageous. The United States may purchase Argentine pesos with dollars from time to time, and Argentina will subsequently repurchase the pesos.

These operations will have as their objective maintenance of the stability of the U.S. dollar/Argentine peso exchange rate and, thereby, the promotion of confidence in the foreign exchange market and increasing trade and other exchanges between the two countries.

The agreement signed today complements the $125 million standby arrangement with Argentina announced on May 1, 1967, by the International Monetary Fund.

Exhibit 69.—Press release, June 26, 1967, announcing an increase in the amount of the exchange stabilization agreement between the United States and Mexico

Secretary of the Treasury Henry H. Fowler and the Ambassador of Mexico, Hugo B. Margain have completed an exchange of letters increasing the amount of the existing Exchange Stabilization Agreement between the two countries from $75 million to $100 million.

The existing agreement was signed on December 30, 1965, for the 2-year period ending December 31, 1967, by the United States Treasury, the Bank of Mexico, and the Government of Mexico. The agreement provides reciprocal swap facilities available for use both by Mexico and by the United States. These facilities enable the financial authorities in both countries to cooperate in the conduct of stabilization operations deemed mutually desirable from time to time to provide stable and orderly conditions in the exchange markets.

Exhibit 70.—Other Treasury testimony published in hearings before congressional committees, July 1, 1966–June 30, 1967

Secretary Fowler

Statement published in hearings before the Committee on Finance, U.S. Senate, 89th Congress, 2d session, on H.R. 13103, an act to amend the Internal Revenue Code of 1954 to provide equitable tax treatment for foreign investment in the United States, August 8, 1966, pages 29–44.

Statement on the U.S. balance of payments and better international financial arrangements published in hearings before the Joint Economic Committee (Part I), U.S. Congress, 90th Congress, 1st session, February 6, 1967, pages 152–170.

Statement on the U.S. balance of payments, published in hearings before the Committee on Banking and Currency, House of Representatives, 90th Congress, 1st session, March 13, 1967, pages 7–17.

Under Secretary Barr

Statement published in hearings before the Committee on Foreign Relations, U.S. Senate, 90th Congress, 1st session, on S. 1688, a bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes, May 18, 1967, pages 2–6.

Statement published in hearings before the Subcommittee on Mines and Mining of the Committee on Interior and Insular Affairs, House of Representatives, 90th Congress, 1st session, on H.R. 3274, 8803, and similar bills on gold subsidy legislation, June 2, 1967, pages 137–140.

Under Secretary for Monetary Affairs Deming

Statement published in hearings before the Committee on Ways and Means, House of Representatives, 90th Congress, 1st session, on H.R. 3813, a bill to provide an extension of the interest equalization tax and for other purposes, February 15, 1967, pages 7–16.

Assistant Secretary Davis

Statement published in hearings before the Subcommittee on International Finance of the Committee on Banking and Currency, House of Representatives, 90th Congress, 1st session, on H.R. 9547, a bill to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes, May 3, 1967, pages 25–28.

Statement published in hearings before the Committee on Foreign Relations, U.S. Senate, 90th Congress, 1st session on S. 1688, a bill to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, and for other purposes, May 18, 1967, pages 31–36.

Assistant Secretary Knowlton

Statement published in hearings before the Committee on Finance, U.S. Senate, 89th Congress, 2d session, on Senate Joint Resolution 115, a joint resolution to require that reports on imports into the United States include the landed value of articles imported, and for other purposes, August 31, 1966, pages 27–39.

Silver Legislation

Exhibit 71.—An act to authorize adjustments in the amount of outstanding silver certificates and for other purposes

[Public Law 90-29, 90th Congress, S. 1352, June 24, 1967]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized to determine from time to time the amount of silver certificates (not exceeding $200,000,000 in aggregate face value), issued after June 30, 1929, which in his judgment have been destroyed or irretrievably lost, or are held in collections, and will never be presented for redemption. In the case of each determination he shall credit the appropriate receipt account with an equivalent amount, and shall reduce accordingly the amount of silver certificates outstanding on the books of the Treasury. Silver certificates. Accounting adjustment.

SEC. 2. Silver certificates shall be exchangeable for silver bullion for one year following the enactment of this Act. Thereafter they shall no longer be redeemable in silver but shall be redeemable from any moneys in the general fund of the Treasury not otherwise appropriated. Exchange limitation.

SEC. 3. Effective upon the expiration of one year after the date of enactment of this Act, section 2 of the Act of June 4, 1963, as amended (31 U.S.C. 405a-1), is amended to read as follows: 77 Stat. 54; 79 Stat. 257.

"SEC. 2. The Secretary of the Treasury is authorized to use for coinage, or to sell on such terms and conditions as he may deem appropriate, any silver of the United States (other than silver transferred to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act) at a price not less than the monetary value of $1.292929292 per fine troy ounce." 60 Stat. 596. 50 USC 98-98h.

SEC. 4. From and after the date of enactment of this Act, and until transferred to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act in accordance with this Act, the Secretary of the Treasury shall hold as a reserve for purposes of the common defense not less than one hundred and sixty-five million fine troy ounces of silver. Upon the expiration of one year after the date of enactment of this Act, the Secretary of the Treasury shall transfer not less than one hundred and sixty-five million fine troy ounces of silver to the stockpiles established pursuant to the Strategic and Critical Materials Stock Piling Act. For the purposes of that Act, the silver shall be deemed to have been transferred pursuant to that Act. Silver held in reserve. Transfer to stockpiles.

SEC. 5. The last sentence of section 3517 of the Revised Statutes (31 U.S.C. 324) is repealed. Repeal.

Approved June 24, 1967.

Organization and Procedure

Exhibit 72.—Treasury Department orders relating to organization and procedure

NO. 107, REVISION NO. 11, APRIL 13, 1967.—AUTHORITY TO AFFIX SEAL OF THE TREASURY DEPARTMENT

By virtue of the authority vested in the Secretary of the Treasury, including the authority conferred by 5 U.S.C. 301, and by virtue of the authority delegated to me by Treasury Department Order No. 190, Revision 4, it is hereby ordered that:

1. Except as provided 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, Disclosure and Liaison Branch, Collection Division
(c) In the Bureau of Customs:
(1) Commissioner of Customs
(2) Deputy Commissioner of Customs
(3) Assistant Commissioner of Customs (Administration)
(4) Assistant Commissioner of Customs (Investigations)
(5) Assistant Commissioner of Customs (Operations)
(6) Assistant Commissioner of Customs (Regulations and Rulings)
(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

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 the Internal Revenue Service, and the Commissioner of the Public Debt 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.

A. E. WEATHERBEE,
Assistant Secretary for Administration.

NO. 128, REVISION NO. 2, FEBRUARY 27, 1967.—OFFICE OF FOREIGN ASSETS CONTROL

Treasury Department Order No. 128 is hereby amended to read as follows:

"By virtue of the authority vested in me as Secretary of the Treasury, including Section 161 of the Revised Statutes (5 U.S.C. 22), I hereby order that:

"(1) There is established in the Treasury Department the Office of Foreign Assets Control, successor to Foreign Funds Control. The Office shall function under the immediate supervision of a Director of Foreign Assets Control, who shall be designated, with my approval, by the Assistant Secretary for International Affairs. The Director shall report to the Assistant Secretary for International Affairs through the Assistant to the Secretary (National Security Affairs).

"(2) The Director of Foreign Assets Control shall exercise and perform all authority, duties and functions which I am authorized or required to exercise or perform under

(i) Sections 3 and 5(b) of the Trading with the Enemy Act, as amended, and any proclamations, orders, regulations, or rulings that have been or may be issued thereunder, and

(ii) Executive Order 11322 of January 5, 1967, issued pursuant to section 5 of the United Nations Participation Act of 1945 and all other authority residing in the President.

"(3) The Director of Foreign Assets Control shall be assisted in the exercise and performance of such authority, duties and functions by such assistants and other staff as may be appointed or detailed for the purpose.

"(4) This order shall take effect immediately".

JOSEPH W. BARR,
Acting Secretary.

NO. 145, REVISION NO. 3, FEBRUARY 13, 1967.—DELEGATION OF FUNCTIONS TO THE HEADS OF BUREAUS AND TO THE COMMANDANT, UNITED STATES COAST GUARD, PERTAINING TO CLAIMS

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950, the following delegation of functions is hereby made:

1. To the head of each bureau:

(a) The functions authorized by 28 U.S.C. 2672, to consider, ascertain, adjust, determine, compromise, settle, and pay or transmit for payment claims for money damages for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the bureau concerned; and

(b) The functions authorized by the act of December 28, 1922, 42 Stat. 1066, to consider, ascertain, adjust, and determine claims.

2. To the Commandant, United States Coast Guard:

(a) The functions authorized by 14 U.S.C. 645, to consider, adjust, determine, settle, and pay in an amount not in excess of $1,000, claims incident to activities of the Coast Guard, and to prescribe regulations, pertaining thereto;

(b) The functions authorized by 14 U.S.C. 646, to consider, ascertain, adjust, compromise, settle, and pay claims for damages caused by vessels in the Coast Guard service, and for compensation for towage and salvage services, where the settlement of any such claim does not exceed $3,000; and

(c) The functions authorized by 14 U.S.C. 647, to consider, ascertain, adjust, determine, compromise, or settle claims for damages to property of the United States, where the settlement of any such claim does not exceed $3,000.

The authority herein delegated to the heads of bureaus and to the Commandant of the Coast Guard may be redelegated by them to any officer or employee of their respective bureaus.

Henry H. Fowler,
Secretary of the Treasury.

No. 147-1, February 18, 1967.—Designation of the Under Secretary to Perform the Functions of the Special Assistant to the Secretary (for Enforcement)

By virtue of the authority vested in me as Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950, the Under Secretary is designated, effective immediately, to perform the functions of the Special Assistant to the Secretary (for Enforcement), until a new Special Assistant to the Secretary (for Enforcement) has been appointed and assumes the duties of the office.

Henry H. Fowler,
Secretary of the Treasury.

No. 147-2, March 23, 1967.—Transfer of Certain Interpol Functions From the Office of the Secretary to the Bureau of Narcotics

By virtue of the authority vested in the Secretary of the Treasury, and by virtue of the authority vested in me by Treasury Department Order No. 190, Revision 4, it is hereby ordered that staff and operations services will be furnished by the Bureau of Narcotics to the U.S. representative to the International Criminal Police Organization (INTERPOL). These services will be performed under the supervision of the Commissioner of Narcotics, and will consist of receipt, transmittal, processing, and handling of correspondence, inquiries, investigative referrals and the like from and to the Secretariat of Interpol and its individual national bureaus. Policy questions relating to Interpol dues, Interpol functions, obligations of membership and agenda of and representation at Interpol conferences and General Assembly sessions will continue to be referred to the Director, Office of Law Enforcement Coordination, as the U.S. representative to Interpol.

Such positions, records, and equipment which are determined by the Assistant Secretary for Administration and the Commissioner of Narcotics to be necessary to the performance of the staff and operations services described above shall be transferred from the Office of the Secretary to the Bureau of Narcotics. Such funds as are necessary to the performance of the said services shall, for the period July 1, 1967, through June 30, 1968, be transferred to the Bureau of Narcotics, and an appropriate reimbursement to the Bureau of Narcotics shall be made for the current fiscal year by the Office of the Secretary.

Joseph W. Barr,
Under Secretary of the Treasury.

No. 147-3, March 23, 1967.—Designation of Acting Director, Office of Law Enforcement Coordination

By virtue of the authority vested in the Secretary of the Treasury, and by virtue of the authority vested in me by Treasury Department Order No. 190, Revision 4, Executive Assistant to the Special Assistant (for Enforcement) Anthony A. Lapham is designated, effective 12: 01 a.m., March 27, 1967, to serve as Acting Director, Office of Law Enforcement Coordination, with the authority to perform all functions, without limitation, now authorized to be performed by the Director, Office of Law Enforcement Coordination. Mr. Lapham will continue to serve in this capacity until further notice.

Joseph W. Barr,
Under Secretary of the Treasury.

No. 160-1, Revised January 17, 1967.—Atomic Energy Commission Restricted Data

The Director, Office of Security, is hereby designated as liaison officer between the Department of the Treasury and the Atomic Energy Commission on all matters pertaining to clearances of department personnel for access to Atomic Energy Commission restricted data.

The head of each bureau or office concerned with Atomic Energy Commission restricted data matters shall promptly designate an officer to serve as liaison between that bureau or office and the Director, Office of Security, and shall notify such latter officer in writing of such designation.

The head of each bureau or office of the department concerned with Atomic Energy Commission restricted data matters shall promptly designate an officer to serve as Restricted Data Control Officer for such bureau or office. Such Officer shall receive and receipt for all restricted data received from the Atomic Energy Commission and shall be responsible and accountable for it. Notification shall be given to the Atomic Energy Commission in writing of such designation.

The law strictly forbids any person to have access to Atomic Energy Commission restricted data unless and until he has been cleared by the Atomic Energy Commission for access to such restricted data. All persons receiving documents classified as "Atomic Energy Commission Restricted Data," regardless of the source from which received, shall immediately notify the Restricted Data Control Officer of his bureau or office.

A. E. Weatherbee,
Assistant Secretary for Administration.

No. 167-71, Revision No. 1, September 7, 1966.—Delegation to the Commandant, U.S. Coast Guard, all Functions of the Secretary of the Treasury under Title 37, United States Code

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (rev. 4), there are transferred to the Commandant, U.S. Coast Guard, all functions of the Secretary of the Treasury under Title 37, United States Code.

This order supersedes Treasury Department Orders No. 167-12, dated September 27, 1954; No. 167-34, dated September 24, 1958; and No. 167-69, dated October 20, 1965. Treasury Department Orders No. 167-3, dated May 6, 1953; No. 167-17, dated June 29, 1955; No. 167-18 (Rev. 1), dated July 11, 1958; and No. 167-19, dated January 6, 1956, are also superseded insofar as they relate to Title 37, United States Code, but all other provisions of these orders remain valid.

True Davis,
Assistant Secretary of the Treasury.

No. 167-75, July 18, 1966.—Delegation of Authority to the Commandant, U.S. Coast Guard, Pertaining to the Awarding of the National Defense Service Medal to Coast Guard Military Members

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (rev. 4), there is hereby transferred to the Commandant, U.S. Coast Guard, the authority of the Secretary of the Treasury contained in Executive Order No. 10448 (as amended by Executive Order No. 11265) pertaining to the awarding of the National Defense Service Medal to Coast Guard military members.

This order supersedes the regulations (implementing Executive Order No. 10448) previously approved by the Secretary in a letter to the Commandant dated July 21, 1953.

TRUE DAVIS,
Assistant Secretary of the Treasury.

No. 167-76, AUGUST 11, 1966.—DELEGATION OF AUTHORITY TO THE COMMANDANT, U.S. COAST GUARD, CONCERNING THE LEASING OF CERTAIN HOUSING FACILITIES

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (rev. 4), there are hereby transferred to the Commandant, U.S. Coast Guard, the functions of the Secretary contained in section 2 of Public Law 89-381, concerning the leasing of certain housing facilities for use as public quarters for military personnel and their dependents.

JAMES POMEROY HENDRICK,
Acting Assistant Secretary of the Treasury.

No. 167-77, AUGUST 12, 1966.—DELEGATION OF AUTHORITY TO OFFICIALS OF THE U.S. COAST GUARD TO AUTHORIZE THE PUBLICATION OF ADVERTISEMENTS, NOTICES, OR PROPOSALS

By virtue of the authority vested in me as Secretary of the Treasury, and pursuant to the provisions of the act of August 2, 1946, C. 744, section 12, 60 Stat. 809 (5 U.S.C. 22a), there is hereby delegated to the following officials of the U.S. Coast Guard the authority to authorize the publication of advertisements, notices, or proposals in commercial newspapers, periodicals, and other media for the recruitment of civilian personnel to serve in the U.S. Coast Guard.

Commandant
Assistant Commandant
Chief of Staff
Chief, Office of Personnel
Chief, Civilian Personnel Division

The administrative duties involved in accomplishing the advertising may be assigned to such subordinate officials as may be required.

HENRY H. FOWLER,
Secretary of the Treasury.

No. 167-78, AUGUST 24, 1966.—DELEGATION TO THE COMMANDANT, U.S. COAST GUARD, OF FUNCTIONS RELATING TO THE ADMINISTRATION OF THE COAST GUARD AVIATION CADET TRAINING PROGRAM

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (rev. 4), there are hereby transferred to the Commandant, U.S. Coast Guard, the functions of the Secretary contained in sections 371 and 373 (added by Public Law 89-444) of Title 14, United States Code, with respect to the administration of the program for the training of Coast Guard aviation cadets.

JAMES POMEROY HENDRICK,
Acting Assistant Secretary of the Treasury.

No. 167-79, NOVEMBER 3, 1966.—DELEGATION OF AUTHORITY TO THE COMMANDANT, U.S. COAST GUARD, RELATING TO THE FINANCING, MAINTENANCE, AND OPERATION OF HOUSING FOR MILITARY PERSONNEL

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (rev. 4), there are transferred to the Commandant, U.S. Coast Guard, the functions of the Secretary of the Treasury contained in 42 U.S.C. 1594(c) and 1594b relating to the financing, maintenance, and operation of housing for military personnel of the Coast Guard.

TRUE DAVIS,
Assistant Secretary of the Treasury.

No. 167-80, JANUARY 17, 1967.—DELEGATION TO THE COMMANDANT, U.S. COAST GUARD, OF AUTHORITY CONCERNING THE PROCURAL OF ARCHITECTURAL AND ENGINEERING SERVICES

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, and pursuant to the authority delegated to me by Treasury Department Order No. 190 (rev. 4), there is hereby transferred to the Commandant, U.S. Coast Guard, the function of the Secretary contained in 5 U.S.C. 3109 concerning the procural of architectural and engineering services.

This authority may be redelegated to subordinates in the Coast Guard as deemed necessary by the Commandant.

TRUE DAVIS,
Assistant Secretary of the Treasury.

No. 167-81, JANUARY 30, 1967.—IDENTIFICATION OF CERTAIN FUNCTIONS PERFORMED BY THE BUREAU OF CUSTOMS AS FUNCTIONS RELATING TO THE U.S. COAST GUARD AND DELEGATION OF SUCH FUNCTIONS TO THE U.S. COAST GUARD

By virtue of the authority vested in me as Secretary of the Treasury by law, including Reorganization Plan No. 26 of 1950 and section 301, Title 5, United States Code, it is hereby ordered that:

1. Functions that the Commissioner of Customs has been authorized to perform under prior delegations of authority which are "functions * * * relating to the Coast Guard," within the meaning of section 6(b)(1) of the Department of Transportation Act (Public Law 89-670), are hereby identified as those functions pertaining to:

(a) Admeasurement of vessels;
(b) Documentation of vessels and preparation and publication of merchant vessel registers;
(c) Registration of stack insignia; and
(d) Port security.

2. The functions identified in section 1 of this order as functions "relating to the Coast Guard" are hereby transferred to the Commandant, U.S. Coast Guard. This transfer shall be effective February 24, 1967. The functions herein delegated to the Commandant may be delegated by him to subordinates in such manner as he shall direct.

3. Such positions, personnel, funds, records, and equipment as are determined by the Assistant Secretary, who has supervision over the activities of the U.S. Coast Guard and the Bureau of Customs, and the Assistant Secretary for Administration to be necessary to perform the functions hereby transferred to the Commandant, U.S. Coast Guard, shall be transferred to the U.S. Coast Guard as of February 24, 1967.

JOSEPH W. BARR,
Under Secretary of the Treasury.

No. 170-11, SEPTEMBER 14, 1966.—ESTABLISHMENT OF OFFICE OF RADIO FREQUENCY MANAGEMENT

By virtue of the authority vested in the Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950, and the authority delegated to me, including that delegated by Treasury Department Order No. 190, (rev. 4), dated December 15, 1965, there is hereby established an Office of Radio Frequency Management in the Office of the Secretary.

The Office of Radio Frequency Management shall be under the policy guidance of the Assistant Secretary for Administration, and under the immediate direction of the Director, Office of Administrative Services. The Director of the Office of Radio Frequency Management shall be responsible for administering the radio frequency spectrum management and electromagnetic compatibility programs of the Treasury Department. The functions of this Office shall include, but shall not be limited to, the following:

Coordinate all radio frequency spectrum utilization by bureaus and services of the Treasury Department and be responsible for the formulation, after consultation with appropriate officials in the bureaus and services involved, of overall policies and standards therefor.

Provide competent and effective representation for the Treasury Department on the Interdepartment Radio Advisory Committee (IRAC) and its subcommittees, the State Department Telecommunications Coordinating Committee (TCC), and all other national and international organizations having responsibilities for regulation of the use of the radio spectrum.

Promote and encourage the adoption of uniform radio frequency utilization practices and standards within the Treasury Department that will facilitate interbureau cooperation and enhance the overall effectiveness of radio operations throughout the Department.

Institute and administer such programs as necessary to insure that all Treasury Department radio operations are carried out in conformity with pertinent national and international policies and regulations.

Assist and advise cognizant officials in the several bureaus and services in the resolution of technical and operational problems arising from use of the radio spectrum.

Serve as the focal point within the Department for handling all radio frequency utilization matters referred to the Department by national and international organizations concerned with the regulatory aspects of radio operations.

Such funds, personnel, records, furniture, and equipment as are mutually determined by the Assistant Secretary for Administration and the Assistant Commandant, U.S. Coast Guard, to be necessary in the performance of these duties and functions shall be transferred or reassigned from the Telecommunications Liaison Staff, U.S. Coast Guard Headquarters, to the Office of the Secretary.

This order shall become effective September 26, 1966.

A. E. WEATHERBEE,
Assistant Secretary for Administration.

No. 175–4, AUGUST 30, 1966.—TRANSFER TO THE INTERNAL REVENUE SERVICE OF FUNCTIONS RELATING TO ENROLLMENT TO PRACTICE BEFORE THE INTERNAL REVENUE SERVICE

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950 and under the authority vested in me by Treasury Department Order No. 190 (rev. 4), it is hereby ordered that the functions relating to enrollment to practice before the Internal Revenue Service are transferred from the Office of the Director of Practice in the Office of the General Counsel to the Internal Revenue Service.

Such personnel, records, and equipment as are determined by the General Counsel and the Commissioner of Internal Revenue to be necessary to perform the functions relating to enrollment shall be transferred to the Internal Revenue Service as of September 13, 1966.

FRED B. SMITH,
General Counsel.

No. 191–1, MAY 29, 1967.—DESIGNATION OF DEPUTY TO THE ASSISTANT SECRETARY

Mr. Matthew J. Marks is hereby designated as Deputy to the Assistant Secretary. Notwithstanding the provisions of Treasury Department Order No. 191 (rev. 3), Mr. Marks shall serve, at the pleasure of the Secretary, as the deputy of the Assistant Secretary having responsibility for supervision of the Bureaus of Customs and Engraving and Printing. He shall have authority to perform, during the absence of his principal, any function his principal is authorized to perform.

HENRY H. FOWLER,
Secretary of the Treasury.

No. 193-1, Revision No. 1, January 19, 1967.—Delegation of Authority to the Director, Office of Domestic Gold and Silver Operations, To Sign and Issue Certain Documents

Treasury Department Order No. 193-1, dated October 1, 1961, is revised as follows:

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 part 54 of Title 31 of the Code of Federal Regulations.

The authority vested in the Director, Office of Domestic Gold and Silver Operations, by this order and by parts 54, 81, and 93 of Title 31 of the Code of Federal Regulations may be delegated by him upon such terms and conditions as he deems appropriate.

Frederick L. Deming,
Under Secretary of the Treasury for Monetary Affairs.

No. 205, Revised March 29, 1967.—Delegation of Authority to the Director of the Mint to Procure for the Minting of Clad Coins

By virtue of the authority vested in me as Secretary of the Treasury, including the authority in Reorganization Plan No. 26 of 1950, there is hereby delegated to the Director of the Mint, without limitation and with authority to redelegate, all the authority vested in the Secretary of the Treasury under section 103 of the act of July 23, 1965, Public Law 89-81, relating to the procurement of equipment, manufacturing facilities, patents, patent rights, technical knowledge and assistance, metallic strip, and other materials necessary to produce rapidly an adequate supply of clad coins.

This order shall be effective immediately and supersedes Treasury Department Order No. 205 dated July 26, 1965.

Henry H. Fowler,
Secretary of the Treasury.

No. 209, August 12, 1966.—Treasury Department Utilization of the Department of Defense Industrial Security Program

To provide for the Treasury Department, when acting as a "contracting agency" to participate as a user agency in the Department of Defense Industrial Security Program. This program and the regulations thereof have been developed pursuant to Executive Order 10865, as amended, to protect (1) release of classified information to or within U.S. industry that relate to bidding on, or the negotiation, award, performance, or termination of, contracts and (2) other releases of classified information to or within industry by Government agencies who have responsibility for the safeguarding of such classified information.

Sec. 1. Definitions

The following terms, as used herein, shall have the meanings specified:

A. "Department" means the Department of the Treasury.

B. "Secretary" means the Secretary of the Treasury.

C. "Head of the Bureau" means the Head of the Bureau, Independent Office or Division of a Department, from which the case emanates.

Sec. 2. Program Objective

The security of the United States depends in part upon the proper safeguarding of classified information released to industry. The objective of the Industrial Security Program is to assure the safeguarding of classified information in the hands of U.S. industry. The objective of the Department of Defense Industrial Security Regulations is to set forth the industrial security program, policies, practices, and procedures used internally by the Department of Defense to insure maximum uniformity and effectiveness in its application throughout industry.

Sec. 3. Agreement

An agreement between the Department of Defense and the Department of the Treasury was executed on April 21, 1965 which provides for inclusion of the Treasury Department as a "user agency" in the program.

Sec. 4. Program Outline, Authority, Scope

A. The Deputy Director of Contract Administration Services, Defense Supply Agency (DSA), under the policy guidance of the Assistant Secretary of Defense (Manpower), developed and promulgated the Department of Defense Industrial Security Regulation (DOD 5520.22R) pursuant to the National Security Act of 1947. This regulation is applicable to the Office of the Secretary of Defense, the Departments of the Army, Navy, Air Force, Treasury, and others, hereinafter referred to as "user agencies" in all industrial security relationships with U.S. industry. The regulation implements the security policies established by the Assistant Secretary of Defense (Manpower) and establishes the procedures, requirements, and practices concerned with the effective protection of classified information in the hands of U.S. industry, including foreign classified information which the U.S. Government is obliged to protect in the interest of national defense. User agencies are not authorized to require a different standard of industrial security than prescribed in the regulations except as specifically provided for therein in exceptional cases.

B. The Secretary of Defense is authorized to act in behalf of user agencies, in rendering industrial security services. This authority is contained in exchanges of letters between participating agencies and, for the Treasury Department, through execution of the agreement of April 21, 1965. The Defense Supply Agency (DSA) will perform all cognizant security office functions prescribed by the regulations in behalf of all user agencies. User agencies will perform the functions of, and will have the authority and responsibility prescribed by, the regulation and in the Industrial Security Manual, of a contracting officer, except when the administrative contracting officer's functions are delegated or assigned to the Defense Supply Agency.

Sec. 5. Procedure—Liaison

A. The procedures for "user agencies" are set forth in the publications described in section 6 and provide for use of the system at the contracting-officer level through utilization of the services of the appropriate Regional Defense Contract Administration Services Office. Publications shall be procured through normal sources.

B. The Commandant (OIN), U.S. Coast Guard, 1300 E Street NW., Washington, D.C. 20226, is designated as Liaison Officer for this program as it applies to the Treasury Department and the latter will act upon request in any dealing involving the central office of the Defense Supply Agency.

Sec. 6. Publications

A. The following publications are essential and required documentation for the implementation of this program:

(i) Department of Defense Industrial Security Regulation, DOD 5220.22–R.

(ii) Department of Defense Industrial Security Manual for Safeguarding Classified Information, DOD 5220.22–M.

A. E. Weatherbee,
Assistant Secretary for Administration.

No. 209, Revised January 11, 1967.—Treasury Department Utilization of the Department of Defense Industrial Security Program

To provide for the Treasury Department, when acting as a "contracting agency" to participate as a user agency in the Department of Defense Industrial Security Program. This program and the regulations thereof have been developed pursuant to Executive Order 10865, as amended, to protect (1) release of classified information to or within U.S. industry that relate to bidding on, or the negotiation, award, performance, or termination of, contracts and (2) other releases of classified information to or within industry by Government agencies who have responsibility for the safeguarding of such classified information.

Sec. 1. Definitions

The following terms, as used herein, shall have the meanings specified:

A. "Department" means the Department of the Treasury.

B. "Secretary" means the Secretary of the Treasury.

C. "Head of the Bureau" means the Head of the Bureau, Independent Office, or Division of a Department, from which the case emanates.

SEC. 2. PROGRAM OBJECTIVE

The security of the United States depends in part upon the proper safeguarding of classified information released to industry. The objective of the Industrial Security Program is to assure the safeguarding of classified information in the hands of U.S. industry. The objective of the Department of Defense Industrial Security Regulations is to set forth the industrial security program, policies, practices, and procedures used internally by the Department of Defense to insure maximum uniformity and effectiveness in its application throughout industry.

SEC. 3. AGREEMENT

An agreement between the Department of Defense and the Department of the Treasury was executed on May 26, 1965 which provides for inclusion of the Treasury Department as a "user agency" in the program.

SEC. 4. PROGRAM OUTLINE, AUTHORITY, SCOPE

A. The Deputy Director of Contract Administration Services, Defense Supply Agency (DSA), under the policy guidance of the Assistant Secretary of Defense (Manpower), developed and promulgated the Department of Defense Industrial Security Regulation (DOD 5520.22R) pursuant to the National Security Act of 1947. This regulation is applicable to the Office of the Secretary of Defense, the Departments of the Army, Navy, Air Force, Treasury, and others, hereinafter referred to as "user agencies" in all industrial security relationships with U.S. industry. The regulation implements the security policies established by the Assistant Secretary of Defense (Manpower) and establishes the procedures, requirements, and practices concerned with the effective protection of classified information in the hands of U.S. industry, including foreign classified information which the U.S. Government is obliged to protect in the interest of national defense. User agencies are not authorized to require a different standard of industrial security than prescribed in the regulations except as specifically provided for therein in exceptional cases.

B. The Secretary of Defense is authorized to act in behalf of user agencies, in rendering industrial security services. This authority is contained in exchanges of letters between participating agencies and, for the Treasury Department, through execution of the agreement of April 21, 1965. The Defense Supply Agency (DSA) will perform all cognizant security office functions prescribed by the regulations in behalf of all user agencies. User agencies will perform the functions of, and will have the authority and responsibility, prescribed by the regulation and in the Industrial Security Manual, of a contracting officer, except when the administrative contracting officer's functions are delegated or assigned to the Defense Supply Agency.

SEC. 5. PROCEDURE—LIAISON

A. The procedures for "user agencies" are set forth in the publications described in section 6 and provide for use of the system at the contracting-officer level through utilization of the services of the appropriate Regional Defense Contract Administration Services Office. Publications shall be procured through normal sources.

B. The Director of Administrative Services is designated as Liaison Officer for this program as it applies to the Treasury Department and the latter will act upon request in any dealing involving the central office of the Defense Supply Agency.

SEC. 6. PUBLICATIONS

A. The following publications are essential and required documentation for the implementation of this program:

(i) Department of Defense Industrial Security Regulation, DOD 5220.22-R.

(ii) Department of Defense Industrial Security Manual for Safeguarding Classified Information, DOD 5220.22-M.

A. E. WEATHERBEE,
Assistant Secretary for Administration.

Advisory Committees

Exhibit 73.—Advisory committees utilized by the Treasury Department under Executive Order 11007

During the fiscal year 1967, the advisory committees listed below were continued in use or newly established after a finding of public interest by the Secretary of the Treasury 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, Government Borrowing Committee
- 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 Economic Policy Committee
- U.S. Savings and Loan League, National League of Insured Savings Associations, Advisory Committee on Government Securities
- Independent Bankers Association, Government Fiscal Policy Committee

Four meetings were held with the Government Borrowing Committee of the American Bankers Association in fiscal 1967, on July 26–27, October 23–24 and 26, January 24–25, and April 25–26.

Membership of the Committee was as follows:

Henry T. Bodman	Chairman, National Bank of Detroit, Detroit, Mich.
Thomas O. Cooper	President, Jefferson State Bank, Jefferson, Iowa
George Champion	Chairman, The Chase Manhattan Bank, New York, N.Y.
Jack T. Conn	Chairman ,Fidelity National Bank and Trust Co., Oklahoma City, Okla.
Kenton R. Cravens	Chairman, Mercantile Trust Company, St. Louis, Mo.
Archie K. Davis	Chairman, Wachovia Bank and Trust Co., Winston-Salem, N.C.
George S. Eccles	President, First Security Bank of Utah, Salt Lake City, Utah.
Robert V. Fleming	Advisory Chairman of the Board, The Riggs National Bank of Washington, D.C., Washington, D.C.
Robert Y. Empie	President, Stock Yards Bank, Oklahoma City, Okla.
Charles J. Gable, Jr.	Senior Vice President, The First Pennsylvania Banking and Trust Company, Philadelphia, Pa.
James M. Kemper, Jr.	Chairman, Commerce Trust Company, Kansas City, Mo.

Frank L. King	Chairman, United California Bank, Los Angeles, Calif.
S. J. Kryzsko	President, Winona National and Savings Bank, Winona, Minn.
Murray Kyger	Chairman, The First National Bank, Fort Worth, Tex.
Frederick G. Larkin, Jr.	President, Security First National Bank, Los Angeles, Calif.
John J. Larkin	Vice President, First National City Bank, New York, N.Y.
J. Howard Laeri	Vice Chairman, First National City Bank, New York, N.Y.
John A. Mayer (Chairman)	President, Mellon National Bank and Trust Company, Pittsburgh, Pa.
Robert P. Mayo	Vice President, Continental Illinois National Bank and Trust Co., Chicago, Ill.
George A. Murphy	Chairman, Irving Trust Company, New York, N.Y.
Reno Odlin	Chairman, The Puget Sound National Bank, Tacoma, Wash.
Kenneth V. Zwiener	Chairman, Harris Trust and Savings Bank, Chicago, Ill.
Rudolph A. Peterson	President, Bank of America N.T. & S.A., San Francisco, Calif.
James D. Robinson, Jr.	Chairman, The First National Bank of Atlanta, Atlanta, Ga.
James S. Rockefeller	Chairman, First National City Bank, New York, N.Y.
Robert G. Rouse	Partner, Laidlaw and Co., New York, N.Y.
Edward B. Smith	Chairman, The Northern Trust Co., Chicago, Ill.
Norfleet Turner	Chairman, The First National Bank of Memphis, Memphis, Tenn.
Joseph C. Welman	Chairman, Bank of Kennett, Kennett, Mo.
Paul I. Wren	President, Old Colony Trust Company, Boston, Mass.
Charls E. Walker	Executive Vice President and Executive Manager, The American Bankers Association, New York, N.Y.
William T. Heffelfinger	Federal Administrative Adviser, The American Bankers Association, Washington, D.C.
Thomas R. Atkinson	Director of Research, American Bankers Association, New York, N.Y.

Four meetings were held with the Governmental Securities Committee of the Investment Bankers Association in fiscal year 1967, on July 26–27, October 26–27, January 24–25, and April 25–26.

Membership of the Committee was as follows:

Daniel S. Ahearn	Vice President, Wellington Management Co., Philadelphia, Pa.
Robert H. Bethke	Executive Vice President, Discount Corp. of New York, New York, N.Y.
Robert B. Blyth	First Vice President, The National City Bank, Cleveland, Ohio.
Loring T. Briggs	Vice President, Blyth and Co., Inc., New York, N.Y.
Alan K. Browne	Vice President, Bank of America, N.T. & S.A., San Francisco, Calif.
Carl F. Cooke	Vice President, First Boston Corporation, New York, N.Y.
G. Lamar Crittenden	Vice President, The First National Bank, Boston, Mass.
Stewart A. Dunn	Vice President and Director, Merrill, Lynch, Pierce, Fenner & Smith, Inc., New York, N.Y.
Lester H. Empey	Senior Vice President, Wells Fargo Bank, San Francisco, Calif.

Tilford C. Gaines	Vice President, First National Bank of Chicago, Chicago, Ill.
Alfred H. Hauser	Executive Vice President, Chemical Bank New York Trust Company, New York, N.Y.
Alger J. Jacobs	Senior Vice President, Crocker-Citizens National Bank, San Francisco, Calif.
Ralph F. Leach	Executive Vice President and Treasurer, Morgan Guaranty Trust Company, New York, N.Y.
Eugene S. Lee	Senior Vice President, Valley National Bank of Arizona, Phoenix, Ariz.
Edward D. McGrew	Senior Vice President, The Northern Trust Company, Chicago, Ill.
John H. Perkins (Chairman)	Senior Vice President, Continental Illinois National Bank and Trust Company, Chicago, Ill.
William W. Pevear	Vice President, Irving Trust Company, New York, N.Y.
Delmont K. Pfeffer	Senior Vice President, The First National City Bank of New York, New York, N.Y.
Robert B. Rivel (Vice Chairman)	Senior Vice President, The Chase Manhattan Bank, New York, N.Y.
Girard L. Spencer	Partner, Salomon Brothers and Hutzler, New York, N.Y.
Franklin Stockbridge	Senior Vice President, Security First National Bank, Los Angeles, Calif.
Robert W. Stone	Vice President, National Bank of Detroit, Detroit, Mich.
Paul E. Uhl	Senior Vice President, United California Bank, Los Angeles, Calif.
C. Richard Youngdahl	President, Aubrey G. Lanston and Company, Inc., New York, N.Y.

One meeting was held with the Committee on Government Securities and the Public Debt of the National Association of Mutual Savings Banks in fiscal 1967, on May 2, 1967.

Membership of the Committee was as follows:

Charles F. Brau	President, The Kings County Savings Bank, Brooklyn, N.Y.
Edward P. Clark	President, Arlington Five Cents Savings Bank, Arlington, Mass.
Paul F. Ely	President, The Brooklyn Savings Bank, Brooklyn, N.Y.
William H. Harder	President, Buffalo Savings Bank, Buffalo, N.Y.
G. Churchill Francis	President, The Boston Five Cents Savings Bank, Boston, Mass.
Bernard H. Ineson	Senior Vice President and Treasurer, Providence Institution for Savings, Providence, R.I.
Edward F. McGinley, Jr.	President, Beneficial Mutual Savings Bank, Philadelphia, Pa.
Alfred C. Middlebrook	Senior Vice President, East River Savings Bank, New York, N.Y.
Barrett C. Nichols	Executive Vice President and Treasurer, Maine Savings Bank, Portland, Maine.
Lester J. Norcross	President, Syracuse Savings Bank, Syracuse, N.Y.
Frederick P. Smith	President, Burlington Savings Bank, Burlington, Vt.
Howard B. Smith	President, The Middletown Savings Bank, Middletown, Conn.
William H. Smith, 2d	President, Holyoke Savings Bank, Holyoke, Mass.
Harlan J. Swift	President, Erie County Savings Bank, Buffalo, N.Y.
Dr. Grover W. Ensley	Executive Vice President, National Association of Mutual Savings Banks, New York, N.Y.

Saul B. Klaman	Vice President and Chief Economist, NAMSB, New York, N.Y.
Robert R. Poston	Director-Counsel, NAMSB, Washington, D.C.

A meeting was held with the Advisory Committee on Government Securities of the Savings and Loan Business in fiscal 1967, on May 17, 1967.

Membership of the Committee was as follows:

Junius F. Baxter	President, Western Federal Savings and Loan Association, Denver, Colo.
Lacy Boggess	President, Mutual Savings and Loan Association, Fort Worth, Tex.
W. O. DuVall	President, Atlanta Federal Savings and Loan Association, Atlanta, Ga.
Fred F. Enemark	Executive Vice President, Marin County Savings and Loan Association, San Rafael, Calif.
Richard G. Gilbert	President, The Citizens Savings Association, Canton, Ohio.
L. W. Grant, Sr.	Chairman, Home Federal Savings and Loan Association, Tulsa, Okla.
George E. Leonard	Chairman, First Federal Savings and Loan Association, Phoenix, Ariz.
Roy M. Marr	Chairman, Leader Federal Savings and Loan Association, Memphis, Tenn.
George A. Mooney	President, Washington Heights Federal Savings and Loan Association, New York, N.Y.
Gordon Mosentine	Treasurer, Minnesota Federal Savings and Loan Association, St. Paul, Minn.
John W. Stradtler	President, National Permanent Savings and Loan Association, Washington, D.C.
W. C. Warman	Secretary, U.S. Savings and Loan League, Chicago, Ill.
James A. Hollensteiner	Assistant Secretary, U.S. Savings and Loan League, Chicago, Ill.
Joseph A. Daly	Assistant General Counsel, National League of Insured Savings Associations, Washington, D.C.

A meeting was held with the Government Fiscal Policy Committee of the Independent Bankers Association on April 20, 1967.

Membership of the Committee was as follows:

Milton J. Hayes (Chairman)	Vice President, American National Bank & Trust Co., Chicago, Ill.
S. E. Babington	President, Brookhaven Bank and Trust Co., Brookhaven, Miss.
Stanley R. Barber	President, Wellman Savings Bank, Wellman, Iowa.
W. F. Enright, Jr.	Senior Vice President, American National Bank of Saint Joseph, St. Joseph, Mo.
H. L. Gerhart, Jr.	President, The First National Bank of Newman Grove, Newman Grove, Nebr.
O. K. Johnson	President, Whitefish Bay State Bank, Milwaukee, Wis.
O. M. Jorgenson	Chairman, Security Trust and Savings Bank, Billings, Mont.
R. C. Liddon	Chairman, The Security Bank, Corinth, Miss.
W. W. Marshall, Jr.	President, Commercial National Bank and Trust Co., Grand Island, Nebr.
T. H. Milner, Jr.	President, The National Bank of Athens, Athens, Ga.
Gene Moore	Secretary, Independent Bankers Association, Sauk Centre, Minn.
Herschel R. Page	President, Farmers and Merchants State Bank, Plankinton, S. Dak.

Two meetings were held with the Joint Economic Policy Committee of the Life Insurance Association of America and American Life Convention in fiscal 1967, on July 15, 1966, and May 10, 1967.

Membership of the Committee was as follows:

Richard K. Paynter, Jr. (Chairman)	Chairman of the Board, New York Life Insurance Company, New York, N.Y.
Orville E. Beal	President, The Prudential Insurance Company of America, Newark, N.J.
G. Daniel Brooks	President, The National Life and Accident Insurance Company, Nashville, Tenn.
George T. Conklin, Jr.	Executive Vice President, The Guardian Life Insurance Company of America, New York, N.Y.
Robert E. Dineen	Chairman of the Board and President, The Northwestern Mutual Life Insurance Company, Milwaukee, Wis.
Byron K. Elliott	Chairman of the Board, John Hancock Mutual Life Insurance Co., Boston, Mass.
Gilbert W. Fitzhugh	President, Metropolitan Life Insurance Company, New York, N.Y.
Edward M. Karrmann	President and Chairman of Executive Committee, American United Life Insurance Company, Indianapolis, Ind.
John J. Magovern, Jr.	President, The Mutual Benefit Life Insurance Company, Newark, N.J.
John S. Pillsbury, Jr.	President, Northwestern National Life Insurance Company, Minneapolis, Minn.
G. Frank Purvis, Jr.	President, Pan-American Life Insurance Company, New Orleans, La.
Olcott D. Smith	Chairman, Aetna Life Insurance Company, Hartford, Conn.
Sterling T. Tooker	President, The Travelers Insurance Company, Hartford, Conn.
Charles R. Tyson	President, The Penn Mutual Life Insurance, Philadelphia, Pa.
Dan C. Williams	President and Chairman of Investment Committee, Southland Life Insurance Company, Dallas, Tex.

Staff Members of the Associations

American Life Convention:
- Arthur S. Fefferman, Director of Economic Analysis, Chicago, Ill.
- Lee Shield, Executive Vice President, Chicago, Ill.

Life Insurance Association of America:
- Kenneth L. Kimble, Vice President and General Counsel, Washington, D.C.
- Ralph J. McNair, Vice President, Federal Government Relations, Washington, D.C.
- Blake Newton, President, Institute of Life Insurance, New York, N.Y.
- James J. O'Leary, Vice President and Director of Economic Research, New York, N.Y.
- Robert H. Parks, Assistant Director of Economic Research, New York, N.Y.
- Benjamin F. Small, Executive Vice President, New York, N.Y.
- Eugene M. Thoré, President, New York, N.Y.

ADVISORY COMMITTEE ON CUSTOMS ADMINISTRATION [1]

This Committee was established October 20, 1966, with the approval of Secretary Fowler to enable the Treasury Department to maintain a regularly established mechanism of consultation with representatives of commercial and other private interests principally concerned with the administration of the customs laws and regulations. The Committee is intended to provide a forum for new ideas on simplification and streamlining of customs procedures.

[1] The Secretary of the Treasury authorized the establishment, as of June 16, 1967, by the Commissioner of Customs of three Regional Advisory Committees on Customs Administration and 28 District Advisory Committees on Customs Administration. These committees did not meet before the end of fiscal year 1967.

The members of the Committee, which met on October 20, 1966, February 14, and June 9, 1967, were as follows:

True Davis (Chairman)	Assistant Secretary of the Treasury
James P. Hendrick (Vice Chairman)	Deputy Assistant Secretary of the Treasury
I. M. Bomba	President, National Council of American Importers, New York, N.Y.
J. David Brothers	First Vice President, American Trucking Associations, Richmond, Va.
Ralph Casey	President, American Merchant Marine Institute, Inc., New York, N.Y.
J. Bradley Colburn	President, Association of Customs Bar, New York, N.Y.
J. Edward Day	(former Postmaster General of the United States) Sidley, Austin, Burgess & Smith, Washington, D.C.
Ralph Dewey	President, Pacific American Steamship Association, San Francisco, Calif.
Lester D. Johnson	Commissioner of Customs, Washington, D.C.
Daniel P. Loomis	President, Association of American Railroads, Washington, D.C.
Walter J. Mercer	President, National Customs Brokers & Forwarders Association of America, New York, N.Y.
John J. Murphy	President, National Customs Service Association, Edgewater, Md.
William J. Taylor	President, Railway Express Agency, Inc., New York, N.Y.
Stuart G. Tipton	President, Air Transport Association of America, Washington, D.C.

ADVISORY COMMITTEE ON INTERNATIONAL MONETARY ARRANGEMENTS

The purpose of the Advisory Committee on International Monetary Arrangements is to provide to the Treasury Department advice and recommendations with respect to the development of means of assuring an adequate supply of world liquidity through international monetary arrangements. The Committee consists of persons representing the U.S. segment of the international financial community and of economists specializing in financial and international monetary affairs. The functions of the Committee are solely advisory.

Formation of the Committee was announced on July 3, 1965. During fiscal 1967, the Committee held 9 meetings with the Secretary of the Treasury and other Government officials on July 11, August 19, October 13, November 18, January 17, April 11, May 10, June 12, and June 28.

Membership of the Committee was as follows:

Douglas Dillon (Chairman)	Former Secretary of the Treasury, New York, N.Y.
Edward M. Bernstein	Economic consultant specializing in international monetary policy, Washington, D.C.
Kermit Gordon	President, Brookings Institution, Washington, D.C.
Walter W. Heller	Professor of Economics, University of Minnesota, Minneapolis, Minn.
Charles P. Kindleberger [1]	Professor of Economics, Massachusetts Institute of Technology, Cambridge, Mass.
Andre Meyer	Senior Partner, Lazard Freres and Co., New York, N.Y.
David Rockefeller	President, Chase Manhattan Bank, New York, N.Y.
Robert V. Roosa	Partner, Brown Bros. Harriman & Co., New York, N.Y.
Frazar B. Wilde	Chairman Emeritus, Connecticut General Life Insurance Co., Hartford, Conn.

[1] Resigned Sept. 20, 1966.

ADVISORY COMMITTEE ON PENSION PLANS

The Advisory Committee on Pension Plans was established on January 19, 1967, by the Treasury Department. The panel will furnish advice to the Department in connection with its current review of the rules for integrating pension, annuity, profit-sharing, and stock bonus plans with old-age, survivors, and disability insurance benefits provided under the Social Security Act, as amended in 1965.

The Committee met on April 28, 1967.

The panel of consultants included the following:

Morton C. Bernstein	Professor of Law, Ohio State University, Columbus, Ohio.
Herman C. Biegel	Attorney, Lee, Toomey & Kent, Washington, D. C.
Richard H. Bullen	Vice President and Group Executive, International Business Machines Corp., Armonk, N.Y.
Earl F. Cheit	Professor of Business Administration, University of California, Berkeley, Calif.
Marion B. Folsom	Director, Eastman Kodak Co., Rochester, N.Y.
Leonard Lesser	General Counsel, Industrial Union Dept., AFL–CIO, Washington, D.C.
William Lowe	Vice President and Treasurer, Inland Steel Co., Chicago, Ill.
Dan McGill	Chairman, Pension Research Council, University of Pennsylvania, Philadelphia, Pa.
Thomas H. Paine	Partner, Hewitt Associates, New York, N. Y.
Bert Seidman	Director, AFL–CIO Social Security Dept., Washington, D.C.
Eugene M. Thoré	President, Life Insurance Association of America, New York, N.Y.
Marvin M. Wilf	Attorney, White & Williams, Philadelphia, Pa.

NEW YORK PIER COMMITTEE

Establishment of the New York Pier Committee was approved by a memorandum dated January 31, 1966, from the Secretary of the Treasury to Assistant Secretary True Davis.

The function of the Committee is to achieve minimum facility improvements to the appearance and functional efficiency of five New York City passenger piers utilized by the majority of passenger vessels calling at New York. The Committee met on November 29, 1966, and May 11, 1967.

The membership in fiscal year 1967 follows:

True Davis (Chairman)	Assistant Secretary of the Treasury, Treasury Department, Washington, D.C.
Leo E. Brown Herbert B. Halberg	Commissioner, Department of Marine and Aviation, City of New York, New York, N.Y.
V. A. Demo	General Manager, Cunard Steamship Co., Ltd., New York, N.Y.
Dr. Antonio Premuda Dr. Ottone Empoldi	General Manager for the United States and Canada, Italian Line, New York, N.Y.
William B. Rand	President, United States Lines Co., New York, N.Y.
Adm. John M. Will	Chairman of the Board, American Export Isbrandtsen Lines, Inc., New York, N.Y.
Frank C. Grant	Vice President, United States Lines Co., New York, N.Y.
C. N. Anderson	President, Cunard Steamship Co., Ltd., New York, N.Y.
A. L. Harbin	Deputy General Manager, Cunard Steamship Co., Ltd., New York, N.Y.
Jacques Dougnet	General Manager for U.S.A., Canada, and Mexico, French Line, New York, N.Y.

TREASURY CONSULTATIVE COMMITTEE OF THE BUSINESS COUNCIL

The Secretary of the Treasury proposed this Committee May 8, 1965, "to keep up a two-way exchange and dialog on areas of mutual concern to the Treasury and to the business community." The Consultative Committee consists of members of the Business Council from major industrial and financial sectors. The functions of the Committee are solely advisory.

Formation of the Committee was announced on July 8, 1965. During fiscal 1967, the Committee held four meetings with the Secretary of the Treasury and other Treasury officials on August 31, November 15, February 15, and April 18.

Membership of the Committee during fiscal 1967 was as follows:

Harold Boeschenstein (Chairman)	Chairman, Owens-Corning Fiberglas Corp., New York, N.Y.
Henry C. Alexander	Chairman, Morgan Guaranty Trust Co., New York, N.Y.
Eugene N. Beesley	President, Eli Lilly & Co., Indianapolis, Ind.
Roger M. Blough	Chairman, United States Steel Corp., New York, N.Y.
Bert S. Cross	President, Minnesota Mining & Mfg. Co., St. Paul, Minn.
Paul L. Davies	Chairman, FMC Corp., San Jose, Calif.
Frederic G. Donner	Chairman, General Motors Corp., New York, N.Y.
G. Keith Funston	Chairman, Olin Mathieson Chemical Corp., New York, N.Y.
Thomas S. Gates, Jr.	President, Morgan Guaranty Trust Co., New York, N.Y.
Frank R. Milliken	President, Kennecott Copper Corp., New York, N.Y.
David Packard	Chairman, Hewlett-Packard Co., Palo Alto, Calif.
Sidney J. Weinberg	Partner, Goldman, Sachs & Co., New York, N.Y.
Henry S. Wingate	Chairman, The International Nickel Co., Inc., New York, N.Y.

Ex officio members

W. B. Murphy	President, Campbell Soup Co., Camden, N.J.
Albert L. Nickerson	Chairman of the Board, Mobil Oil Corp., New York, N.Y.

Commissioner of Customs

JOINT CUSTOMS/AIRLINE WORKING GROUP ON AIR CARGO

This Group was established by memorandum dated May 8, 1964, from the Secretary of the Treasury to the Commissioner of Customs.

The functions of the Group are to review industry procedures for handling air cargo and related customs procedures for the assessment and collection of duties and taxes on imported merchandise; to determine if these procedures can be integrated into a system to provide a simplified method of clearance with a minimum of delay and provide adequate controls for customs purposes.

The members of the Group, which met in fiscal year 1967 on October 13 and February 28, were as follows:

G. H. Heidbreder (Chairman)	Deputy Director, Division of Inspection and Control, Bureau of Customs, Treasury Department, Washington, D.C.
E. G. Wing	Operations Officer, Bureau of Customs, Treasury Department, Washington, D.C.
D. D. Kast	Supervisory Customs Law Specialist, Bureau of Customs, Treasury Department, Washington, D.C.
N. J. Marsh	Operations Officer, Bureau of Customs, Treasury Department, Washington, D.C.

J. R. Gorson	Manager-Facilitation, Air Transport Association, Washington, D.C.
S. W. McMillion	Manager-Traffic Agreements and Procedures, United Air Lines, Chicago, Ill.
L. M. Rogers	Director, Traffic Administration, American Airlines, New York, N.Y.
A. Lewis	Assistant Manager-Facilitation, Pan American World Airways, New York, N.Y.
G. Brenne	Staff Manager, Traffic Procedures, United Air Lines, Chicago, Ill.
R. W. Williams	Director, Customs Service, Seaboard World Airlines, Inc., JFK International Airport, Jamaica, N.Y.
E. J. Miller	Manager-Travel Facilitation, Trans World Airlines, New York, N.Y.

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.

The Advisory Group met on September 12–13, and December 19–20, 1966, and March 6–7 and June 1–2, 1967.

The membership in fiscal 1967 follows:

Guy S. Balser	Public Accountant, Long Beach, Calif.
Warren K. Bass	C.P.A., Little Rock, Ark.
J. Waddy Bullion	Attorney, Dallas, Tex.
Charles Conlon	National Association of Tax Administrators, Chicago, Ill.
Milton A. Dauber	Attorney, Philadelphia, Pa.
Adrian DeWind	Attorney, New York, N.Y.
Dr. William C. Flewellen	Mississippi State University, State College, Miss.
Charles H. Gebhardt	The Mead Corporation, Dayton, Ohio
Dr. John R. Stockton	University of Texas, Austin, Tex.
John M. Sullivan	Attorney, St. Paul, Minn.
Don J. Summa	C.P.A., New York, N.Y.
Bernard Wolfman	University of Pennsylvania Law School, Philadelphia, Pa.

Comptroller of the Currency

ADVISORY COMMITTEE ON INTERNATIONAL BANKING

This Committee was formed on October 2, 1964, by the Comptroller of the Currency to provide the Comptroller with technical advice and suggestions which are essential to effective supervision of the international financial activities of national banks.

The members, who met in fiscal 1967 on September 27 and February 24, were as follows:

Bentley G. McCloud, Jr. (Chairman)	Senior Vice President, The First National Bank of Chicago, Chicago, Ill.
Frederick Heldring (Vice Chairman)	Vice President, The Philadelphia National Bank, Philadelphia, Pa.
Roger E. Anderson	Senior Vice President, Continental Illinois National Bank and Trust Co., Chicago, Ill.
Alfred W. Barth	Executive Vice President, Chase Manhattan Bank, N.A., New York, N.Y.
J. Warren Olmsted	Executive Vice President, The First National Bank of Boston, Boston, Mass.
Wm. Walter Phelps, Jr.	Vice President, Mellon National Bank and Trust Co., Pittsburgh, Pa.

Roland Pierotti	Executive Vice President, Bank of America N.T. & S.A. San Francisco, Calif.
Walter B. Wriston	Executive Vice President, First National City Bank, New York, N.Y.

CONSULTING COMMITTEE OF BANK ECONOMISTS

On November 23, 1965, the Comptroller announced the appointment of a consulting committee of bank economists which includes seven national bank economists.

This Committee's function was to advise the Comptroller and his staff and work with the National Advisory Committee. The Committee's primary responsibility was to bring their specialized experience and technical knowledge to bear on current problems of banking policy and practice.

The members of this Committee, which met in the fiscal year 1967 on October 13 and May 24, were as follows:

William F. Butler (Chairman)	Vice President, Chase Manhattan Bank, N.A., New York City, N.Y.
John J. Balles	Vice President and Chief Economist, Mellon National Bank and Trust Co., Pittsburgh, Pa.
James M. Dawson	Vice President and Economist, The National City Bank of Cleveland, Cleveland, Ohio
Herbert E. Johnson	Vice President and Economist, Continental Illinois National Bank and Trust Co. of Chicago, Chicago, Ill.
Leif H. Olsen	Vice President in charge of Economics Department, First National City Bank, New York City, N.Y.
Leslie C. Peacock	Vice President and Economist, Crocker-Citizens National Bank, San Francisco, Calif.
Eugene C. Zorn, Jr.	Vice President and Economist, Republic National Bank of Dallas, Dallas, Tex.
William J. Korsvik	Vice President, The First National Bank of Chicago, Chicago, Ill.

INVESTMENT SECURITIES ADVISORY COMMITTEE

In 1962 the Comptroller of the Currency established the Investment Securities Advisory Committee. The purpose of the Committee was to advise the agency on matters pertaining to the regulations concerning investment securities.

Members of the Committee, who met in fiscal 1967 on July 26, were as follows:

John H. Perkins (Chairman)	Vice President, Continental Illinois National Bank and Trust Co. of Chicago, Chicago, Ill.
George E. Barnett	Vice President, First National City Bank, New York, N.Y.
Arthur H. Quinn, Jr.	Vice President, Philadelphia National Bank, Philadelphia, Pa.
William J. Wallace.	Vice President, Mellon National Bank and Trust Co., Pittsburgh, Pa.
Early F. Mitchell	Senior Vice President, First National Bank of Memphis, Memphis, Tenn.
Alan K. Browne	Vice President, Bank of America, San Francisco, Calif.
Lewis F. Lyne	Senior Vice President, Mercantile National Bank, Dallas, Tex.
Thomas L. Ray	Vice President, Mercantile Trust Co., St. Louis, Mo.
Wesley G. Schelke	Vice President, Seattle First National Bank, Seattle, Wash.
James G. Wilson	Vice President, The National Shawmut Bank, Boston, Mass.
Franklin Stockbridge	Vice President, Security First National Bank, Los Angeles, Calif.
Albert W. Gray	Vice President, Northwest Bankcorporation, Minneapolis, Minn.

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NATIONAL ADVISORY COMMITTEE ON BANKING POLICIES AND PRACTICES

On October 4, 1965, the Comptroller of the Currency appointed this Committee, composed of 26 leading bankers. The Committee has participated in a cooperative effort to bring the thinking of the banking community to bear on the many matters of national concern in which the banking industry is vitally involved.

Meetings of this Committee were held in fiscal 1967 on October 13, and May 24, with the following members:

George S. Moore (Chairman)	President, First National City Bank, New York, N.Y.
Robert C. Baker	Chairman of the Board and President, American Security and Trust Co., Washington, D.C.
Henry T. Bodman	Chairman of the Board, National Bank of Detroit, Detroit, Mich.
George Champion	Chairman of the Board, The Chase Manhattan Bank, N.A., New York, N.Y.
Kenton R. Cravens	Chairman of the Board, Mercantile Trust Co., N.A., St. Louis, Mo.
Roger C. Damon	President, The First National Bank of Boston, Boston, Mass.
G. Morris Dorrance, Jr.	President, The Philadelphia National Bank, Philadelphia, Pa.
George S. Eccles	President, First Security Bank of Utah, N.A., Ogden, Utah
J. A. Elkins, Jr.	Chairman of the Board, First City National Bank of Houston, Houston, Tex.
John S. Fangboner	President, The National City Bank of Cleveland, Cleveland, Ohio
Sam M. Fleming	President, Third National Bank, Nashville, Tenn.
Robert D. H. Harvey	Vice Chairman of the Board and Chief Executive Officer, Maryland National Bank, Baltimore, Md.
William M. Jenkins	Chairman of the Board, Seattle-First National Bank, Seattle, Wash.
David M. Kennedy	Chairman of the Board, Continental Illinois National Bank and Trust Co. of Chicago, Chicago, Ill.
Mills B. Lane, Jr.	President, The Citizens and Southern National Bank, Atlanta, Ga.
Frederick G. Larkin, Jr.	President, Security First National Bank, Los Angeles, Calif.
Homer J. Livingston	Chairman of the Board, The First National Bank of Chicago, Chicago, Ill.
John A. Mayer	President, Mellon National Bank and Trust Co., Pittsburgh, Pa.
Frank E. McKinney	Chairman of the Board, American Fletcher National Bank and Trust Co., Indianapolis, Ind.
J. E. Patrick	President, Valley National Bank of Arizona, Phoenix, Ariz.
R. A. Peterson	President, Bank of America National Trust and Savings Association, San Francisco, Calif.
Edward J. Ruetz	Chairman and President, Kenosha National Bank, Kenosha, Wis.
W. Harry Schwarzschild, Jr.	President, The Central National Bank, Richmond, Va.
Robert H. Stewart III	President, First National Bank in Dallas, Dallas, Tex.
Norfleet Turner	Chairman of the Board, First National Bank of Memphis, Memphis, Tenn.

REGIONAL ADVISORY COMMITTEES ON BANKING POLICIES AND PRACTICES

On November 11, 1965, the Comptroller of the Currency established 14 Regional Advisory Committees on Banking Policies and Practices to assist the agency in a continuing review aimed at keeping bank regulation abreast of the Nation's needs.

The Committees' membership and the dates of the regional meetings during fiscal 1967 follow:

Region 1 meeting dates—July 11 and October 10, 1966, and April 13, 1967.

John Simmen (Chairman)	President, Industrial National Bank of Rhode Island, Providence, R.I.
H. L. Goodwin (Vice Chairman)	President, The First National Bank of Portsmouth, Portsmouth, N.H.
Benjamin Blackford	President, The State National Bank of Connecticut, Bridgeport, Conn.
David C. Hewitt	President, Hartford National Bank & Trust Co., Hartford, Conn.
Hubert H. Hauck	President, First National Bank of Portland, Portland, Maine
Edward L. Clifford	President, Worcester County National Bank, Worcester, Mass.
Joseph P. Healey	President, Middlesex County National Bank, Everett, Mass.
H. C. Owen, Jr.	President, The First National Bank of Attleboro, Attleboro, Mass.
Norman R. Vester	President, Security National Bank of Springfield, Springfield, Mass.
James E. Chandler	President, Indian Head National Bank, Nashua, N.H.
William M. Lockwood	President, Howard National Bank and Trust Co., Burlington, Vt.
L. H. Martin	President, The National Shawmut Bank of Boston, Boston, Mass.

Region 2 meeting dates—September 9 and December 12, 1966, and June 16, 1967.

Robert G. Cowan (Chairman)	Chairman, National Newark and Essex Bank, Newark, N.J.
Walter M. Wilmshurst (Vice Chairman).	President, The St. Lawrence County National Bank, Canton, N.Y.
Alvan B. Fehn	President, The National Union Bank of Dover, Dover, N.J.
Elwood F. Kirkman	President, The Boardwalk National Bank, Atlantic City, N.J.
Horace G. Moeller	President, Haddonfield National Bank, Haddonfield, N.J.
Kingsbury S. Nickerson	President, The First National Bank of Jersey City, Jersey City, N.J.
W. E. Roosevelt	Chairman, The National State Bank, Elizabeth, N.J.
Prentice J. Rodgers	Chairman of the Executive Committee, National Commercial Bank & Trust Co., Albany, N.Y.
E. Perry Spink	President, Liberty National Bank and Trust Company, Buffalo, N.Y.
Richard H. Stover	President, County National Bank, Middletown, N.Y.
Frederick Sundermann	President, National Bank of Westchester, White Plains, N.Y.
D. Victor Bornn	President, Virgin Islands National Bank, Charlotte Amalie, St. Thomas, V.I.

Region 3 meeting dates—October 17, 1966, and May 1, 1967.

Malcolm E. Lambing (Chairman).	President, Pittsburgh National Bank, Pittsburgh, Pa.
Albert L. Rasmussen (Vice Chairman).	President, The Warren National Bank, Warren, Pa.
Morris H. Baker	President, County National Bank of Montrose, Montrose, Pa.
Wilbur A. Bankert	President, Adams County National Bank, Littlestown, Pa.
Charles H. Bracken	President, Marine National Bank, Erie, Pa.

William B. Brosius	President, National Bank of Chester County and Trust Co., West Chester, Pa.
Russell E. Gardner	President, The Hanover National Bank of Wilkes-Barre, Wilkes-Barre, Pa.
Robert Y. Garrett, Jr.	President, Lancaster County Farmers National Bank, Lancaster, Pa.
Frank E. Hemelright	President, Northeastern Pennsylvania National Bank and Trust Co., Scranton, Pa.
William G. Foulke	President, Provident National Bank, Philadelphia, Pa.
George L. Morrison, Jr.	President, The Harrisburg National Bank and Trust Co., Harrisburg, Pa.
James B. Grieves	President, The Union National Bank of Pittsburgh, Pittsburgh, Pa.

Region 4 meeting dates—July 29 and November 18, 1966, and May 1, 1967.

Fred A. Dowd (Chairman)	Chairman, The First National Bank of Cincinnati, Cincinnati, Ohio
L. L. Murphy (Vice Chairman)	Chairman, Calumet National Bank of Hammond, Hammond, Ind.
W. C. Laycock	Chairman, Fort Wayne National Bank, Fort Wayne, Ind.
Wilson Mothershead	Chairman, The Indiana National Bank of Indianapolis, Indianapolis, Ind.
M. C. Oberhelman	President, The Citizens National Bank of Evansville, Evansville, Ind.
Thomas G. Bartlett	President, The Owensboro National Bank, Owensboro, Ky.
O. T. Dorton	President, Citizens National Bank, Paintsville, Ky.
LeRoy M. Miles	President, First Security National Bank and Trust Co., Lexington, Ky.
Deroy Scott	President, First National Lincoln Bank of Louisville, Louisville, Ky.
John W. Alford	President, Park National Bank, Newark, Ohio
Harland E. Paige	President, First National Bank of Akron, Akron, Ohio
L. A. Stoner	President, The Ohio National Bank of Columbus, Columbus, Ohio

Region 5 meeting dates—September 29, and December 1, 1966, and May 18, 1967.

W. Wright Harrison (Chairman)	President, Virginia National Bank, Norfolk, Va.
William S. Jenkins (Vice Chairman)	President, The First-Second National Bank and Trust Co., Cumberland, Md.
Barnum L. Colton	President, The National Bank of Washington, Washington, D.C.
Adrian L. McCardell	President, First National Bank of Maryland, Baltimore, Md.
Warren H. Lasher	President, American National Bank of Maryland, Silver Spring, Md.
Archie W. McLean	President, The Planters National Bank and Trust Co., Rocky Mount, N.C.
J. Phillips Coleman	President, First and Merchants National Bank, Richmond, Va.
S. Thomas Cox	President, The First National Bank, Altavista, Va.
Walter J. O'Donnell	President, First National Bank of Arlington, Arlington, Va.
D. Sterling Diddle	Chairman and President, The Guaranty National Bank of Huntington, Huntington, W. Va.
Paul Hinkle	President, The Charleston National Bank, Charleston, W. Va.
H. H. Meyn	President, Security National Bank and Trust Co., Wheeling, W. Va.

Region 6 meeting date—November 3, 1966, and May 26, 1967.

James D. Robinson, Jr. (Chairman)	Chairman, The First National Bank of Atlanta, Atlanta, Ga.
J. E. Bryan	President, Union Trust Co., N.A., St. Petersburg, Fla.
W. A. Hobbs, Jr.	President, First National Bank of Pompano Beach, Pompano Beach, Fla.
E. W. Johnson	President, First National Bank of Tampa, Tampa, Fla.
Edward W. Lane, Jr.	President, The Atlantic National Bank of Jacksonville, Jacksonville, Fla.
Godfrey Smith	President, Capital City First National Bank of Tallahassee, Tallahassee, Fla.
J. W. Blackmon	President, First National Bank, Columbus, Ga.
G. E. Patterson	President, The Liberty National Bank & Trust Co. of Savannah (Trust Co. of Georgia), Savannah, Ga.
W. T. Maddox	Executive Vice President, National Bank of Rome, Rome, Ga.
Hugh C. Lane	Chairman, The Citizens & Southern National Bank of South Carolina, Charleston, S.C.
W. W. McEachern	Chairman, The South Carolina National Bank, Greenville, S.C.

Region 7 meeting dates—September 7 and November 30, 1966, and May 10 1967.

Rolan A. Mewhort (Chairman)	President, Manufacturers National Bank of Detroit, Detroit, Mich.
Leroy E. Liljedahl (Vice Chairman)	President, American National Bank & Trust Co., Rockford, Ill.
John H. Crocker	Chairman, The Citizens National Bank of Decatur, Decatur, Ill.
J. C. Hauser	President, Belleville National Savings Bank, Belleville, Ill.
George L. Luthy	Chairman, Commercial National Bank of Peoria, Peoria, Ill.
Harold Meidell	Chairman, LaSalle National Bank, Chicago, Ill.
Charles Z. Meyer	Chairman, Upper Avenue National Bank of Chicago, Chicago, Ill.
William H. Patton	President, The First National Bank of Springfield, Springfield, Ill.
D. P. Stone	Chairman, The First National Bank of Peoria, Peoria, Ill.
H. A. Jacobson	President, American National Bank & Trust Co. of Kalamazoo, Kalamazoo, Mich.
Howard J. Stoddard	Chairman, Michigan National Bank, Lansing, Mich.
P. R. Wilkinson	President, The National Lumbermans Bank of Muskegon, Muskegon, Mich.

Region 8 meeting dates—August 17 and November 22, 1966, and June 2, 1967

W. W. Campbell (Chairman)	Chairman, First National Bank of Eastern Arkansas, Forrest City, Ark.
Nat S. Rogers (Vice Chairman)	President, Deposit Guaranty National Bank & Trust Co., Jackson, Miss.
John A. Hand	President, The First National Bank of Birmingham, Birmingham, Ala.
Frank Plummer	President, The First National Bank of Montgomery, Montgomery, Ala.
Albert Rains	Chairman, City National Bank of Gadsden, Gadsden, Ala.
Earl L. McCarroll	President, Union National Bank, Little Rock, Ark.
Keehn W. Berry	President, Whitney National Bank of New Orleans, New Orleans, La.

Charles W. McCoy	President, Louisiana National Bank of Baton Rouge, Baton Rouge, La.
A. David Califf	President, First National Bank of Clarksdale, Clarksdale, Miss.
Frank B. Caldwell	Chairman, Second National Bank of Jackson, Jackson, Tenn.
H. S. Walters	Chairman, Hamilton National Bank, Morristown, Tenn.
Walter W. Schroeder	President, The First National Bank of Lafayette, Lafayette, La.

Region 9 meeting dates—August 27, 1966, and April 21, 1967.

Joseph R. Hartz (Chairman)	President, The First National Bank of Stevens Point, Stevens Point, Wis.
A. M. Eriksmoen (Vice Chairman)	President, The Dakota National Bank of Fargo, Fargo, N. Dak.
John A. Moorhead	President, Northwestern National Bank of Minneapolis, Minneapolis, Minn.
Ora G. Jones, Jr.	President, The Goodhue County National Bank of Red Wing, Red Wing, Minn.
C. Glenn Rye	President, Northern City National Bank of Duluth (First Banstock Corp.), Duluth, Minn.
Mrs. E. A. Nachtwey	President, First National Bank, Dickinson, N. Dak.
Fred R. Orth	President, First National Bank in Grand Forks, Grand Forks, N. Dak.
A. E. Dahl	Chairman, American National Bank & Trust Co., Rapid City, S. Dak.
C. C. Lind	President, First National Bank of Aberdeen (Northwest Bancorporation) Aberdeen, S. Dak.
Thomas P. Hudson	President, First American National Bank of Wausau, Wausau, Wis.
Richard J. Lewis	President, The American National Bank & Trust Co., Eau Claire, Wis.
John M. Rose	President, Kellogg-Citizens National Bank of Green Bay, Green Bay, Wis.

Region 10 meeting date—October 23, 1966.

John B. Mitchell (Chairman)	President, First National Bank in St. Louis, St. Louis, Mo.
Charles Young (Vice Chairman)	President, The City National Bank & Trust Co. of Kansas City, Kansas City, Mo.
Calvin W. Aurand	President, Iowa-Des Moines National Bank, Des Moines, Iowa
R. L. Kilgore	President, National Bank of Waterloo, Waterloo, Iowa
Robert Bunten	Chairman and President, The Merchants National Bank of Topeka, Topeka, Kans.
Clarence Coleman	President, Union National Bank of Wichita, Wichita, Kans.
B. L. Lohmuller	President, The First National Bank of Centralia, Centralia, Kans.
Nation Meyer	President, The First National Bank, Hutchinson, Kans.
L. R. Reynolds, Jr.	President, First National Bank of Joplin, Joplin, Mo.
James B. Cooper	President, Plainview National Bank, Plainview, Nebr.
Morris F. Miller	President, The Omaha National Bank, Omaha, Nebr.
Burnham Yates	President, First National Bank and Trust Co., Lincoln, Nebr.

Region 11 meeting dates—September 28, 1966, and March 28, 1967.

T. C. Frost, Jr. (Chairman)	President, Frost National Bank, San Antonio, Tex.

W. H. McDonald (Vice Chairman)	President, The First National Bank & Trust Co. of Oklahoma City, Oklahoma City, Okla.
F. G. McClintock	President, The First National Bank & Trust Co. of Tulsa, Tulsa, Okla.
Ford Simmons	President, Exchange National Bank & Trust Co., Ardmore, Okla.
J. D. Wilkinson	President, Commercial National Bank of Muskogee, Muskogee, Okla.
James W. Aston	President, Republic National Bank of Dallas, Dallas, Tex.
Joseph F. Irvin	President, Southwest National Bank of El Paso, El Paso, Tex.
George G. Matkin	President, The State National Bank of El Paso, El Paso, Tex.
Leon Stone	President, The Austin National Bank, Austin, Tex.
William Thomas, Jr.	President, Riverside National Bank, Houston, Tex.
Oliver Howard	President, Citizens National Bank of Abilene, Abilene, Tex.
Joe B. Wolverton	President, The First Wichita National Bank, Wichita Falls, Tex.

Region 12 meeting dates—July 8 and October 7, 1966.

Melvin J. Roberts (Chairman)	President, Colorado National Bank of Denver, Denver, Colo.
Frank O. Papen (Vice Chairman)	President, The First National Bank of Donna Ana County, Las Cruces, N. Mex.
Robert D. Williams	President, First National Bank of Arizona, Phoenix, Ariz.
J. D. Ackerman	Chairman and President, Exchange National Bank of Colorado Springs, Colorado Springs, Colo.
Robin B. Bailey	President, The First National Bank of Pueblo, Pueblo, Colo.
R. K. Schumann	President, West Greely National Bank, West Greely, Colo.
W. M. Gallaway	President, Farmington National Bank, Farmington, N. Mex.
Roy W. Simmons	President, Zions First National Bank of Salt Lake City, Salt Lake City, Utah
Del Crouse	President, American National Bank of Riverton, Riverton, Wyo.
Jackson F. King	President, The First National Bank of Casper, Casper, Wyo.
A. H. Trautwein	President, Cheyenne National Bank, Cheyenne, Wyo.
H. A. McEvoy	President, Continental National Bank, Phoenix, Ariz.

Region 13 meeting dates—September 16, 1966, and April 27, 1967.

William E. Irvin (Chairman)	President, The Idaho First National Bank, Boise, Idaho
Baker Ferguson (Vice Chairman)	President, The Baker-Boyer National Bank of Walla Walla, Walla Walla, Wash.
D. H. Cuddy	President, The First National Bank of Anchorage, Anchorage, Alaska.
L. A. Frazier	President, Fidelity National Bank of Twin Falls, Twin Falls, Idaho
Forrest C. Hedger	President, The Great Falls National Bank, Great Falls, Mont.
John E. Tenge	President, Midland National Bank of Billings, Billings, Mont.
Theodore Jacobs	Chairman, The First National Bank of Missoula, Missoula, Mont.

C. Henri Labbe	President, Great Western National Bank, Portland, Oreg.
Maxwell Carlson	President, National Bank of Commerce of Seattle, Seattle, Wash.
James E. Phillips	President, First National Bank in Port Angeles, Port Angeles, Wash.
Dewitt Wallace	President, Old National Bank of Washington, Spokane, Wash.
E. J. Kolar	President, U.S. National Bank of Oregon, Portland, Oreg.

Region 14 meeting dates—July 22 and September 16, 1966, and February 3 and June 2, 1967.

Ralph V. Arnold (Chairman)	Chairman and President, First National Bank & Trust Co., Ontario, Calif.
Dan E. Dorman (Vice Chairman)	President, First National Bank of Hawaii, Honolulu, Hawaii
Charles de Bretteville	President, Bank of California, N.A., San Francisco, Calif.
Charles E. Harris	President, Humboldt National Bank, Eureka, Calif.
Alfred Hart	President, City National Bank, Beverly Hills, Calif.
Jacob Shemano	Chairman and President, Golden Gate National Bank, San Francisco, Calif.
M. A. Ruderman	Chairman, Palm Springs National Bank, Palm Springs, Calif.
Joseph Rogers	President, The First National Bank of San Jose, San Jose, Calif.
Howard L. Sargent	President, Santa Barbara National Bank, Santa Barbara, Calif.
C. Arnholt Smith	Chairman and President, U.S. National Bank, San Diego, Calif.
George L. Woodford Jr.	President, Newport National Bank, Newport Beach, Calif.
H. S. Gorman	President, First National Bank of Nevada, Reno, Nev.

U.S. Coast Guard

CHEMICAL TRANSPORTATION ADVISORY PANEL

This Panel, established on May 4, 1949, acts as an advisory body on matters concerned with the bulk transportation of chemicals or hazardous cargo. Such expert advice from industry is mandatory to keep current and effective the dangerous cargo, tank vessel, cargo, and other associated regulations promulgated and enforced by the Coast Guard.

Membership of the Panel, which met in fiscal 1967 on August 31, November 3–4, and March 2–3, follows:

Oliver E. Beutel	Manager, Distribution and Traffic, The Dow Chemical Company, Midland, Mich.
G. H. Mayhood	Transportation Engineer, Manufacturing Chemists' Association, Inc., Washington, D.C.
Commander Eric Grundy, USCG, Liaison Officer	Chief, Chemical Engineering Branch, Merchant Marine Technical Division, USCG Headquarters, Washington, D.C.
George R. Benz	Consultant, Engineering Department, Phillips Petroleum Company, Bartlesville, Okla.
G. W. Feldman	Senior Distribution Engineer, Development Division, Traffic Department, E. I. du Pont de Nemours and Co., Wilmington, Del.
Captain G. C. Steinman, USCG (Ret.)	Executive Vice President, Breit Engineering, Inc., 839 17th Street, Washington, D.C.
J. R. Black	Operations, Nilo Barge Lines, St. Louis, Mo.
J. C. Clarke	Vice President, Marine Transport Lines, Inc., New York, N.Y.
R. W. Krieger	President, Jeffersonville Boat and Machine Co., Jeffersonville, Ind.

T. J. Lengyel	Assistant Manager, Marine Department, Shell Oil Co., New York, N.Y.
R. B. Mitchell, Jr.	Chemical Carriers, Inc., New York, N.Y.
A. C. Clark, Secretary	Chemical Engineer, Manufacturing Chemists' Association, Inc., Washington, D.C.
Commander M. E. Welch, USCG, Liaison Officer	Assistant Chief, Hazardous Material Division, USCG Headquarters, Washington, D.C.
John Hale	Technical Representative, Engineering Department, Phillips Petroleum Co., Bartlesville, Okla.
M. M. Anderson	Chemicals Division, Union Carbide Corp., South Charleston, W. Va.
Robert K. Gregg	Dow Chemical Co., Texas Division, Freeport, Tex.
Walter G. Neal, Jr.	Keystone Shipping Co., Philadelphia, Pa.
T. W. Rodes	Plant Superintendent, Union Carbide Chemical Co., Carteret, N.J.
George P. Jacobson	Assistant Manager, Marine Transportation, Allied Chemical Corp., New York, N.Y.
Albert N. Narter	Principal Surveyor, American Bureau of Shipping, New York, N.Y.
R. T. Williams J. B. Muir	Project Engineer, Marine Division, Humble Oil and Refining Co., Houston, Tex.
James E. Weaver, Chairman	Manager of Transportation, Pittsburgh Plate Glass Co., Pittsburgh, Pa.
R. J. Wheeler	Manager, Marine Transportation, Phillips Petroleum Co., Bartlesville, Okla.
	Ex Officio Members:
M. F. Crass, Jr.	Secretary-Treasurer, Manufacturing Chemists' Association, Inc., Washington, D.C.
E. A. Olson	Secretary-Treasurer, Compressed Gas Association, Inc., New York, N.Y.
B. H. Lord, Jr.	Director, Division of Transportation, American Petroleum Institute, Washington, D.C.
Robert L. Mitchell, Jr.	Secretary-Treasurer, The Chlorine Institute, Inc., New York, N.Y.

NATIONAL OFFSHORE OPERATIONS PANEL

This Panel was established on December 15, 1959, to advise the U.S. Coast Guard on matters related to the highly specialized construction and operation of geophysical survey vessels, drilling platforms, and associated vessels and barges.

Members of the Panel, which met in fiscal 1967 on August 18, were as follows:

R. T. Sessums, Chairman	Vice President, Freeport Sulphur Co., New Orleans, La.
H. E. Denzler, Jr., Secretary	Assistant to Vice President, Chevron Oil Company, New Orleans, La.
W. H. LeGrand	District Production Manager, Gulf Oil Corp., New Orleans, La.
R. N. Crews	Vice President, J. Ray McDermott and Co., Inc., New Orleans, La.
R. E. France	Producing Department, Southern Division, Standard Oil Co. of California, Western Operations, Inc., La Habra, Calif.
James W. Greely	Kerr-McGee Oil Industries, Inc., Oklahoma City, Okla.
W. H. Henderson	Chairman, Gulf Offshore Marine Service Association, New Orleans, La.
Donald S. Hare	Vice President, Drilling and Production, Pauley Petroleum Inc., Los Angeles, Calif.
W. M. House	Division Manager, Signal Oil and Gas Co., Los Angeles, Calif.
J. W. Pittman	Manager Production Department, Shell Oil Co., New Orleans, La.

R. O. Pollard	Manager, Production Department, Richfield Oil Co., Long Beach, Calif.
M. S. Kendrick	Regional Manager, Continental Oil Co., Houston, Tex.
Frank R. Davis	District Production Supervisor, Phillips Petroleum Co., Santa Barbara, Calif.
Bert E. Crowder	Assistant Manager, Southeastern Division, Production Department, Humble Oil and Refining Co., New Orleans, La.
Capt. H. R. Christensen	Texaco, Inc., New York, N.Y.
H. R. Inman	Production Manager, New Orleans Division, Mobil Oil Co., Lafayette, La.
E. J. Deupree	Vice President and General Manager, Chevron Oil Co., New Orleans, La.

PORT ADVISORY COUNCILS

Port Advisory Councils provide a forum for discussion and interpretation of Coast Guard policies and directives, thereby furthering cooperation. The Councils, representing the various port interests, also furnish advice and information to Coast Guard authorities. Two of these councils held meetings during fiscal 1967. The lists of members and dates of meetings for these advisory groups, New Orleans, La., and Houston, Tex., follow.

PORT ADVISORY COUNCIL, NEW ORLEANS, LOUISIANA

This advisory council, founded in 1960, met every two months during fiscal 1967. Its membership follows:

Forsee "Jack" Estes	P.O. Box 23134, Point Landing, Inc., New Orleans, La.
W. S. Smith	524 Hibernis Bldg., T. Smith & Son, Inc., New Orleans, La.
Capt. E. B. Hendrix, 2d	Lykes Bros. Steamship Co., P.O. Box 50998, New Orleans, La.
Capt. E. A. Poulter, USCG, Secretary	Captain of the Port, USCG, 1201 Lakeshore Drive, New Orleans, La.
Capt. C. L. Spicer	P.O. Box 50250, Delta Steamship Co., New Orleans, La.
Capt. James H. Edwards, Jr., Chairman	Crescent River Port Pilots Association, New Orleans, La.
Henry R. Rauber, Co-Chairman	Safety Officer, Board of Commissioners, Port of New Orleans, P.O. Box 60046, New Orleans, La.
Harry J. Rome	Superintendent of Docks, Board of Commissioners, Port of New Orleans, P.O. Box 60046, New Orleans, La.
Capt. E. J. Worrel, Jr., USCG	USCG, Custom House, New Orleans, La.
A. J. Heyd	Superintendent, New Orleans Fire Department, 317 Decatur Street, New Orleans, La.
Capt. S. T. Furr	Baton Rouge Steamship Pilots Association, New Orleans, La.
Capt. M. L. Harbourt, USCG	Marine Inspection Officer, USCG, Custom House, New Orleans, La.
Otis M. Jernigan	Army Engineer District, New Orleans, Corps of Engineers, P.O. Box 60267, New Orleans, La.
Sam Giallanza	Vice President, N. O. Steamship Assn., 219 Carondelet Street, New Orleans, La.
McVey F. Ward	American Waterways, Operators, Inc., 435 Whitney Bldg., New Orleans, La.
H. E. Denzler, Jr.	Production Engineer, The California Co., California Bldg., New Orleans, La.
B. C. Weaver	Bureau of Explosives, 909 Walker Street, New Orleans, La.
Maj. Gen. Raymond Hufft	Bureau of Customs, Room 233, Custom House, New Orleans, La.
Milton L. LeBlanc	Bureau of Customs, Room 200, Custom House, New Orleans, La.

H. L. LeBlanc	Bureau of Customs, Room 229, Custom House, New Orleans, La.
Capt. Henry B. Dunlap	Louisiana Civil Defense Agency, Bldg. 309A, Area B, Jackson Barracks, New Orleans, La.
Louis C. LaCour	U.S. Attorney, 400 Royal Street, New Orleans, La.
Professor A. Lee Dunlap	Chairman, Fire Prevention, 935 Pine Street, New Orleans, La.
C. W. Herbert	Greater Baton Rouge Port Commission, Port Allen, La.
Henri Wolbrette	Louisiana Chemical Association, New Orleans, La.

PORT ADVISORY COUNCIL, HOUSTON, TEXAS

This advisory council, organized on March 26, 1959, held bimonthly meetings during fiscal 1967. Its membership follows:

Capt. R. L. Wynne	American Institute of Marine Underwriters, RM7, Cotton Exch. Bldg., Houston, Tex.
Mr. H. Anderson, Sr.	Anderson Petroleum Transport Co., P.O. Box 12513, Houston, Tex.
Mr. Robert A. Feltner	Attorney at Law, 914 World Trade Bldg., Houston, Tex.
Mr. J. E. Ross	Attorney at Law, 1817 Chamber of Commerce Bldg., Houston, Tex.
Mr. F. V. Thompson	Biehl Steamship Co., World Trade Bldg., Houston, Tex.
Mr. F. Van Heuten	Biehl Steamship Co., World Trade Bldg., Houston, Tex.
Mr. W. R. George	Bloomfield Steamship Co., Cotton Exch. Bldg., Houston, Tex.
Mr. J. L. Henderson	Champion Paper Co., P.O. Box 872, Pasadena, Tex.
Mr. R. C. Bredehoeft	City of Houston, 1020 Bagby, Houston, Tex.
Mr. W. O. Hunter	City of Houston, 1020 Bagby, Houston, Tex.
Mr. H. E. Short	City of Houston, 61 Reisner, Houston, Tex.
Mr. Porter Johnson	Coast Guard Auxiliary, Houston, Tex.
Cdr. A. G. Taylor, USCG	Coast Guard Houston Station, P.O. Box 446, Galena Park, Tex.
Capt. R. G. Schwing, USCG	U.S. Coast Guard Marine Inspection Office, 7300 Wingate, Houston, Tex.
Cdr. W. T. Smith	U.S. Coast Guard, (Ret.), 6663 Fairfield Dr. Houston, Tex.
Mr. Elmo Johnson	Diamond Alkali, P.O. Box 686, Pasadena, Tex.
Mr. H. Cunningham	Ethyl Corp., P.O. Box 472, Pasadena, Tex.
Mr. J. E. Mills	Fire Prevention and Engineering Bureau, Suite 204, 2903 Richmond, Houston, Tex.
Mr. R. A. Wilson	Funch, Edye and Co., Inc., Houston, Tex.
Mr. B. Alford	General American Tank Storage Co., P. O. Box 486, Galena Park, Tex.
Mr. A. V. Riemer	General American Tank Storage Co., Galena Park, Tex.
Mr. R. G. Esterlein	G. & H. Towing, P.O. Box 5336, Houston, Tex.
Mr. David Wilson	G & H Towing, 509 Texas Bldg., Galveston, Tex.
Mr. R. S. Reid	Hansen & Tidemann, Inc., 1312 Texas Ave., Houston, Tex.
Mr. H. V. Conroy	Harris County Defense and Disaster Relief, 413 Civil Courts Bldg., Houston, Tex.
Mr. J. M. Rodden	Harris County Defense and Disaster Relief, 413 Civil Courts Bldg., Houston, Tex.
Mr. C. E. Bullock	Harris County Navigation District, P.O. Box 2562, Houston, Tex.
Mr. C. L. Shuptrine	Harris County Navigation District, P.O. Box 2562, Houston, Tex.
Mr. J. P. Turner	Harris County Navigation District, P.O. Box 2562, Houston, Tex.

Mr. V. D. Williams	Harris County Navigation District, P.O. Box 2562, Houston, Tex.
Capt. Bob Leonard	Harris County Sheriffs Department, 300 Fannin, Houston, Tex.
Mr. W. R. Jameson	Hess Terminals, P.O. Box 52, Galena Park, Tex.
Mr. B. K. Parker, Jr.	Houston Barge Lines, Inc., P.O. Box 26617, Houston, Tex.
Mr. W. F. Arnett	Houston Maritime Association, 510 Cotton Exch. Bldg., Houston, Tex.
Capt. John Niday	Houston Pilots, 6302 Gulf Freeway, Houston, Tex.
Mr. L. J. Fentiman	Humble Oil and Refining Co., 508 Whiting, Baytown, Tex.
Mr. F. L. Hooper	Humble Oil and Refining Co., P.O. Box 1512, Houston, Tex.
Mr. T. J. McTaggart	Humble Oil and Refining Co., P.O. Box 1512, Houston, Tex.
Mr. H. C. Board	International Longshoremen's Association, 7524 Avenue N, Houston, Tex.
Mr. W. G. Wells	International Longshoremen's Association, 7811 Harrisburg, Houston, Tex.
Capt. K. H. Eitzen	Keystone Shipping Co., 2407 Sieber, Houston, Tex.
Mr. J. H. Branard	Long Reach Docks, P.O. Box 2588, Houston, Tex.
Capt. J. E. Baker	Lykes Brothers Steamship Co., P.O. Box 1243, Houston, Tex.
Mr. A. W. Lott	Lykes Brothers Steamship Co., P.O. Box 1243, Houston, Tex.
Mr. Lee Throgmorton	Lykes Brothers Steamship Co., P.O. Box 1243, Houston, Tex.
Mr. H. Heard	Manchester Terminal Corp., P.O. Box 52278, Houston, Tex.
Mr. H. C. Hix	Manchester Terminal Corp., P.O. Box 52278, Houston, Tex.
Mr. L. L. Beal	Marine Office of America, 811 Westheimer, Houston, Tex.
Mr. Hardin Ellis	Marine Office of America, 811 Westheimer, Houston, Tex.
Mr. V. P. Piana	Phillips Petroleum Co., P.O. Box 792, Pasadena Tex.
Mr. W. D. Farnsworth	National Cargo Bureau, 903 World Trade Bldg., Houston, Tex.
Mr. T. J. Bryant	Port Houston Shipyards, Inc., P.O. Box 2065, Houston, Tex.
Mr. Russel Brierly	Rutherford & Brierly Marine Surveyors, 8102 DeLeon, Houston, Tex.
Mr. H. C. Blaylock	Shell Oil Co., P.O. Box 100, Deer Park, Tex.
Mr. L. Grossheim	Shell Oil Co., P.O. Box 100, Deer Park, Tex.
Mr. R. K. Perkins	Signal Oil Co., P.O. Box 5008, Houston, Tex.
Capt. C. Rykiel	Sinclair Refining Co., P.O. Box 2451, Houston, Tex.
Mr. Ray Garrigus Mr. John Byrnes	Tenneco Manufacturing Co., P.O. Box 2511, Houston, Tex.
Mr. P. E. Kuntz	Texas Transport and Terminal Co., Inc., 711 Fannin, Houston, Tex.
Mr. O. D. Nesmith	United States Army Engineers, P.O. Box 1229, Galveston, Tex.
Col. J. E. Unverferth	United States Army Engineers, P.O. Box 1229, Galveston, Tex.
Mr. E. G. White	U.S. Department of Labor, 515 Rusk, Houston, Tex.
Mr. W. H. McNeil	U.S. Gypsum Co., P.O. Box 25, Galena Park, Tex.
Mr. J. F. Kanapaux	U.S. Salvage Association, 3400 Montrose, Houston, Tex.
Mr. F. T. Fendley, Jr.	W. D. Haden Company, P.O. Box 5217, Houston, Tex.

Mr. William Robb	Young & Co., 1402 70th Street, Houston, Tex.
Mr. E. G. Harris	American Commercial Barge Lines, Houston, Tex.
Mr. E. F. Slotwinski	Armco Steel Corp., Houston, Tex.
Mr. Wayne Slovacek	Equity Export Corp., Deer Park, Tex.
Mr. J. A. Welch	Gulf Canal Lines, Houston, Tex.
Mr. R. A. Fenzl	Harrisburgh Machine Co., Houston, Tex.
Mr. P. E. Hidemann	Bethlehem Steel Co., Marine Division, Houston, Tex.
Mr. J. M. Blanchet	Olin-Mathieson Chemical Corp., Pasadena, Tex.
Mr. R. F. Huette	Sea-Land Services, Inc., Salena Park, Tex.
Mr. R. A. Newton, Jr.	United States Steel Corp., Houston, Tex.

WESTERN RIVERS PANEL

The Western Rivers Panel, formed on March 12, 1943, advises on the various aspects of shipping on the western rivers system. The increase in bulk cargo shipments by barge and the technological advances in this method of transportation require the continued advice of this panel to ensure safety of life and property on the inland waterways.

The panel, consisting of the members listed below, met on September 1, 1966.

Braxton B. Carr, Chairman	The American Waterways Operators, Inc., Washington, D.C.
Harry W. Anderson	President, Anderson Petroleum Transportation Co., Houston, Tex.
Munger T. Ball	Chairman of the Board, Sabine Towing and Transportation Co., Inc., Port Arthur, Tex.
J. Clarke Berry	Vice President, Canal Barge Co., Inc., New Orleans, La.
Jesse E. Brent	President, Brent Towing Co., Inc., Greenville, Miss.
Ruel E. Bridges	Consultant and Chairman of the Management Committee, Ingram Barge Co., New Orleans, La.
W. A. Creelman	Vice President, National Marine Service, Inc., Hartford, Ill.
B. O. Caplener	Marine Superintendent, Federal Barge Lines, Inc., St. Louis, Mo.
Neville Stone	Executive Vice President, Crounse Corp., Paducah, Ky.
Gale H. Chapman	Vice President, Upper Mississippi Towing Corp., Minneapolis, Minn.
Bailey T. DeBardeleben	Coyle Lines Inc., New Orleans, La.
Captain Noble L. Gordon	President, Mid-South Towing Co., St. Louis Mo.
Robert L. Gray	Manager, River Operations, Ashland Oil and Refining Co., Inc., Ashland, Ky.
Robert H. Hertzberg	Marine Superintendent, Cargo Carriers, Inc., Minneapolis, Minn.
Gresham Hougland	Executive Vice President, Hougland Barge Line, Inc., Paducah, Ky.
Captain Robert B. McCulloch	Port Captain, The Ohio River Co., Huntington, W. Va.
W. I. McElroy	Vice President, Warrior and Gulf Navigation Co., Chickasaw, Ala.
D. L. Mechling	A. L. Mechling Barge Lines, Inc., New Orleans, La.
Robert L. Bryant	Corporate Marine Manager, The Dow Chemical Co., Freeport, Tex.
Alvan D. Osbourne	Vice President-Operations, Union Barge Line Corp., Pittsburgh, Pa.
Bert C. Pouncey, Jr.	Anoka Boat and Towing Co., Inc., Hughes, Ark.
C. W. Rushing	Manager, Missouri Barge Line Co., Cape Girardeau, Mo.
Frank P. Silliman	President, Hillman Transportation Co., Pittsburgh, Pa.
Arnold Sobel	Vice President, Material Service Division, General Dynamics Corp., Chicago, Ill.

M. F. Spellacy	Manager, Marine Division, Inland Waterways Department, Humble Oil and Refining Co., Houston, Tex.
Captain Roy Streckfus	President, Streckfus Steamers, Inc., St. Louis, Mo.
Captain L. J. Sullivan	Vice President, Marine Operations, Mississippi Valley Barge Lines, St. Louis, Mo.
J. W. Weaver	Standard Oil Co. (Kentucky), Louisville, Ky.
Captain Jack D. Wofford	American Commercial Barge Line Co., Jeffersonville, Ind.

TABLES

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

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 covering a period of years, the date of the change in basis is stated. The term "security," wherever used in the various tables, means any obligation issued pursuant to law for valuable consideration and includes bonds, notes, certificates of indebtedness, debentures, and other evidences of indebtedness.

Following are general explanations of the various bases. For background on the first two bases (the daily and monthly statements) see exhibits 69, 70, and 71 in the 1954 annual report; and for the third (warrants issued) see 1962 annual report, page 502.

Daily Statement of the United States Treasury

The daily Treasury statement was the basis for receipts, expenditures, and the resulting surplus or deficit shown in this report for the fiscal years 1916–52, and from 1916 to present it has been the basis for much of the public debt data and all of the figures on the account of the Treasurer of the United States. Since 1916 the daily statement has been based on bank transcripts (summarizing charges for checks paid and credits for deposits on the books of the banks) cleared and processed through the accounts of the Treasurer's office in Washington. Telegraphic reports are used to provide more timely data for certain major types of information pending receipt of the bank transcripts. For the fiscal years 1946–52, expenditures for agencies using the facilities of the Treasury Department's Division of Disbursement were shown on the basis of reports of checks issued. Total expenditures, however, as well as expenditures for the military departments and other agencies using their own disbursing facilities, were on the basis of bank transcripts cleared.

During the time it served as the basis for the budget results, the daily statement covered certain transactions processed through commercial bank accounts held in the name of Government officers other than the Treasurer of the United States, and included intragovernmental and other noncash transactions. The present daily Treasury statement reports the status of the Treasurer's account and summarizes the various transactions representing deposits and withdrawals in that account, excluding noncash transactions (with minor exceptions) and transactions involving cash held outside the Treasurer's account. Only a limited number of deposit and withdrawal classifications are shown. These data do not purport to represent budget results.

Monthly Statement of Receipts and Expenditures of the United States Government

Beginning with the figures for the fiscal year 1953, this monthly statement replaced the daily statement as the primary source of administrative budget results (surplus or deficit) and other receipt and expenditure data classified by type of account. This statement shows all receipts and expenditures of the Government including those made from cash accounts held outside the Treasurer's account. The information in the monthly statement is based on the central accounts relating to cash operations (see "Description of Accounts Relating to Cash Operations," below).

Warrants issued

Receipt and expenditure data shown for fiscal years before 1916 were taken from reports based on warrants issued.

For receipts, covering warrants were prepared from certificates of deposit mailed to the Treasury, principally by Government depositaries, showing de-

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posits received. The figures thus compiled were on a "warrants-issued" 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.

Reports of expenditures were based on the amount of accountable and settlement warrants issued and charged to appropriation accounts. Since accountable warrants covered advances to disbursing officers, rather than actual payments, reported expenditures necessarily included the changes in balances of funds remaining unexpended to the credit of disbursing officers at the close of the fiscal year.

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. A reconciliation of figures on the two bases is given in table 33.

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 and customs statistics, foreign currency transactions in the accounts of the Secretary of the Treasury, and financial statements of Government corporations and other business-type activities.

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 disbursements 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 (disbursement) 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 (i.e. as of the time cash receipts are placed under accounting control), and that for expenditures is substantially on the basis of checks issued (and cash payments made) except that since June 1955 interest on the public debt has been 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 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.

Administrative budget accounts

General fund accounts.—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. General fund expenditure accounts are established to record amounts appropriated by the Congress to be expended for the general support of the Government.

Special fund accounts.—Special fund accounts are credited with receipts from specific sources which are earmarked by law for a specific purpose, but which are not generated from a cycle of operations.

Revolving fund accounts.—These are funds authorized by specific provisions of law to finance a continuing cycle of operations in which expenditures generate receipts, and the receipts are available for expenditure without further action by Congress. They are classified as (a) public enterprise funds where receipts come primarily from sources outside the Government and (b) intragovernmental funds where receipts come primarily from other appropriations or funds. Treasury reports generally show the net effect of operations (excess of disbursements or collections and reimbursements for the period) on the administrative budget surplus or deficit.

Management fund accounts (including consolidated working funds).—These are working fund accounts authorized by law to facilitate accounting for and administration of intragovernmental activities (other than a continuing cycle of operations) which are financed by two or more appropriations.

Other accounts

Trust fund accounts.—These are accounts maintained to record the receipt and expenditure of moneys held in trust by the Government for use in carrying out 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, to the extent not needed for current payments, are invested in public debt securities and other Government agency 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.

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.

This annual report includes tables showing administrative budget and trust receipts and expenditures on the basis of the budget concepts prevailing through fiscal 1967. These tables will be replaced in the 1968 annual report by new tables based on the budget concepts recommended in the "Report of the President's Commission on Budget Concepts," October 1967 (see the 1969 Budget of the United States Government).

Summary of

TABLE 1.—*Summary of fiscal operations,*

[On basis of daily Treasury statements through 1952; thereafter on basis of "Monthly Statement

Fiscal year or month	Administrative budget			Trust and other transactions, net receipts, or expenditures (−) [3]	Clearing account [4]	Public debt, net increase, or decrease (−)
	Net receipts [2]	Net Expenditures [2]	Surplus, or deficit (−)			
1940	$5,137,249,771	$9,055,268,931	−$3,918,019,161	$442,538,143		$2,527,998,627
1941	7,095,676,052	13,254,948,411	−6,159,272,358	907,790,781		5,993,912,498
1942	12,546,618,755	34,036,861,487	−21,490,242,732	−1,612,785,695		23,461,001,581
1943	21,947,283,157	79,367,713,522	−57,420,430,365	−337,796,138		64,273,645,214
1944	43,562,609,460	94,986,002,002	−51,423,392,541	−2,221,918,654		64,307,296,891
1945	44,362,020,944	98,302,937,069	−53,940,916,126	791,293,666		57,678,800,189
1946	39,649,870,986	60,326,041,595	−20,676,170,609	−523,587,210		10,739,911,763
1947	39,677,167,024	38,923,379,364	753,787,660	−1,102,524,942	$554,706,981	−11,135,716,065
1948 [6]	41,374,701,989	32,955,232,145	8,419,469,844	−294,342,662	−507,106,039	−5,994,136,596
1949 [6]	37,662,972,939	39,474,412,987	−1,811,440,048	−494,733,365	366,441,900	478,113,347
1950	36,421,934,577	39,544,036,935	−3,122,102,357	99,137,360	482,656,886	4,586,992,491
1951	47,480,067,075	43,970,284,450	3,509,782,624	679,223,478	−214,140,135	−2,135,375,536
1952	61,286,560,916	65,303,201,294	−4,016,640,378	147,077,201	−401,389,312	3,883,201,970
1953	64,670,584,424	74,119,797,882	−9,449,213,457	434,671,979	−249,920,729	6,965,882,853
1954	64,420,034,061	67,537,000,317	−3,116,966,256	327,762,083	−303,126,484	5,188,537,469
1955	60,208,508,692	64,388,737,614	−4,180,228,921	231,296,942	283,518,269	3,114,623,694
1956	67,849,951,339	66,224,397,935	1,625,553,403	−193,580,583	521,955,153	−1,623,409,153
1957	70,561,886,113	68,966,314,562	1,595,571,550	194,731,536	−522,892,840	−2,223,641,752
1958	68,549,720,044	71,369,174,086	−2,819,454,041	632,513,036	530,045,771	5,816,045,849
1959	67,915,348,624	80,342,335,375	−12,426,986,751	−328,663,331	−5,750,464	8,362,689,332
1960	77,763,460,221	76,539,412,799	1,224,047,422	−49,526,275	−145,025,682	1,624,853,770
1961	77,659,424,906	81,515,167,454	−3,855,742,548	−602,403,079	507,346,821	2,640,177,762
1962	81,409,092,073	87,786,766,581	−6,377,674,508	435,641,579	448,422,413	9,229,884,111
1963	86,376,210,348	92,641,797,059	−6,265,586,711	96,541,467	196,017,584	7,658,810,276
1964	89,458,664,072	97,684,374,795	−8,225,710,723	550,608,332	741,391,176	5,853,266,261
1965	93,071,796,892	96,506,904,210	−3,435,107,319	426,395,153	−977,754,134	5,560,999,726
1966	104,727,263,668	106,978,344,155	−2,251,080,487	503,235,643	−1,088,231,394	2,633,188,812
1967	115,848,812,985	125,717,681,003	−9,868,868,018	−301,847,313	−791,517,352	6,313,849,999
1966-July	5,701,793,671	10,262,598,434	−4,560,804,763	−175,484,538	750,281,788	−627,405,580
Aug	7,196,941,715	11,042,365,927	−3,845,424,212	−287,222,565	−1,857,405,384	5,140,537,752
Sept	12,475,194,526	11,882,505,694	592,688,832	−94,235,970	839,749,882	327,802,918
Oct	5,811,301,593	10,976,689,230	−5,165,387,637	214,098,628	617,045,378	2,140,382,344
Nov	7,393,848,023	10,386,496,222	−2,992,648,199	56,261,085	−1,204,496,182	2,522,892,357
Dec	10,605,751,222	9,512,258,361	1,093,492,861	229,357,921	−18,156,583	−92,048,220
1967-Jan	9,386,137,818	9,987,358,735	−601,220,917	492,365,601	717,218,591	−450,044,521
Feb	7,756,654,011	9,459,106,074	−1,702,452,063	399,372,789	−212,842,467	755,929,594
Mar	11,394,525,968	11,698,683,102	−304,157,134	−677,471,955	1,071,172,258	1,321,487,023
Apr	13,534,218,653	9,463,940,827	4,070,277,827	827,404,403	311,597,395	−3,145,452,884
May	6,288,524,974	10,914,902,995	−4,626,378,021	−1,457,045,966	−262,294,454	3,087,012,175
June	18,303,920,812	10,130,775,402	8,173,145,409	170,753,253	−1,543,387,573	−4,667,242,959

[1] Public debt includes debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which securities of the corporations and activities were issued to the Treasury. (See table 111.)

[2] For interfund transactions excluded from both net budget receipts and expenditures, see 1961 annual report pp. 450–457, 1965 report, p. 517, 1966 report, p. 603 and table 9, this report.

[3] For further detail, see tables 5–8. Investments by wholly owned Government corporations in public debt securities are included in budget expenditures before 1951.

[4] 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

Fiscal Operations

fiscal years 1940–67 and monthly 1967

of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Balance in account of the Treasurer of the United States, net increase, or decrease (−)	Amount, end of period				
	Balance in account of the Treasurer of the United States	Debt outstanding [1]			
		Public debt	Guaranteed securities held outside the Treasury	Total	Subject to limitation [5]
−$947,482,391	$1,890,743,141	$42,967,531,038	$5,529,070,655	$48,496,601,693	$43,219,123,375
742,430,921	2,633,174,062	48,961,443,536	6,370,252,580	55,331,696,116	49,493,588,731
357,973,154	2,991,147,216	72,422,445,116	4,568,259,630	76,990,704,746	74,154,457,607
6,515,418,710	9,506,565,926	136,696,090,330	4,099,943,046	140,796,033,376	140,469,083,742
10,661,985,696	20,168,551,622	201,003,387,221	1,623,069,301	202,626,456,522	208,077,255,051
4,529,177,729	24,697,729,352	258,682,187,410	433,158,392	259,115,345,802	268,670,763,468
−10,459,846,056	14,237,883,295	269,422,099,173	476,384,859	269,898,484,033	268,932,355,302
−10,929,746,366	3,308,136,929	258,286,383,109	89,520,185	258,375,903,294	257,491,416,060
1,623,884,548	4,932,021,477	252,292,246,513	73,460,818	252,365,707,331	251,541,571,385
−1,461,618,165	3,470,403,312	252,770,359,860	27,275,408	252,797,635,268	252,027,712,585
2,046,684,380	5,517,087,692	257,357,352,351	19,503,034	257,376,855,385	256,652,133,429
1,839,490,432	7,356,578,123	255,221,976,815	29,227,169	255,251,203,984	254,566,629,670
−387,750,519	6,968,827,604	259,105,178,785	45,565,346	259,150,744,131	258,506,598,138
−2,298,579,356	4,670,248,248	266,071,061,639	52,072,761	266,123,134,400	265,521,736,381
2,096,206,813	6,766,455,061	271,259,599,108	81,441,386	271,341,040,494	270,790,304,616
−550,790,014	6,215,665,047	274,374,222,802	44,142,961	274,418,365,763	273,914,849,696
330,518,820	6,546,183,868	272,750,813,649	73,888,475	272,824,702,124	272,361,216,449
−956,231,505	5,589,952,362	270,527,171,896	107,137,950	270,634,309,846	270,188,322,086
4,159,150,615	9,749,102,977	276,343,217,745	101,220,600	276,444,438,345	276,013,439,621
−4,398,711,214	5,350,391,763	284,705,907,078	111,019,150	284,816,926,228	284,398,474,090
2,654,349,235	8,004,740,998	286,330,760,848	139,841,775	286,470,602,623	286,064,964,324
−1,310,621,045	6,694,119,954	288,970,938,610	240,215,450	289,211,154,060	288,861,862,530
3,736,273,595	10,430,393,549	298,200,822,721	444,218,925	298,645,041,646	298,211,767,263
1,685,782,615	12,116,176,163	305,859,632,996	606,610,375	306,466,243,371	306,098,500,044
−1,080,444,954	11,035,731,209	311,712,899,257	812,991,925	312,525,891,182	312,164,173,634
1,574,533,426	12,610,264,635	317,273,898,984	590,326,050	317,864,225,034	317,580,860,048
−202,887,426	12,407,377,210	319,907,087,795	461,547,275	320,368,635,070	320,102,220,952
−4,648,382,685	7,758,994,525	326,220,937,795	512,196,075	326,733,133,870	326,471,121,213
−4,613,413,093	7,793,964,116	319,279,682,215	488,806,825	319,768,489,040	319,502,261,393
−849,514,410	6,944,449,706	324,420,219,967	483,602,250	324,903,822,218	324,637,600,315
1,666,005,663	8,610,455,369	324,748,022,886	501,993,500	325,250,016,386	324,983,800,204
−2,193,861,288	6,416,594,081	326,888,405,229	498,127,050	327,386,532,279	327,120,324,115
−1,617,990,938	4,798,603,143	329,411,297,587	494,535,950	329,905,833,537	329,639,628,294
1,212,645,979	6,011,249,122	329,319,249,367	494,643,600	329,813,892,967	329,547,688,253
158,318,754	6,169,567,876	328,869,204,846	501,018,000	329,370,222,846	329,104,024,289
−759,992,147	5,409,575,729	329,625,134,440	510,560,450	330,135,694,890	329,869,499,998
1,411,030,192	6,820,605,921	330,946,621,462	507,363,800	331,453,985,262	331,187,887,942
2,063,826,740	8,884,432,661	327,801,168,578	505,176,900	328,306,345,478	328,040,284,637
−3,258,706,266	5,625,726,394	330,888,180,753	508,861,525	331,397,042,278	331,131,186,476
2,133,268,130	7,758,994,525	326,220,937,795	512,196,075	326,733,133,870	326,471,121,213

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. Net increase, or decrease (−).

[5] A summary of legislation on debt limitation under the Second Liberty Bond Act, as amended, from Sept. 24, 1917, through June 30, 1967, is shown in table 38. 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.

[6] 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.)

Receipts and

TABLE 2.—*Receipts and expenditures,*

[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[2]	Internal revenue		Other receipts[3]	Total receipts[4]	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	
1842	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	

Footnotes at end of table.

Expenditures

fiscal years 1789–1967

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 (−)[6]
Department of the Army[5]	Department of the Navy[5]	Interest on the public debt	Other[3 6]	Total expenditures[4]	
$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

TABLE 2.—*Receipts and expenditures,*

Year [1]	Receipts					
	Customs [2]	Internal revenue		Other receipts [3]	Total receipts [4]	Net receipts
		Income and profits taxes	Other			
1855	$53,025,794			$12,324,781	$65,350,575	
1856	64,022,863			10,033,836	74,056,699	
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 1789–1967—Continued

Expenditures					
Department of the Army [5]	Department of the Navy [5]	Interest on the public debt	Other [3 6]	Total expenditures [4]	Surplus, or deficit (−) [6]
$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, 673
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 1789–1967*—Continued

Year [1]	Receipts								
	Customs [2]	Internal revenue		Other receipts [3]	Total receipts by major sources [4]	Refunds and transfers [7]	Receipts, less refunds and transfers	Interfund transactions (deduct) [8]	Net receipts
		Income and profits taxes	Other						
1925	$547,561,226	$1,760,537,824	$828,638,068	$643,441,567	$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

Year [1]	Expenditures								Surplus, or deficit (−) [6]
	Department of the Army [5]	Department of the Navy [5]	Department of the Air Force [5]	Interest on the public debt	Other [3 6]	Total expenditures by major purposes [4 6]	Interfund transactions (deduct) [8]	Total expenditures [4 6]	
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 1789–1967*—Continued

Year [1]	Receipts								
	Customs [2]	Internal revenue		Other receipts [3]	Total receipts by major sources [4]	Refunds and transfers [7]	Receipts, less refunds and transfers	Interfund transactions (deduct) [8]	Net receipts
		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	21, 177, 963, 732	78, 313, 377, 614	653, 952, 709	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
1963	1, 240, 537, 884	75, 323, 714, 353	30, 601, 680, 928	4, 435, 613, 440	111, 601, 546, 606	24, 711, 939, 419	86, 889, 607, 187	513, 396, 839	86, 376, 210, 348
1964	1, 284, 176, 379	78, 891, 217, 620	33, 369, 039, 495	4, 077, 121, 266	117, 621, 554, 760	27, 499, 269, 069	90, 122, 285, 691	663, 621, 619	89, 458, 664, 072
1965	1, 477, 548, 820	79, 792, 016, 279	34, 642, 617, 442	4, 622, 351, 942	120, 534, 534, 483	26, 592, 872, 291	93, 941, 662, 193	869, 865, 301	93, 071, 796, 892
1966	1, 811, 170, 211	92, 131, 794, 215	36, 748, 167, 127	5, 865, 312, 675	136, 556, 444, 229	31, 194, 667, 512	105, 361, 776, 717	634, 513, 049	104, 727, 263, 668
1967	1, 971, 799, 791	104, 288, 420, 397	44, 086, 394, 155	6, 876, 417, 670	157, 223, 032, 013	40, 692, 495, 835	116, 530, 536, 178	681, 723, 193	115, 848, 812, 985

[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] 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."

[3] For postal receipts and expenditures, see table 24.

[4] 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 budget surplus or deficit. 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.

[5] 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." Military assistance expenditures for foreign aid programs are included under "Other."

[6] 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 44 shows details of statutory debt retirements.

Year [1]	Expenditures								Surplus, or deficit (−) [6]
	Department of the Army [5]	Department of the Navy [5]	Department of the Air Force [5]	Interest on the public debt	Other [3 6]	Total expenditures by major purposes [4 6]	Interfund transactions (deduct) [8]	Total expenditures [4 6]	
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	30,117,238,211	82,169,120,163	653,952,709	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
1963	12,782,038,071	14,092,991,160	20,822,869,577	9,895,303,949	35,561,991,141	93,155,193,898	513,396,839	92,641,797,059	−6,265,586,711
1964	13,406,914,629	14,652,424,948	20,749,576,521	10,665,858,127	38,873,222,190	98,347,996,414	663,621,619	97,684,374,795	−8,225,710,723
1965	13,040,706,276	13,553,468,854	18,471,150,005	11,346,454,580	40,964,989,796	97,376,769,511	869,865,301	96,506,904,210	−3,435,107,319
1966	16,344,522,747	16,204,639,459	20,393,277,240	12,013,862,667	42,656,555,091	107,612,857,204	634,513,049	106,978,344,155	−2,251,080,487
1967	22,543,259,408	19,418,935,955	23,181,174,354	13,391,068,052	47,864,966,427	126,399,404,196	681,723,193	125,717,681,003	−9,863,868,018

[7] Refunds of receipts and transfers to trust funds. For content see table 3.

[8] For content see 1961 annual report, pp. 450–457, 1965 report p. 517, 1966 report p. 603 and table 9, this report.

[9] Sec. 114(f) of the Economic Cooperation Act of 1948, approved Apr. 3, 1948, required that $3,000,000,000 be transferred to the "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 and other transactions." See tables 6 and 17.

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]					Transfers to trust funds [3] [4]
	Internal revenue applicable to—[3]		Customs	Other	Total refunds of receipts	Federal hospital insurance trust fund
	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	3,150,838,386	
1954	3,345,495,593	40,500,000	20,481,971	11,259,809	3,417,737,374	
1955	3,399,978,359	51,000,000	21,619,848	4,389,417	3,476,987,625	
1956	3,652,611,883	66,000,000	23,176,262	8,241,988	3,750,030,132	
1957	3,894,119,614	58,206,830	19,907,757	3,315,117	3,975,549,317	
1958	4,412,603,597	165,378,009	17,837,948	2,191,001	4,598,010,555	
1959	4,907,159,180	180,329,743	23,220,638	3,043,107	5,113,752,669	
1960	5,024,470,807	192,662,543	18,483,391	1,897,066	5,237,513,807	
1961	5,724,571,444	223,737,682	25,439,532	2,260,573	5,976,009,231	
1962	5,957,115,953	278,008,196	29,319,402	1,225,761	6,265,669,311	
1963	6,266,560,113	268,950,960	35,174,904	700,987	6,571,386,963	
1964	6,817,461,650	297,114,145	32,313,299	1,196,525	7,148,085,619	
1965	5,668,191,495	322,985,824	35,205,161	3,161,988	6,029,544,469	
1966	6,857,047,024	353,620,353	44,627,265	285,306	7,255,579,949	$862,000,000
1967	9,010,694,068	499,800,445	71,084,500	107,401	9,581,686,414	2,482,722,430

[1] Refunds of principal only; interest is included in expenditures.
[2] Internal revenue refunds by States for fiscal 1967 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 1931–67

Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Transfers to trust funds [3] [4]—Continued						Total refunds and transfers
Federal old-age and survivors insurance trust fund	Federal disability insurance trust fund	Highway trust fund	Railroad retirement accounts	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	-----	4,673,252,235	7,824,090,622
4,496,769,800	-----	-----	603,041,575	-----	5,099,811,375	8,517,548,749
4,988,572,594	-----	-----	598,891,526	-----	5,587,464,120	9,064,451,745
6,270,804,603	-----	-----	634,261,857	-----	6,905,066,460	10,655,096,592
6,243,000,673	$333,276,575	$1,478,908,221	615,919,876	-----	8,671,105,345	12,646,654,662
6,794,896,660	862,861,610	2,026,115,202	574,898,971	-----	10,258,772,443	14,856,782,998
7,083,993,756	836,931,036	2,074,116,121	525,219,764	-----	10,520,260,677	15,634,013,346
9,192,428,378	928,931,781	2,539,026,576	606,864,657	-----	13,267,251,392	18,504,765,198
10,537,230,762	953,312,408	2,797,537,781	570,712,994	$343,160,557	15,201,954,501	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
12,351,191,003	993,762,625	3,278,697,756	571,534,041	945,367,031	18,140,552,456	24,711,939,419
14,335,126,928	1,056,855,735	3,519,156,643	593,476,801	846,567,343	20,351,183,450	27,499,269,069
14,572,359,321	1,082,023,273	3,658,509,171	635,545,447	614,890,610	20,563,327,822	26,592,872,291
16,473,515,656	1,442,297,361	3,916,802,919	683,457,733	561,013,894	23,939,087,563	31,194,667,512
20,731,593,333	2,066,165,820	4,440,862,147	792,692,752	596,772,939	31,110,809,421	40,692,495,835

(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 64 of this annual report.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts [1]	1965 [2]	1966 [2]	1967
Internal Revenue:			
Individual income taxes:			
Withheld [3]	36,840,394	42,811,381	[4] 50,520,874
Other [3]	16,820,288	18,486,170	[4] 18,849,721
Total individual income taxes	53,660,683	61,297,552	69,370,595
Corporation income taxes	26,131,334	30,834,243	34,917,825
Excise taxes	14,792,779	13,398,112	14,113,748
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act [3]	15,846,073	19,005,488	[4] 25,562,638
Railroad Retirement Tax Act	635,734	683,631	792,858
Federal Unemployment Tax Act	622,499	567,014	602,745
Total employment taxes	17,104,306	20,256,133	26,958,241
Estate and gift taxes	2,745,532	3,093,922	3,014,406
Total internal revenue	114,434,634	128,879,961	148,374,815
Customs	1,477,549	1,811,170	1,971,800
Miscellaneous receipts:			
Interest	1,077,419	846,731	973,351
Dividends and other earnings	1,392,918	1,731,401	1,829,065
Realization upon loans and investments	496,249	359,474	622,284
Recoveries and refunds	131,852	131,783	170,203
Royalties	132,059	207,816	163,163
Sales of Government property and products	858,760	1,438,501	1,191,796
Seigniorage	116,997	648,804	836,734
Other	416,097	500,803	1,089,821
Total miscellaneous receipts	4,622,352	5,865,313	6,876,418
Subtotal gross receipts	120,534,534	136,556,444	157,223,032
Deduct:			
Refunds of receipts:			
Internal revenue:			
Applicable to budget accounts:			
Individual income taxes	4,869,011	5,851,430	7,844,839
Corporation income taxes	670,389	761,215	946,468
Excise taxes	99,423	216,797	183,292
Estate and gift taxes	29,369	27,605	36,095
Applicable to trust accounts:			
Federal old-age and survivors insurance trust fund	178,626	212,079	262,719
Federal disability insurance trust fund	13,064	15,596	19,437
Highway trust fund	123,498	119,772	211,507
Railroad retirement accounts	189	173	165
Unemployment trust fund	7,609	6,000	5,972
Subtotal internal revenue refunds	5,991,177	7,210,667	9,510,495
Customs	35,205	44,627	71,085
Other	3,162	285	107
Total refunds of receipts	6,029,544	7,255,580	9,581,686
Transfers to trust accounts: [5]			
Federal old-age and survivors insurance trust fund [3]	14,572,359	16,473,516	20,731,593
Federal disability insurance trust fund [3]	1,082,023	1,442,297	2,066,166
Federal hospital insurance trust fund [3]		862,000	2,482,722
Highway trust fund	3,658,509	3,916,803	4,440,862
Railroad retirement accounts	635,545	683,458	792,693
Unemployment trust fund	614,891	561,014	596,773
Total transfers to trust accounts	20,563,328	23,939,088	31,110,809

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Receipts [1] and Expenditures	1965 [2]	1966 [2]	1967
Deduct—Continued			
Interfund transactions:			
Interest on loans to Government-owned enterprises	852,289	617,158	664,790
Reimbursements	17,155	16,937	16,204
Fees and other charges	421	418	729
Total interfund transactions [6]	869,865	634,513	681,723
Total deductions	27,462,738	31,829,181	41,374,219
Net administrative budget receipts	93,071,797	104,727,264	115,848,813
EXPENDITURES [7]			
Legislative branch:			
Senate	33,261	35,388	38,060
House of Representatives	58,212	68,095	76,033
Joint items for Senate and House	6,414	8,382	9,406
Architect of the Capitol	25,459	26,158	22,017
Botanic Garden	532	497	503
Library of Congress	23,848	25,187	27,955
Government Printing Office:			
General fund appropriations	23,842	26,488	26,385
Revolving fund (net)	−6,388	−4,826	815
General Accounting Office	44,948	46,136	48,539
Total legislative branch	210,129	231,505	249,713
The judiciary:			
Supreme Court of the United States	2,491	2,498	2,589
Court of Customs and Patent Appeals	414	419	432
Customs Court	1,053	1,121	1,246
Court of Claims	1,244	1,320	1,413
Courts of appeals, district courts, and other judicial services	68,853	73,805	81,419
Total the judiciary	74,056	79,163	87,098
Executive Office of the President:			
Compensation of the President	150	150	150
The White House Office	2,872	2,818	2,779
Special projects	1,090	818	742
Executive mansion	686	687	710
Bureau of the Budget	7,089	7,627	9,063
Council of Economic Advisers	655	738	731
National Aeronautics and Space Council	459	490	516
National Council and Commission on Marine Science, Engineering, and Resources			411
National Security Council	608	613	601
Office of Emergency Planning:			
Civil defense and defense mobilization functions of Federal agencies	3,915	4,401	3,931
Other	5,152	6,660	6,696
Office of Science and Technology	930	948	1,102
Special representative for trade negotiations	562	535	534
Miscellaneous	−80	−203	−200
Total Executive Office of the President	24,089	26,282	27,767
Funds appropriated to the President:			
Alaska programs	522	5,433	2,601
Disaster relief	43,461	132,492	53,472
Emergency fund for the President	940	48	254
Expansion of defense production (net)	59,553	−151,995	−105,004
Expenses of management improvement	335	378	28
International financial institutions:			
Asian Development Bank			10,000
Investment in Inter-American Development Bank	61,656		−77,500
Subscription to the International Development Association			42,000
Increase in quota in the International Monetary Fund	258,750		
Investment in International Monetary Fund			−628,000
Office of Economic Opportunity:			
Economic Opportunity Program	194,076	988,280	1,483,042
Public enterprise funds (net)	17,158	29,565	25,367
Peace Corps	78,573	94,378	111,850
Philippine education program			3,400
Public works acceleration	321,625	88,168	21,133
Southeast hurricane disaster		28,498	10,408
Miscellaneous	636	219	226

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Funds appropriated to the President—Continued			
Military assistance:			
Office of Secretary of Defense:			
Repayment of credit sales	−41,069		
Other	52,810	73,587	59,144
Department of the Army	581,037	511,657	388,297
Department of the Navy	196,235	191,664	130,033
Department of the Air Force	434,871	280,129	331,175
All other agencies	4,696	1,046	−5,630
Foreign military sales fund (net)		−89,948	−30,374
Total military assistance	1,228,579	968,135	872,644
Economic assistance:			
Technical cooperation and development grants:			
General	226,987	224,243	220,661
Alliance for Progress	97,703	99,070	101,019
Social progress fund, Inter-American Development Bank	67,016	68,805	63,240
Supporting assistance	387,251	500,356	587,025
International organizations and programs	99,711	84,615	112,796
Contingencies	150,807	133,736	98,620
Other	63,418	71,810	70,092
Public enterprise funds (net):			
Alliance for Progress, development loans	201,818	290,896	409,964
Development loan funds	754,468	676,902	661,693
Foreign investment guarantee fund	−7,778	−9,825	−10,157
Total economic assistance	2,041,400	2,140,610	2,314,952
Total funds appropriated to the President	4,307,263	4,324,210	4,140,874
Agriculture Department:			
Agricultural Research Service:			
Intragovernmental funds (net)	−67	−164	264
Other	209,933	202,002	222,061
Cooperative State Research Service	46,867	52,364	56,397
Extension Service	84,732	89,611	92,496
Farmer Cooperative Service	1,119	1,140	1,224
Soil Conservation Service:			
Conservation operations	105,471	110,789	114,659
Flood prevention, watershed protection, and other	91,324	102,293	107,627
Great Plains conservation program	12,493	13,591	15,877
Economic Research Service	10,138	11,045	12,122
Statistical Reporting Service	11,587	14,003	13,276
Consumer and Marketing Service:			
Consumer protective, marketing, and regulatory programs	39,991	76,907	85,302
Payments to States and possessions	1,500	1,750	1,750
Special milk program	86,609	97,004	96,066
School lunch program	178,580	196,658	208,298
Food stamp program	34,395	69,491	114,095
Removal of surplus agricultural commodities	272,932	117,745	145,419
Other	950	830	851
Total Consumer and Marketing Service	614,957	560,386	651,782
Foreign Agricultural Service	18,482	20,096	21,149
International Agricultural Development Service		−388	343
Commodity Exchange Authority	1,144	1,192	1,304
Agricultural Stabilization and Conservation Service:			
Expenses	107,886	126,490	131,691
Sugar act program	92,108	87,685	81,689
Agricultural conservation program	216,139	209,516	215,572
Appalachian region conservation program	215	728	2,800
Cropland conversion program	9,667	1,921	1,655
Cropland adjustment program		5,592	53,575
Emergency conservation measures	10,008	13,190	5,702
Conservation reserve program (soil bank)	193,698	150,993	140,735
Indemnity payments to dairy farmers	261	214	166
Total Agricultural Stabilization and Conservation Service	629,982	596,329	633,587

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Agriculture Department—Continued			
Commodity Credit Corporation:			
Public enterprise funds (net):			
Price support and related programs [8]	2,645,754	1,535,920	1,644,833
Special activities [9]	−740,268	−17,083	273,010
Foreign assistance and special export programs	2,492,151	1,685,544	1,509,489
Total Commodity Credit Corporation and foreign assistance and special export programs	4,397,638	3,204,381	3,427,332
Federal Crop Insurance Corporation:			
Administrative expenses	7,518	8,225	8,632
Federal Crop Insurance Corporation fund (net)	903	10,496	−6,339
Rural Electrification Administration:			
Loans	380,582	360,982	411,995
Salaries and expenses	11,832	11,878	12,210
Farmers Home Administration:			
Rural housing grants and loans	134,656	9,252	----------
Community development programs	946	1,167	12,427
Salaries and expenses	41,333	47,810	52,167
Public enterprise funds (net):			
Direct loan account	67,971	−31,352	−451,017
Rural housing insurance fund	----------	31,408	31,112
Emergency credit revolving fund	30,257	18,684	8,596
Agricultural credit insurance fund	9,000	87,534	−26,528
Rural housing direct loan account	1,008	3,035	−144,136
Total Farmers Home Administration	285,171	167,538	−517,379
Rural Community Development Service	274	708	700
Office of the Inspector General	9,703	10,228	11,366
Office of General Counsel	3,965	4,087	4,170
Office of Information	1,698	1,677	2,039
National Agricultural Library	1,627	1,751	2,631
Office of Management Services	2,401	2,476	2,612
General administration:			
Intragovernmental funds (net)	41	119	11
Salaries and expenses	3,487	3,627	3,728
Forest Service:			
Intragovernmental funds (net)	−1,671	−3,227	−2,080
Other	354,721	389,345	435,662
Total Agriculture Department	7,298,052	5,948,580	5,741,454
Commerce Department:			
General Administration	4,249	4,364	4,306
Business economics and statistics:			
Office of Business Economics	2,312	2,643	2,625
Bureau of the Census	37,797	25,620	25,401
Economic Development Assistance:			
Public enterprise funds (net)	−4,594	−7,949	−8,689
Other	80,596	74,938	148,551
Promotion of industry and commerce:			
Business and Defense Services Administration	4,830	5,176	5,942
International activities	14,257	15,135	16,965
Office of Field Services	4,110	4,184	4,550
Participation in U.S. expositions	2,406	992	4,979
U.S. Travel Service	2,432	3,101	3,047
Total promotion of industry and commerce	28,035	28,587	35,484
Science and technology:			
Environmental Science Services Administration	134,343	151,843	175,709
Patent Office	30,652	33,810	36,424
National Bureau of Standards:			
Intragovernmental funds (net)	7,622	−5,884	4,669
Other	56,768	60,825	46,401
Office of State Technical Services	----------	1,461	2,733
Total science and technology	229,385	242,054	265,936

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Commerce Department—Continued			
Ocean shipping:			
Maritime Administration:			
Public enterprise funds (net)	−2, 365	4, 751	−3, 176
Operating differential subsidies	213, 334	186, 628	175, 632
Other	125, 759	111, 475	110, 842
Total ocean shipping	336, 728	302, 854	283, 298
Total Commerce Department	714, 511	673, 112	756, 911
Defense Department:			
Military:			
Military personnel:			
Department of the Army	4, 696, 875	5, 504, 778	7, 300, 206
Department of the Navy	4, 020, 657	4, 639, 498	5, 232, 355
Department of the Air Force	4, 669, 092	5, 017, 980	5, 423, 926
Defense agencies	1, 384, 286	1, 591, 097	1, 830, 233
Total military personnel	14, 770, 910	16, 753, 352	19, 786, 720
Operation and maintenance:			
Department of the Army	3, 681, 146	4, 752, 060	7, 293, 385
Department of the Navy	3, 369, 994	4, 057, 371	5, 058, 303
Department of the Air Force	4, 771, 019	5, 176, 406	5, 714, 461
Defense agencies	526, 558	723, 977	934, 103
Total operation and maintenance	12, 348, 718	14, 709, 815	19, 000, 253
Procurement:			
Department of the Army	1, 764, 065	2, 670, 776	4, 389, 955
Department of the Navy	4, 932, 523	5, 236, 881	6, 484, 835
Department of the Air Force	5, 100, 536	6, 413, 926	8, 096, 361
Defense agencies	42, 216	16, 954	40, 706
Total procurement	11, 839, 339	14, 338, 537	19, 011, 857
Research, development, test, and evaluation:			
Department of the Army	1, 344, 396	1, 412, 279	1, 633, 950
Department of the Navy	1, 293, 639	1, 406, 832	1, 791, 101
Department of the Air Force	3, 145, 756	2, 948, 204	3, 229, 192
Defense agencies	452, 425	491, 768	505, 424
Total research, development, test, and evaluation	6, 236, 216	6, 259, 083	7, 159, 668
Military construction:			
Department of the Army	216, 272	332, 028	447, 850
Department of the Navy	251, 900	451, 768	522, 638
Department of the Air Force	507, 066	526, 627	550, 289
Defense agencies	31, 669	23, 141	14, 802
Total military construction	1, 006, 908	1, 333, 564	1, 535, 579
Family housing:			
Department of the Army	206, 538	203, 612	190, 353
Department of the Navy	154, 592	178, 828	127, 428
Department of the Air Force	255, 106	262, 614	235, 900
Defense agencies	2, 418	2, 416	4, 554
Total family housing	618, 653	647, 470	558, 235
Civil defense	92, 726	86, 051	100, 058
Special foreign currency program			11
Revolving and management funds (net):			
Public enterprise funds:			
Department of the Army	−37	−1, 668	−199
Department of the Navy	−1, 250	−594	2, 716
Department of the Air Force	−1, 211	2, 377	−3, 277
Defense agencies	(*)		−1
Civil defense procurement funds	−8	(*)	−1
Intragovernmental funds:			
Department of the Army	−102, 360	161, 536	−54, 882
Department of the Navy	−468, 589	234, 057	199, 548
Department of the Air Force	23, 753	45, 104	−65, 725
Defense agencies	−190, 900	−159, 677	433, 844
Total revolving and management funds	−740, 601	281, 135	512, 023
Total military	46, 172, 869	54, 409, 007	67, 664, 401

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Defense Department—Continued			
Civil:			
Department of the Army:			
Corps of Engineers:			
Rivers and harbors and flood control	1, 177, 364	1, 246, 251	1, 280, 151
Intragovernmental funds (net)	−8, 392	4, 197	−1, 820
The Panama Canal:			
Canal Zone Government	32, 986	36, 565	37, 799
Panama Canal Company:			
Public enterprise funds (net)	3, 100	−4, 310	−12, 769
Thatcher Ferry Bridge	327	−1	
Total the Panama Canal	36, 412	32, 254	25, 030
Other	28, 338	26, 419	39, 280
Navy, wildlife conservation, etc	3	−2	12
Air Force, wildlife conservation, etc	34	40	48
Total civil	1, 233, 759	1, 309, 159	1, 342, 701
Total Defense Department	47, 406, 629	55, 718, 166	69, 007, 103
Health, Education, and Welfare Department:			
Food and Drug Administration:			
Public enterprise fund (net)	−199	−235	−69
Other	40, 848	45, 406	58, 279
Office of Education:			
Public enterprise funds (net):			
Higher education facilities loans fund			−87, 895
Assistance for vocational education	131, 525	135, 779	250, 257
School assistance in federally affected areas	349, 671	409, 593	447, 074
Elementary and secondary educational activities		815, 099	1, 265, 971
Higher educational activities	15, 538	154, 141	535, 899
Defense educational activities	270, 284	346, 497	388, 167
Other	74, 857	111, 031	175, 876
Total Office of Education	841, 875	1, 972, 140	2, 975, 349
Vocational Rehabilitation Administration:			
Grants for rehabilitation services and facilities	95, 661	152, 521	208, 277
Other	41, 653	49, 534	59, 063
Public Health Service:			
Health manpower	30, 500	25, 373	61, 508
Disease prevention and environmental control	157, 631	179, 486	229, 837
Health services:			
Hospital construction activities	203, 568	201, 739	208, 135
Other	151, 346	186, 326	255, 043
National Institutes of Health	635, 082	738, 762	947, 041
National Institute of Mental Health	149, 262	164, 778	208, 094
Public enterprise funds (net)	7	13	−8, 730
Other	12, 211	40, 158	51, 219
Total Public Health Service	1, 339, 607	1, 536, 637	1, 952, 148
Saint Elizabeths Hospital	9, 959	11, 214	10, 405
Social Security Administration:			
Operating fund, Bureau of Federal Credit Unions (net)	−175	−43	−7
Payment to trust funds for health insurance for the aged			949, 850
Payment for military service credits			105, 000
Other	78	−7	−3
Welfare Administration:			
Grants to States for public assistance	3, 059, 498	3, 527, 534	4, 175, 058
Grants for maternal and child welfare	109, 796	151, 382	183, 741
Other	54, 770	51, 966	64, 721
Administration on Aging	572	2, 191	6, 817
Special institutions:			
American Printing House for the Blind	865	992	1, 025
National Technical Institute for the Deaf		55	231
Gallaudet College	4, 355	3, 619	2, 718
Howard University and Freedmen's Hospital	15, 547	16, 296	19, 235
Office of the Secretary:			
Intragovernmental funds (net)	−337	748	−1, 391
Other	24, 965	30, 502	23, 360
Total Health, Education, and Welfare Department	5, 639, 337	7, 552, 452	10, 793, 808

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Housing and Urban Development Department:			
Renewal and housing assistance:			
Public enterprise funds (net):			
College housing loans	220,744	312,359	−235,611
Urban renewal programs	324,352	356,720	445,404
Low-rent public housing	230,116	236,746	267,701
Housing for the elderly	41,361	49,902	73,023
Other	180	1,830	6,678
Other			834
Total renewal and housing assistance	816,753	957,558	558,029
Metropolitan development:			
Public enterprise funds (net):			
Urban mass transportation fund	11,068	18,660	42,715
Other	45,071	34,083	−13,878
Open space land programs	6,212	8,387	19,860
Water and sewer facilities			5,691
Other	16,562	20,050	21,849
Total metropolitan development	78,914	81,180	76,237
Mortgage credit:			
Federal National Mortgage Association (net):			
Loans to secondary market operations fund	−4,460		
Purchase of preferred stock	−38,000	91,820	
Management and liquidating functions	−105,412	−114,120	10,240
Special assistance functions	−375,849	−313,525	−144,814
Participation sales fund	−24,927	−129,119	−68,707
Federal Housing Administration:			
Public enterprise funds (net):			
Federal Housing Administration fund	−115,350	191,189	46,325
Other	89	−3,964	−2,205
Other		252	809
Total mortgage credit	−663,909	−277,465	−158,353
Demonstrations and intergovernmental relations:			
Comprehensive city demonstration programs			732
Other	1,773	1,858	3,706
Departmental management	16,150	3,949	12,918
Total Housing and Urban Development Department	249,681	767,080	493,270
Interior Department:			
Public land management:			
Bureau of Land Management	131,345	144,548	156,214
Bureau of Indian Affairs:			
Public enterprise funds (net)	178	−399	789
Other	234,483	231,316	223,820
Bureau of Outdoor Recreation	3,827	16,710	68,255
Office of Territories:			
Public enterprise funds (net)	280		
Other	24,946	44,768	41,082
Total public land management	395,059	436,944	490,161
Mineral resources:			
Geological Survey	68,836	74,271	79,659
Bureau of Mines:			
Public enterprise funds (net)	20,425	19,282	23,193
Other	40,962	43,999	49,427
Office of Coal Research	3,822	7,124	9,987
Office of Oil and Gas	686	731	731
Total mineral resources	134,730	145,408	162,998
Fish and wildlife and parks:			
Office of Commissioner of Fish and Wildlife	443	372	92
Bureau of Commercial Fisheries:			
Public enterprise funds (net)	391	343	840
Other	37,778	38,754	41,026
Bureau of Sport Fisheries and Wildlife	79,498	87,976	90,802
National Park Service	130,296	135,391	118,850
Total fish and wildlife and parks	248,407	262,835	251,609

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [1]	1965 [2]	1966 [2]	1967
Interior Department—Continued			
Water and power development:			
Bureau of Reclamation:			
Public enterprise funds (net):			
Continuing fund for emergency expenses, Fort Peck project, Montana	−2,332	−4,416	−2,426
Upper Colorado River Basin fund	60,312	60,615	43,638
Other	269,966	310,825	274,938
Bonneville Power Administration	54,895	70,220	122,326
Southeastern Power Administration	644	593	536
Southwestern Power Administration	7,776	8,501	8,116
Total water and power development	391,262	446,336	447,127
Water Pollution Control:			
Office of Saline Water	11,468	12,955	16,820
Federal Water Pollution Control Administration	100,824	116,508	130,190
Secretarial offices:			
Office of the Solicitor	4,374	4,674	4,872
Office of the Secretary	4,206	4,857	6,093
Office of Water Resources Research	2,296	5,794	6,226
Virgin Islands Corporation (net)	−2,074	1,055	−554
Total Interior Department	1,290,553	1,437,366	1,515,544
Justice Department:			
Legal activities and general administration	65,323	69,881	79,561
Federal Bureau of Investigation	159,507	168,033	185,166
Immigration and Naturalization Service	72,207	74,813	80,230
Federal Prison Systems:			
Federal Prison Industries, Inc. (net)	−1,439	−6,214	−7,310
Other	63,053	65,982	70,997
Total Justice Department	358,651	372,494	408,645
Labor Department:			
Manpower Administration:			
Public enterprise funds (net):			
Advances to employment security administration account, unemployment trust fund	−2,226	−2,217	−3,545
Farm labor supply revolving fund	−358	−54	42
Manpower development and training activities	230,041	275,484	274,829
Office of Manpower Administrator		11,064	26,887
Bureau of Apprenticeship and Training	5,547	6,893	7,914
Bureau of Employment Security	−144	2,599	−686
Unemployment compensation for Federal employees and ex-servicemen	122,398	94,647	79,006
Other	8,014	160	−887
Total Manpower Administration	363,272	388,577	383,560
Labor-management relations	8,035	7,803	8,264
Wage and labor standards:			
Bureau of Labor Standards	3,601	3,140	3,219
Women's Bureau	773	847	903
Wage and Hour Division	20,295	20,784	22,092
Bureau of Employees' Compensation:			
Employees' compensation claims and expenses	52,658	48,515	56,516
Salaries and expenses	4,432	4,491	4,736
Total wage and labor standards	81,759	77,777	87,467
Bureau of Labor Statistics	18,161	19,006	20,420
Bureau of International Labor Affairs	722	1,014	1,336
Office of the Solicitor	4,851	5,302	5,490
Office of the Secretary:			
Federal contract compliance and civil rights programs		401	951
Other	2,728	3,501	4,389
Total Labor Department	479,529	503,382	511,877
Post Office Department:			
Public enterprise fund (net)—Postal fund	804,542	888,196	1,141,186

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
State Department:			
Administration of foreign affairs:			
Salaries and expenses	175,024	177,089	[10] 184,573
Acquisition, operation and maintenance of buildings abroad	26,196	18,021	23,885
Intragovernmental funds (net)	854	−166	−746
Other	3,631	3,621	3,765
Total administration of foreign affairs	205,705	198,566	211,477
International organizations and conferences:			
Contributions to international organizations	86,790	94,376	101,348
Other	5,852	6,053	6,620
International commissions	16,489	35,284	29,721
Educational exchange	58,358	60,821	55,783
Other	9,800	11,507	9,548
Total State Department	382,993	406,607	414,496
Transportation Department: [11]			
Coast Guard:			
Intragovernmental funds (net)	−172	−6,819	2,746
Other	386,665	411,849	493,937
Federal Aviation Administration:			
Public enterprise funds (net)	−7	6	−2
Grants-in-aid for airports	70,598	53,989	64,147
Other	724,015	749,923	818,796
Federal Highway Administration:			
Bureau of Public Roads: [12]			
Advances to the highway trust fund (net)	------------	------------	------------
Other	42,305	50,543	69,588
National Highway Safety Bureau	------------	------------	2,850
Federal Railroad Administration:			
Alaska Railroad (net)	15,025	10,485	2,339
Other	------------	2,351	7,253
Saint Lawrence Seaway Development Corporation (net)	905	1,216	95
Other	1,096	2,794	5,727
Total Transportation Department	1,240,428	1,276,338	1,467,476
Treasury Department:			
Office of the Secretary:			
Public enterprise funds (net):			
Reconstruction Finance Corp. liquidation fund	19	------------	------------
Federal Farm Mortgage Corp. liquidation fund	−277	−32	1
Civil defense program fund	−28	------------	------------
Intragovernmental funds (net)	1	(*)	(*)
Other	5,812	6,085	6,816
Bureau of Accounts:			
Interest on uninvested funds	11,752	13,988	12,753
Claims, judgments and relief acts	74,424	38,895	48,562
Government losses in shipment fund (net)	44	135	57
Salaries and expenses	32,115	31,599	33,625
Other	1	(*)	------------
Bureau of Customs:			
Intragovernmental funds (net)	−1	1	------------
Other	77,953	81,839	86,845
Bureau of Engraving and Printing:			
Intragovernmental funds (net)	906	−2,159	1,046
Other	272	2,445	1,991
Bureau of the Mint	15,346	25,634	33,439
Bureau of Narcotics	5,458	5,729	6,207
Bureau of the Public Debt	49,651	50,174	51,944
Internal Revenue Service:			
Interest on refunds of taxes	77,237	103,696	120,094
Payments to Puerto Rico for taxes collected	42,941	51,764	59,334
Other	586,627	611,167	662,010
Office of the Treasurer:			
Check forgery insurance fund (net)	2	3	24
Other	6,342	6,096	6,082
U.S. Secret Service	10,462	13,729	15,682

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Treasury Department—Continued			
Interest on the public debt (accrual basis):			
Public issues	9,803,834	10,358,671	11,366,963
Special issues	1,542,620	1,655,192	2,024,105
Total interest on the public debt	11,346,455	12,013,863	13,391,068
Total Treasury Department	12,343,513	13,054,653	14,537,580
Atomic Energy Commission	2,624,996	2,402,925	2,263,749
General Services Administration:			
Real property activities:			
Construction, public buildings projects	136,033	166,526	151,849
Repair and improvement of public buildings	82,730	90,862	80,656
Intragovernmental funds (net)	12,531	3,030	−1,731
Other	274,601	276,588	299,771
Personal property activities:			
Intragovernmental funds (net)	13,356	−39,705	28,014
Other	53,426	58,651	66,694
Records activities	16,011	16,513	18,474
Transportation and communications activities	7,382	2,831	809
Property management and disposal service:			
Public enterprise funds (net)	3		
Intragovernmental funds (net)	68	−221	192
Strategic and critical materials	16,284	15,845	18,587
Utilization and disposal service	9,713	9,724	9,992
General activities:			
Public enterprise funds (net)	−218	−183	−191
Intragovernmental funds (net)	−230	−1,319	95
Other	1,985	1,859	1,981
Total General Services Administration	623,676	601,001	675,192
National Aeronautics and Space Administration	5,092,904	5,932,989	5,425,715
Veterans' Administration:			
Compensation, pensions, and benefit programs	4,180,995	4,272,741	4,606,780
Public enterprise funds (net):			
Direct loan revolving fund	−129,834	−658,953	−34,942
Loan guaranty revolving fund	38,301	15,723	125,768
Other	−29,095	−46,666	−60,834
Other	1,427,577	1,486,820	1,559,949
Total Veterans' Administration	5,487,944	5,069,665	6,196,721
Other independent agencies:			
Alaska Development Committees	87	138	181
Alaska Temporary Claims Commission	5		
American Battle Monuments Commission	1,952	1,994	2,122
Central Intelligence Agency, construction	354	360	1,432
Civil Aeronautics Board:			
Payments to air carriers	80,423	74,622	62,322
Salaries and expenses	11,205	10,856	11,536
Civil Service Commission:			
Payment to civil service retirement and disability fund	65,000	67,000	73,000
Government payment for annuitants, employees health benefits	27,010	29,220	36,644
Other	25,102	26,630	20,211
Total Civil Service Commission	117,112	122,850	129,855
Commission of Fine Arts	95	103	117
Commission on Civil Rights	1,151	1,520	2,450
Equal Employment Opportunity Commission	29	2,590	4,631
Export-Import Bank of Washington (net)	−357,231	−385,023	−342,612

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
Other independent agencies—Continued			
Farm Credit Administration (net):			
Revolving fund for administrative expenses	99	531	−89
Short-term credit investment fund	3,375	2,290	----------
Banks for cooperatives investment fund	−20,287	−10,051	−13,087
Total Farm Credit Administration	−16,813	−7,230	−13,175
Federal Coal Mine Safety Board of Review	66	74	76
Federal Communications Commission	16,747	17,217	17,965
Federal Home Loan Bank Board (net):			
Federal Savings and Loan Insurance Corp. fund	−204,698	−255,423	−157,317
Other	134	−35	−157
Federal Maritime Commission	2,857	3,091	3,454
Federal Mediation and Conciliation Service	6,284	6,550	7,079
Federal Power Commission	13,116	13,402	14,081
Federal Radiation Council	−72	84	107
Federal Trade Commission	13,662	13,648	14,108
Foreign Claims Settlement Commission	35,047	1,853	1,658
Historical and memorial commissions	135	120	124
Indian Claims Commission	303	313	336
Intergovernmental commissions:			
Advisory Commission on Intergovernmental Relations	422	430	385
Appalachian Regional Commission	40	612	670
Commission on Status of Puerto Rico	44	227	132
Delaware River Basin Commission	131	140	156
Interstate Commission on the Potomac River Basin	5	5	5
Interstate Commerce Commission	26,491	27,264	44,476
National Capital Housing Authority	39	41	44
National Capital Planning Commission	3,538	1,285	1,138
National Capital Transportation Agency	617	1,987	2,977
National Foundation on Arts and Humanities	25	1,228	8,998
National Labor Relations Board	25,221	28,372	30,197
National Mediation Board	1,892	1,907	1,981
National Science Foundation	308,892	368,248	414,884
President's Advisory Committee on Labor-Management Policy	106	44	1
Railroad Retirement Board-Military service credits	13,834	16,558	17,201
Renegotiation Board	2,650	2,450	2,519
Securities and Exchange Commission	15,276	15,820	16,681
Selective Service System	43,211	54,230	58,036
Small Business Administration:			
Public enterprise funds (net)	236,221	−146,073	−249,117
Salaries and expenses	6,658	6,329	4,933
Other	43	84	120
Total Small Business Administration	242,922	−139,660	−244,063
Smithsonian Institution	27,986	29,871	30,247
Subversive Activities Control Board	409	363	330
Tariff Commission	3,271	3,246	3,400
Tax Court of the United States	2,087	2,126	2,172
Temporary Study Commissions	629	5,417	7,825
Tennessee Valley Authority (net)	47,937	53,905	102,065
U.S. Arms Control and Disarmament Agency	7,302	8,803	9,508
U.S. Information Agency:			
Informational media guarantee fund (net)	873	−71	300
Salaries and expenses	150,168	154,220	157,591
Construction of radio facilities	6,639	7,221	16,531
Other	7,434	5,227	10,892
Total U.S. Information Agency	165,114	166,598	185,314
Water Resources Council	----------	44	1,971
Total other independent agencies	662,043	275,238	459,624

Footnotes at end of table.

TABLE 4.—*Administrative budget receipts and expenditures, fiscal years 1965, 1966, and 1967*—Continued

[In thousands of dollars]

Expenditures [7]	1965 [2]	1966 [2]	1967
District of Columbia:			
Federal payment to District of Columbia	40,720	47,372	61,394
Advances for general expenses (repayable)	9,000	−5,000	
Loans to District of Columbia for capital outlay	10,700	28,325	21,450
Advances to District of Columbia (stadium fund)	832	757	757
Interfund transactions [6]	−869,865	−634,513	−681,723
Net administrative budget expenditures	96,506,904	106,978,344	125,717,681
Administrative budget surplus, or deficit (−)	−3,435,107	−2,251,080	−9,868,868

*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," annual report 1962 p. 502.

[2] Certain figures for the fiscal years 1965 and 1966 have been adjusted to correspond to classifications for fiscal year 1967.

[3] Distribution between income taxes and employment taxes is made in accordance with provisions of the Social Security Act, as amended, for transfer to the Federal old-age and survivors, Federal disability, and Federal hospital insurance trust funds.

[4] Includes adjustments of prior estimates as follows: Income taxes withheld, −$167,660,216; income taxes—other, −$55,977,616; transfers to Federal old-age and survivors insurance trust fund, $181,312,207; transfers to Federal disability insurance trust fund, $27,603,195; and transfers to Federal hospital insurance trust fund, $14,722,429.

[5] The principal amount of refunds of employment taxes and excise (highway) taxes are excluded from the transfers and are included in refunds of internal revenue receipts applicable to trust accounts.

[6] Mainly interest payments by Government corporations and agencies that borrow from the Treasury. For details of interfund transactions, fiscal years 1964–67, see table 9. 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.

[7] Expenditures are stated on the basis of checks issued (except interest on the public debt) and certain cash payments.

[8] Residual of gross receipts and expenditures after reduction for certain costs which are included in amounts shown for special activities financed by Commodity Credit Corporation.

[9] Includes certain costs transferred from price support operations for which expenditures may have been made in prior years, in addition to adjustments representing recoveries from other programs.

[10] Gives effect to reimbursements collected for administrative support furnished to other agencies amounting to $128,826,446.

[11] Established pursuant to Public Law 89-670, Oct. 15, 1966, Executive Order 11340 prescribed Apr. 1, 1967, as the effective date for the Transportation Department. Expenditures include figures for certain activities previously shown under the Commerce, Interior, and Treasury Departments, the Federal Aviation Agency, and other independent agencies.

[12] Most Bureau of Public Roads expenditures are made from the highway trust fund and do not appear in this table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1965, 1966, and 1967*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts	1965	1966	1967
Legislative branch:			
Payments from general fund	180	194	209
Other	1,469	2,462	2,621
The judiciary:			
Judicial survivors annuity fund:			
Contributions	790	827	884
Interest on investments	90	108	129
Funds appropriated to the President:			
Military assistance advances	824,431	707,945	1,078,035
Economic assistance	1,584	2,462	2,908
Other	231	539	597
Agriculture Department	57,948	60,798	63,604
Commerce Department	6,023	55,909	15,599
Defense Department:			
Military	5,745	21,849	8,034
Civil:			
Payments from general fund	3,136	3,195	3,214
Other	25,965	31,033	32,031
Health, Education, and Welfare Department:			
Federal old-age and survivors insurance trust fund: [1]			
Transfers from general fund receipts:			
Appropriated	14,777,985	16,685,595	20,994,312
Unappropriated	−27,000		
Less refunds of taxes	−178,626	−212,079	−262,719
Deposits by States	1,257,853	1,392,431	1,835,408
Interest and profits on investments	583,125	588,159	725,327
Federal payments for military service credits			78,000
Other	3,190	6,690	874
Total Federal old-age and survivors insurance trust fund	16,416,527	18,460,796	23,371,203
Federal disability insurance trust fund: [2]			
Transfers from general fund receipts	1,095,088	1,457,893	2,085,603
Less refunds of taxes	−13,064	−15,596	−19,437
Deposits by States	93,221	114,355	183,231
Interest and profits on investments	65,247	59,547	66,340
Federal payments for military service credits			16,000
Other	17	26	287
Total Federal disability insurance trust fund	1,240,508	1,616,225	2,332,024
Federal hospital insurance trust fund: [3]			
Transfer from general fund receipts		862,000	2,482,722
Deposits by States		46,797	205,962
Interest and profits on investments		6,898	45,882
Payment from Railroad Retirement Board			16,200
Interest payments by Railroad Retirement Board			105
Federal payments for military service credits			11,000
Federal payments for railroad employees			
Federal payments for transitional coverage			326,850
Other			8
Total Federal hospital insurance trust fund		915,695	3,088,730
Federal supplementary medical insurance trust fund: [4]			
Premiums deducted from benefit payments			527,902
Premiums deposited by States			32,136
Premiums collected by Social Security Administration			86,644
Total premiums			646,682
Federal contributions			623,000
Repayable advances from general fund			
Interest and profits on investments			15,041
Other			11
Total Federal supplementary medical insurance trust fund			1,284,734
Other	338	300	364
Interior Department:			
Indian tribal funds	58,591	38,718	48,148
Payments from general fund	65,843	35,108	31,372
Other	12,870	12,672	20,105

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1965, 1966, and 1967*—Con.

[In thousands of dollars]

Receipts	1965	1966	1967
Labor Department:			
Unemployment trust fund: [5]			
Employment security administration account:			
Transfers (Federal unemployment taxes):			
Appropriated	622,038	564,909	603,769
Unappropriated	461	2,105	−1,025
Less refunds of taxes	−7,609	−6,000	−5,972
Advances from general (revolving) fund	194,968	210,245	278,742
Less return of advances to the general fund	−194,968	−210,245	−278,742
State accounts—deposits by States	3,051,539	3,067,204	2,916,933
Federal unemployment account—less transfer of receipts to Labor	(*)		
Railroad unemployment insurance account:			
Deposits by Railroad Retirement Board	142,781	139,131	136,565
Advances from railroad retirement account	58,230	40,895	29,250
Railroad unemployment insurance administration fund:			
Deposits by Railroad Retirement Board	9,520	9,281	9,099
Interest and profits on investments	255,265	308,683	383,721
Total unemployment trust fund	4,132,225	4,126,207	4,072,341
Other	130	120	38
State Department:			
Foreign Service retirement and disability fund:			
Deductions from salaries and other receipts	3,878	4,142	4,282
Employing agency contributions	3,687	4,013	4,178
Receipts from civil service retirement and disability fund	796	934	1,066
Interest on investments	1,577	1,630	1,665
Other	1,258	281	353
Transportation Department:			
Highway trust fund: [6]			
Transfers from general fund receipts	3,782,008	4,036,575	4,652,369
Less refunds of taxes	−123,498	−119,772	−211,507
Advances from general fund		70,000	
Less return of advances to the general fund		−70,000	
Interest on investments	11,035	7,983	14,225
Total highway trust fund	3,669,544	3,924,786	4,455,087
Other	4,322	7,447	7,511
Treasury Department	24,207	28,719	32,605
Atomic Energy Commission	1,230	1,215	531
General Services Administration	2,244	192	140
National Aeronautics and Space Administration	541	20	472
Veterans' Administration:			
Government life insurance fund:			
Premiums and other receipts	14,733	13,860	12,607
Payments from general fund	−119	85	72
Interest and profits on investments	33,762	33,210	30,398
National service life insurance fund:			
Premiums and other receipts	472,984	496,960	486,634
Payments from general fund	7,029	5,171	5,794
Interest and profits on investments	182,145	190,783	200,485
Other	1,811	1,918	1,912
Total Veterans' Administration	712,344	741,986	737,902
Other independent agencies:			
Civil Service Commission:			
Civil service retirement and disability fund:			
Deductions from employees' salaries, etc	1,050,416	1,096,745	1,190,468
Payments from other funds:			
Employing agency contributions	1,050,356	1,097,453	1,190,532
Federal contribution	65,000	67,000	73,000
Voluntary contributions, donations, etc	16,430	15,815	15,072
Interest and profits on investments	482,171	546,358	625,165
Total Civil Service Commission	2,664,373	2,823,371	3,094,236
Railroad Retirement Board:			
Railroad retirement accounts:			
Transfers (Railroad Act taxes):			
Appropriated	630,430	677,489	794,680
Unappropriated	5,116	5,969	−1,822
Less refunds of taxes			−165
Fines and penalties		(*)	

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1965, 1966, and 1967*—Con.

[In thousands of dollars]

Receipts and Expenditures	1965	1966	1967
Other independent agencies—Continued			
Railroad Retirement Board—Continued			
Railroad retirement accounts—Continued			
Interest and profits on investments	143,134	150,011	162,808
Interest on advances to railroad unemployment insurance account and railroad supplemental account	12,167	10,937	9,150
Repayment of advances to railroad unemployment insurance account and railroad supplemental account	77,935	81,530	90,375
Payment from Federal old-age and survivors, disability, and hospital insurance trust funds	459,253	468,782	538,680
Federal payments for military service credits	13,834	16,558	17,201
Total Railroad Retirement Board	1,341,868	1,411,276	1,610,906
Other	9,818	143,202	3,442
District of Columbia:			
Revenues from taxes, etc	287,263	311,467	327,393
Payments from general fund:			
Federal contribution	40,720	47,372	61,394
Advances for general expenses	50,000	42,000	33,000
Less return of advances to general fund	−41,000	−47,000	−33,000
Loans for capital outlay	10,700	28,325	21,450
Other loans and grants	41,705	53,925	60,566
Deduct: Interfund transactions:			
Payments to employees' retirement fund receipts	16,340	17,641	18,685
Payments between funds:			
FOASI fund to railroad retirement account	435,638	443,820	508,046
Unemployment trust fund from railroad retirement account	58,230	40,895	29,250
Other	128,230	267,488	685,964
Total interfund transactions [7]	638,438	769,844	1,241,945
Net trust receipts	31,047,259	34,852,623	44,640,157
EXPENDITURES			
Legislative branch	1,897	1,914	2,302
The judiciary—judicial survivors annuity fund	488	494	540
Funds appropriated to the President:			
Military assistance advances	744,553	750,872	1,069,952
Economic assistance	2,172	2,406	3,660
Other	139	397	526
Agriculture Department:			
Trust enterprise funds (net)	−1,083	2,859	209
Other	53,108	53,883	58,769
Commerce Department	16,908	11,736	25,104
Defense Department:			
Military	5,439	7,573	20,250
Civil:			
Trust enterprise funds (net)	−2	−5	−3
Other	31,387	30,071	30,576
Health, Education, and Welfare Department:			
Federal old-age and survivors insurance trust fund: [1]			
Administrative expenses:			
Social Security Administration	322,788	443,038	289,569
Reimbursement from Federal disability, hospital, and supplementary medical insurance trust funds	−75,111	−240,645	−13,950
Payments to general fund	52,378	49,852	57,409
Benefit payments	15,225,894	18,071,453	18,885,714
Vocational rehabilitation services			90
Payment to Railroad Retirement Board	435,638	443,820	508,046
Construction	305	1,526	1,171
Total Federal old-age and survivors insurance trust fund	15,961,893	18,769,045	19,728,049
Federal disability insurance trust fund: [2]			
Administrative expenses:			
Social Security Administration			104,021
Reimbursement to Federal old-age and survivors insurance trust fund	78,223	184,458	−10,981
Payments to general fund	3,768	4,718	5,364
Benefit payments	1,392,190	1,721,133	1,860,789
Vocational rehabilitation services		1,493	6,534
Payment to Railroad Retirement Board	23,615	24,962	30,634
Construction			216
Total Federal disability insurance trust fund	1,497,796	1,936,764	1,996,579

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1965, 1966, and 1967*—Con.

[In thousands of dollars]

Expenditures	1965	1966	1967
Health, Education, and Welfare Department—Continued			
Federal hospital insurance trust fund: [3]			
Administrative expenses:			
Social Security Administration			81,905
Reimbursement to Federal old-age and survivors insurance trust fund		62,785	827
Payments to general fund		1,707	6,208
Benefit payments			2,507,773
Total Federal hospital insurance trust fund		64,491	2,596,713
Federal supplementary medical insurance trust fund: [4]			
Administrative expenses:			
Social Security Administration			107,970
Reimbursement to Federal old-age and survivors insurance trust fund			25,215
Payments to general fund			1,497
Benefit payments			664,261
Total Federal supplementary medical insurance trust fund			798,943
Other	562	221	347
Housing and Urban Development Department:			
Federal National Mortgage Association (net):			
Loans for secondary market operations and purchase of preferred stock	42,460	−91,820	
Other secondary market operations	49,008	1,569,888	807,125
Participation sales trust fund			−115,909
Interior Department:			
Indian tribal funds	74,015	84,001	174,245
Other	11,250	13,067	19,389
Justice Department (net):			
Alien property activities	−168,758	152,813	2,490
Federal Prison System commissary funds	27	−63	−39
Labor Department:			
Unemployment trust fund: [5]			
Employment security administration account:			
Salaries and expenses, Bureau of Employment Security	13,357	16,922	18,174
Grants to States for unemployment compensation and employment service administration	399,396	476,583	539,855
Payments to general fund:			
Reimbursements and recoveries	112,018	29,772	14,368
Interest on refunds of taxes	172	233	274
Payment of interest on advances from general (revolving) fund	2,226	2,217	3,545
Railroad unemployment insurance account:			
Benefit payments	115,243	88,120	70,985
Repayment of advances to railroad retirement account	77,935	81,530	90,375
Payment of interest on advances from railroad retirement account	12,167	10,937	9,150
Railroad unemployment insurance administration fund:			
Administrative expenses	7,861	6,738	5,992
State accounts:			
Withdrawals by States	2,389,612	1,973,967	2,001,191
Federal extended compensation account:			
Temporary extended unemployment compensation payments	−1	1	
Repayment of advances from general fund	−1		
Total unemployment trust fund	3,129,985	2,687,019	2,753,909
Other	234	188	175
State Department:			
Foreign service retirement and disability fund	8,307	9,363	10,582
Other	1,243	422	307
Transportation Department:			
Highway trust fund—Federal-aid highways [6]	4,026,117	3,965,431	3,973,426
Interest payment on advances		678	
Other	4,058	7,347	7,058
Treasury Department	22,955	26,658	39,196
Atomic Energy Commission	942	1,143	740
General Services Administration:			
Trust enterprise funds (net)	−4	−181	−229
Other	214	298	295
National Aeronautics and Space Administration	50	507	100

Footnotes at end of table.

TABLE 5.—*Trust receipts and expenditures, fiscal years 1965, 1966, and 1967*—Con.

[In thousands of dollars]

Expenditures	1965	1966	1967
Veterans' Administration:			
Benefits, refunds and dividends:			
Government life insurance fund	70,528	68,939	82,432
National service life insurance fund	544,996	484,745	728,899
Other	1,514	4,531	2,459
Other independent agencies:			
Civil Service Commission:			
Civil service retirement and disability fund	1,438,147	1,685,970	1,965,119
Employees health benefits fund (net)	−9,278	1,328	−18,538
Employees' life insurance fund (net)	−26,361	−17,338	−69,295
Retired employees health benefits fund (net)	−783	253	−518
Total Civil Service Commission	1,401,726	1,670,213	1,876,768
National Capital Housing Authority (net)	588	720	−39
Railroad Retirement Board:			
Railroad retirement accounts:			
Administrative expenses	10,342	11,531	12,546
Benefit payments, etc	1,116,370	1,193,563	1,257,343
Payment to Federal hospital insurance trust fund			16,305
Advances to railroad unemployment insurance account and railroad supplemental account	58,230	40,895	29,250
Interest on refunds of taxes	9	3	3
Total Railroad Retirement Board	1,184,951	1,245,991	1,315,446
Other:			
Trust enterprise funds (net)	−116	−27	−119
Other	376	5,898	22,700
District of Columbia	384,522	429,695	472,350
Deposit fund accounts:			
Food stamps issued (receipts):			
Payments from general fund	−32,505	−64,796	−105,532
Receipts from sales	−52,844	−109,136	−189,380
Food stamps redeemed (expenditures)	83,774	170,596	291,018
Other deposit funds (net)	−208,031	−517,126	−1,050,206
Total deposit fund accounts	−209,606	−520,462	−1,054,100
Subtotal trust and deposit fund expenditures	28,896,842	33,449,724	37,452,172
Government-sponsored enterprises (net):			
Farm Credit Administration:			
Banks for cooperatives	189,231	154,311	199,545
Federal intermediate credit banks	149,032	390,887	445,365
Federal land banks	561,021	573,545	506,133
Federal Home Loan Bank Board:			
Home loan banks	659,661	1,292,745	−3,513,305
Federal Deposit Insurance Corporation	−179,957	−227,022	−238,192
Total Government-sponsored enterprises	1,378,989	2,184,466	−2,600,454
Net aggregate purchases of participation certificates by trust accounts			900,000
Interfund transactions [7]	−638,438	−769,844	−1,241,945
Net trust expenditures (including net purchases of participation certificates by trust accounts)	29,637,393	34,864,346	34,509,772
Excess of trust receipts, or expenditures (−)	1,409,866	−11,723	10,130,384

*Less than $500.

[1] Details of this trust fund may be found in table 72.

[2] Details of this trust fund may be found in table 69.

[3] Details of this trust fund may be found in table 70.

[4] Details of this trust fund may be found in table 71.

[5] Details of this trust fund may be found in table 83.

[6] Details of this trust fund may be found in table 74.

[7] Mainly financial interchanges between trust funds resulting in receipts and expenditures. For details of these interfund transactions for the fiscal years 1964–67, see table 10. Amount for 1966 includes a transaction of $62,785,000 omitted from June 30, 1966, final, "Monthly Statement of Receipts and Expenditures of the United States Government."

TABLE 6.—*Investments in public debt and agency securities (net), fiscal years 1965, 1966, and 1967*

[In thousands of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Investing agency	1965	1966	1967
Public enterprise funds:			
Commerce Department	96	152	750
Housing and Urban Development Department:			
Office of the Secretary (FHA debentures)		2,593	−2,593
Federal National Mortgage Association:			
Participation sales fund:			
Public debt securities	5,794	−4,091	33,820
Agency securities (not guaranteed)	19,115	86,390	59,442
Management and liquidating functions:			
Agency securities (guaranteed) (FHA debentures)	−21,706	−1,848	20
Special assistance functions fund:			
Agency securities (guaranteed) (FHA debentures)	−961	−4,331	−1,636
Federal Housing Administration:			
Federal Housing Administration fund:			
Public debt securities	−195,060	−92,578	56,666
Agency securities (guaranteed) (FHA debentures)	1,694	−36,364	−11,696
Other:			
Agency securities (guaranteed) (FHA debentures)		388	
Public Housing Programs	−17,000	13,500	−8,000
Export-Import Bank of Washington			81,500
Federal Savings and Loan Insurance Corporation	207,528	204,079	211,567
Other	28,566	36,651	53,545
Total public enterprise funds	28,066	204,540	473,385
Trust accounts, etc.:			
Judicial survivors annuity fund	430	444	472
Highway trust fund	−343,634	−27,631	483,947
Foreign service retirement and disability fund	1,530	1,144	557
Federal old-age and survivors insurance trust fund: [1]			
Public debt securities	460,855	−857,069	3,437,854
Agency securities (not guaranteed)			217,590
Federal disability insurance trust fund: [1]			
Public debt securities	−262,943	−412,938	226,007
Agency securities (not guaranteed)			93,992
Federal hospital insurance trust fund: [1]			
Public debt securities		785,758	405,889
Agency securities (not guaranteed)			56,521
Federal supplementary medical insurance trust fund			478,849
Unemployment trust fund: [1]			
Public debt securities	966,764	1,468,031	777,688
Agency securities (not guaranteed)			317,548
Federal National Mortgage Association:			
Secondary market operations:			
Agency securities (guaranteed) (FHA debentures)	1,006	−5,991	−1
Participation sales trust fund:			
Public debt securities			50,942
Agency securities (not guaranteed)			64,940
Veterans' life insurance funds:			
Government life insurance fund:			
Public debt securities	−22,386	4,216	−123,643
Agency securities (not guaranteed)		−25,000	83,250
National service life insurance fund:			
Public debt securities	125,765	203,973	−368,423
Agency securities (not guaranteed)			184,500
Civil Service Commission:			
Civil service retirement and disability fund:			
Public debt securities	1,212,396	1,111,416	701,009
Agency securities (not guaranteed)			217,500
Employees health benefits fund	8,920	−4,822	17,952
Employees' life insurance fund	26,614	14,890	54,981
Retired employees health benefits fund	1,225	−191	304
Railroad retirement accounts:			
Public debt securities	149,281	153,867	61,644
Agency securities (not guaranteed)			175,500
Government-sponsored enterprises (net):			
Farm Credit Administration:			
Banks for cooperatives	−91	3,124	−1,450
Federal intermediate credit banks	−1,728	−307	
Federal land banks	−2,106	−60	−90
Federal Home Loan Bank Board:			
Home loan banks	−103,846	259,925	1,791,400
Federal Deposit Insurance Corporation	179,957	227,022	238,192
Other: [2]			
Public debt securities	−77,581	460,928	614,014
Agency securities (not guaranteed)	7,035	−2,915	119,585
Total trust accounts, etc	2,327,464	3,357,815	10,379,017
Net investments, or sales (−)	2,355,530	3,562,356	10,852,403

[1] Takes into account accrued interest, discount, or premium on securities purchased, and net amortization or repayments.
[2] Includes Exchange Stabilization Fund.

TABLE 7.—*Purchases of participation certificates by trust accounts (net), fiscal year 1967*

[On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Purchasing account	1967
Civil service retirement and disability fund	$200,000,000.00
Federal old-age and survivors insurance trust fund	200,000,000.00
Federal disability insurance trust fund	50,000,000.00
Federal hospital insurance trust fund	50,000,000.00
National service life insurance fund	150,000,000.00
Railroad retirement account	50,000,000.00
Unemployment trust fund	175,000,000.00
Exchange Stabilization Fund	25,000,000.00
Net purchases	900,000,000.00

TABLE 8.—*Sales and redemptions of Government agency securities in market (net), fiscal years 1965, 1966, and 1967*

[In thousand of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Issuing agency	1965	1966	1967
Public enterprise funds:			
Guaranteed by the United States:			
Federal Farm Mortgage Corporation in liquidation	12	8	4
Federal Housing Administration:			
Issues (net) to Government agencies	19,967	r 45,554	15,906
Issues (net) to the public	202,718	r 83,176	−66,573
Homes Owners' Loan Corporation	8	2	14
Not guaranteed by the United States:			
Home Owners' Loan Corporation	4	(*)	(*)
Tennessee Valley Authority	−45,000	−60,000	−132,200
Trust enterprise funds:			
Not guaranteed by the United States:			
Federal National Mortgage Association (secondary market operations)	−98,592	−1,471,885	−809,724
Government-sponsored enterprises (net):			
Not guaranteed by the United States:			
Farm Credit Administration:			
Banks for cooperatives	−189,140	−157,435	−198,095
Federal intermediate credit banks	−147,305	−390,580	−445,365
Federal land banks	−558,915	−573,485	−506,043
Federal Home Loan Bank Board:			
Home loan banks	−555,815	−1,552,670	1,721,905
Net redemptions, or sales (−)	−1,372,060	−4,077,315	−420,171

r Revised.
*Less than $500.

TABLE 9.—*Interfund transactions excluded from both net budget receipts and expenditures, fiscal years 1964–67*

[In thousands of dollars]

Interest and other payments	Fiscal year 1964	1965	1966	1967
Interest paid Treasury by revolving funds:[1]				
Funds appropriated to the President:				
Expansion of defense production [2]	154,294	124,948	14,460	31,144
Economic opportunity loan fund		124	1,300	2,306
Economic development revolving fund				27
Department of Agriculture:				
Commodity Credit Corporation	199,169	458,861	302,043	332,912
Farmers Home Administration:				
Agricultural credit insurance fund	2,296	2,763	6,518	7,392
Direct loan account	12,019	13,805	17,423	16,108
Rural housing loans			22,360	21,266
Department of Commerce:				
Federal ship mortgage insurance fund	263	353	199	269
Federal ship mortgage insurance fund, fishing vessels			(*)	20
Department of Defense—Civil, Panama Canal Company fund	10,894	11,336	12,179	11,445
Department of Housing and Urban Development:				
Renewal and housing assistance:				
College housing loans	41,394	48,968	56,518	66,321
Public facility loans	3,540	4,903	6,217	7,259
Urban renewal programs	5,344	5,895	7,544	12,712
Federal National Mortgage Association	99,410	86,872	67,431	62,544
Federal Housing Administration, general insurance fund			193	1,045
Public Housing programs	2,099	187		
Department of the Interior:				
Colorado River Dam fund, Boulder Canyon project	2,946	2,857	2,755	2,644
Upper Colorado River storage project		752	5,766	6,899
Virgin Islands Corporation	403	406	48	1,246
Department of Transportation:				
St. Lawrence Seaway Development Corporation	2,952	4,000	4,700	5,100
Treasury Department, Civil defense program fund	8	4		
Veterans' Administration:				
Direct loans to veterans and reserves	48,795	36,324	33,978	17,505
Veterans' reopened insurance fund			65	
Export-Import Bank of Washington [3]	34,381	15,139	13,775	6,550
Small Business Administration	26,521	30,740	38,925	48,446
Tennessee Valley Authority	695	2,396	2,761	3,626
U.S. Information Agency, information media guaranties fund	622	656		
Total interest payments	648,044	852,289	617,158	664,790
Other payments:				
Department of Defense, civil:				
Reimbursements:				
Panama Canal Company:				
Net cost of Canal Zone Government [4]	14,678	16,725	16,507	15,774
Part of treaty payment to Panama for use of Canal Zone	430	430	430	430
Fees and other charges	469	421	418	729
Total other payments	15,577	17,576	17,355	16,934
Total interfund transactions	663,622	869,865	634,513	681,723

*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] Excludes transactions under Defense Production Act.
[4] Less tolls paid for U.S. Government vessels.

NOTE.—For figures from 1932–61, see annual report for 1961, pp. 450–456; for 1962–63 figures, see 1965 annual report, p. 519.

TABLE 10.—*Interfund transactions excluded from both net trust receipts and trust expenditures, fiscal years 1964-67*

[In thousands of dollars]

Trust fund	1964	1965	1966	1967
Federal old-age and survivors insurance trust fund [1]	402,636	435,638	443,820	508,085
Federal disability insurance trust fund [1 2]	21,647	26,727	30,632	30,634
Federal hospital insurance trust fund [1]	----------	----------	928	16,389
Federal supplementary medical insurance trust fund [2]	----------	----------	----------	528,891
Railroad retirement account [1 3]	35,187	58,230	40,895	29,250
Unemployment trust fund [3 4]	46,962	90,102	92,467	99,525
Federal employees' retirement funds [5]	385	796	934	1,066
District of Columbia [6]	14,563	17,445	17,668	28,106
Alien property activities [7]	----------	9,500	142,500	----------
Total	521,379	638,438	[8] 769,844	1,241,945

[1] Payments are made between the railroad retirement account and the Federal old-age and survivors, Federal disability, and Federal hospital 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.

[5] Transfers from the civil service retirement and disability fund to the foreign service retirement and disability fund.

[6] Contributions and transfers of deductions from employees' salaries to the civil service retirement and disability fund; advances to National Park Service beginning in fiscal 1965; and advances to National Capital Planning Commission and Smithsonian Institution beginning in fiscal 1967

[7] Payment to Foreign Claims Settlement Commission.

[8] Includes a $62,785,000 trust interfund transaction omitted from June 30, 1966, final "Monthly Statement of Receipts and Expenditures of the United States Government."

TABLE 11.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1967 and net for 1966 and 1967*

[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 1967 Receipts	Fiscal year 1967 Expenditures	Fiscal year 1967 Net receipts (−), or expenditures	Fiscal year 1966 Net receipts (−), or expenditures
Funds appropriated to the President:				
Expansion of defense production	138,972	33,968	−105,004	−151,995
Office of Economic Opportunity	8,870	34,238	25,367	29,565
Military assistance—foreign military sales fund	191,442	161,068	−30,374	−89,948
Economic assistance:				
Alliance for Progress, development loans	94,022	503,986	409,964	290,896
Development loan funds	68,647	730,341	661,693	676,902
Foreign investment guarantee fund	10,330	173	−10,157	−9,825
Total funds appropriated to the President	512,283	1,463,773	951,490	745,596
Agriculture Department:				
Commodity Credit Corporation:				
Price support and related programs [1]	4,738,872	6,383,705	1,644,833	1,535,920
Special activities [2]	229,823	502,833	273,010	−17,083
Federal Crop Insurance Corporation fund	31,580	25,241	−6,339	10,496
Farmers Home Administration:				
Direct loan account	833,756	382,738	−451,017	−31,352
Rural housing insurance fund	378,964	410,076	31,112	31,408
Emergency credit revolving fund	91,148	99,745	8,596	18,684
Agricultural credit insurance fund	493,298	466,771	−26,528	87,534
Rural housing direct loan account	183,936	39,800	−144,136	3,035
Total Agriculture Department	6,981,378	8,310,909	1,329,532	1,638,643
Commerce Department:				
Economic Development Assistance	8,864	175	−8,689	−7,949
Maritime Administration	216,793	213,616	−3,176	4,751
Total Commerce Department	225,657	213,792	−11,865	−3,198
Defense Department:				
Military:				
Department of the Army	13,136	12,937	−199	−1,668
Department of the Navy	12,087	14,803	2,716	−594
Department of the Air Force	4,421	1,144	−3,277	2,377
Defense agencies	2	1	−1	----------
Civil defense procurement fund	1	(*)	−1	(*)
Civil—Panama Canal Company	144,104	131,335	−12,769	−4,310
Total Defense Department	173,751	160,220	−13,530	−4,195
Health, Education, and Welfare Department:				
Food and Drug Administration	3,070	3,001	−69	−235
Office of Education:				
Higher education facilities loans fund	87,895	----------	−87,895	----------
Public Health Service	8,954	225	−8,730	13
Social Security Administration:				
Operating fund, Bureau of Federal Credit Unions	5,461	5,453	−7	−43
Total Health, Education, and Welfare Department	105,380	8,679	−96,701	−265
Housing and Urban Development Department:				
Renewal and housing assistance:				
College housing loans	712,057	476,446	−235,611	312,359
Urban renewal programs	479,122	924,525	445,404	356,720
Low-rent public housing	162,089	429,790	267,701	236,746
Housing for the elderly	6,279	79,302	73,023	49,902
Other	221	6,899	6,678	1,830

Footnotes at end of table.

TABLE 11.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1967 and net for 1966 and 1967*—Continued

[In thousands of dollars]

Classification	Fiscal year 1967 Receipts	Fiscal year 1967 Expenditures	Fiscal year 1967 Net receipts (—), or expenditures	Fiscal year 1966 Net receipts (—), or expenditures
Housing and Urban Development Department—Con.				
Metropolitan development:				
Urban mass transportation fund	420	43,136	42,715	18,660
Other	100,867	86,989	−13,878	34,083
Mortgage credit:				
Federal National Mortgage Association:				
Loans to secondary market operations fund	1,936,590	1,936,590		
Purchase of preferred stock	13,000	13,000		91,820
Management and liquidating functions	640,626	650,866	10,240	−114,120
Special assistance functions	464,487	319,673	−144,814	−313,525
Participation sales fund	356,403	287,696	−68,707	−129,119
Federal Housing Administration:				
Federal Housing Administration fund	995,801	1,042,125	46,325	191,189
Other	2,795	590	−2,205	−3,964
Total Housing and Urban Development Department	5,870,757	6,297,628	426,870	732,583
Interior Department:				
Public Land Management:				
Bureau of Indian Affairs	2,015	2,805	789	−399
Mineral Resources:				
Bureau of Mines	28,346	51,539	23,193	19,282
Fish and Wildlife and Parks:				
Bureau of Commercial Fisheries	2,560	3,400	840	343
Water and Power Development:				
Bureau of Reclamation:				
Continuing fund for emergency expenses, Fort Peck project, Montana	3,749	1,322	−2,426	−4,416
Upper Colorado River Basin fund	30,204	73,842	43,638	60,615
Virgin Islands Corporation		−554	−554	1,055
Total Interior Department	66,874	132,354	65,480	76,479
Labor Department:				
Manpower Administration:				
Advances to employment security administration account, unemployment trust fund	282,287	278,742	−3,545	−2,217
Farm labor supply revolving fund	3	45	42	−54
Total Labor Department	282,290	278,787	−3,503	−2,271
Post Office Department—Postal fund	5,326,428	6,467,613	1,141,186	888,196
Transportation Department:				
Federal Aviation Administration	11	9	−2	6
Federal Railroad Administration:				
Alaska Railroad	20,629	22,968	2,339	10,485
Saint Lawrence Seaway Development Corporation	7,099	7,194	95	1,216
Total Transportation Department	27,739	30,171	2,432	11,707
Treasury Department:				
Office of the Secretary		1	1	−32
Bureau of Accounts	1	58	57	135
Office of the Treasurer	729	754	24	3
Total Treasury Department	730	813	82	106
General Services Administration:				
General activities	191		−191	−183
Total General Services Administration	191		−191	−183
Veterans' Administration:				
Direct loan revolving fund	337,783	302,841	−34,942	−658,953
Loan guaranty revolving fund	289,356	415,124	125,768	15,723
Other	299,091	238,257	−60,834	−46,666
Total Veterans' Administration	926,230	956,222	29,992	−689,896

Footnotes at end of table.

TABLE 11.—*Public enterprise (revolving) funds, receipts and expenditures for fiscal year 1967 and net for 1966 and 1967*—Continued

[In thousands of dollars]

Classification	Fiscal year 1967			Fiscal year 1966
	Receipts	Expenditures	Net receipts (−), or expenditures	Net receipts (−), or expenditures
Other independent agencies:				
Export-Import Bank of Washington	2,144,400	1,801,789	−342,612	−385,023
Farm Credit Administration:				
Revolving fund for administrative expenses	3,194	3,106	−89	531
Short-term credit investment fund				2,290
Banks for cooperatives investment fund	13,087		−13,087	−10,051
Federal Home Loan Bank Board:				
Federal Savings and Loan Insurance Corporation fund	268,826	111,509	−157,317	−255,423
Other	17,191	17,035	−157	−35
Small Business Administration	818,266	569,149	−249,117	−146,073
Tennessee Valley Authority	366,467	468,532	102,065	53,905
United States Information Agency	2,514	2,814	300	−71
Total other independent agencies	3,633,946	2,973,933	−660,013	−739,949
Total public enterprise funds	24,133,633	27,294,894	3,161,261	2,653,353

* Less than $500.

[1] Represents 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, in addition to adjustments representing recoveries received from other programs.

NOTE.—This table supplies receipt and expenditure data for public enterprise funds included in table 4 on a net basis.

TABLE 12.—*Trust enterprise (revolving) funds, receipts and expenditures for fiscal year 1967 and net for 1966 and 1967*

[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 1967			Fiscal year 1966
	Receipts	Expenditures	Net receipts (−), or expenditures	Net receipts (−), or expenditures
Agriculture Department:				
Farmers Home Administration	5,974	6,183	209	2,859
Defense Department—Civil:				
U.S. Soldiers' Home	144	141	−3	−5
Housing and Urban Development Department:				
Federal National Mortgage Association:				
Loans for secondary market operations and purchase of preferred stock	1,949,590	1,949,590		−91,820
Other secondary market operations	480,944	1,288,069	807,125	1,569,888
Participation sales trust fund	119,422	3,513	[1] −115,909	
Justice Department:				
Alien property activities	1,206	3,696	2,490	152,813
Federal Prison System commissary funds	2,792	2,753	−39	−63
General Services Administration:				
Records activities: National Archives trust fund	838	609	−229	−181
Other independent agencies:				
Civil Service Commission:				
Employees health benefits fund	591,892	573,354	−18,538	1,328
Employees' life insurance fund	209,432	140,137	−69,295	−17,338
Retired employees health benefits fund	21,359	20,841	−518	253
National Capital Housing Authority	17,277	17,239	−39	720
Federal Communications Commission	407	288	−119	−27
Total trust enterprise funds	3,401,277	4,006,413	605,136	1,618,428

[1] The proceeds from the sale of participation certificates amounting to $2,894,150,025 were credited to this fund and paid over to Special Assistance Functions fund, Management and Liquidating Functions fund, College housing loans, and Public facilities loans, HUD; Office of Education, HEW; Farmers Home Administration, Agriculture Department; Veterans' Administration, and Small Business Administration.

NOTE.—This table supplies receipt and expenditure data for trust enterprise funds included in table 5 on a net basis.

TABLE 13.—*Administrative budget receipts and expenditures monthly and total for fiscal year 1967*

[In millions of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts and expenditures	July	August	September	October	November	December	January	February	March	April	May	June	Total 1967
RECEIPTS													
Internal Revenue:													
Individual income taxes withheld	3, 374	5, 095	3, 792	3, 434	5, 155	3, 791	3, 674	5, 268	4, 157	3, 591	4, 987	4, 204	50, 521
Individual income taxes—other	351	173	2, 608	277	148	427	3, 075	944	859	6, 216	701	3, 071	18, 850
Corporation income taxes	878	606	4, 547	797	580	4, 636	823	635	6, 728	4, 295	1, 065	9, 328	34, 918
Excise taxes	971	1, 249	1, 156	1, 065	1, 212	1, 110	1, 147	1, 075	1, 539	1, 023	1, 274	1, 293	14, 114
Employment taxes	1, 674	2, 614	1, 793	1, 220	1, 868	1, 655	1, 673	3, 352	2, 353	3, 157	3, 033	2, 566	26, 958
Estate and gift taxes	215	224	214	206	196	204	269	224	270	352	445	196	3, 014
Customs	158	179	170	170	179	161	160	134	170	150	166	176	1, 972
Miscellaneous receipts	373	447	555	740	479	832	502	414	452	442	402	1, 239	6, 876
Gross receipts	7, 993	10, 586	14, 833	7, 910	9, 819	12, 815	11, 324	12, 046	16, 527	19, 225	12, 072	22, 072	157, 223
Deduct:													
Refunds of receipts:[1]													
Applicable to budget accounts[2]	221	195	158	212	180	167	−167	553	2, 168	2, 195	2, 388	812	9, 082
Applicable to trust accounts[3]	1	3	(*)	(*)	4	(*)	283	6	35	127	4	36	500
Transfers to trust accounts	2, 030	3, 140	2, 147	1, 562	2, 239	2, 011	1, 731	3, 713	2, 921	3, 355	3, 384	2, 879	31, 111
Interfund transactions[4]	40	51	53	325	2	31	92	17	8	14	8	42	682
Total deductions	2, 291	3, 389	2, 358	2, 099	2, 425	2, 210	1, 938	4, 289	5, 133	5, 691	5, 783	3, 768	41, 374
Net receipts	5, 702	7, 197	12, 475	5, 811	7, 394	10, 606	9, 386	7, 757	11, 395	13, 534	6, 289	18, 304	115, 849
EXPENDITURES													
Legislative branch	14	29	20	15	25	29	15	25	14	13	28	25	250
The judiciary	6	7	8	7	7	7	7	7	9	7	7	7	87
Executive office of the President	2	3	2	2	2	2	3	2	3	2	3	2	28
Funds appropriated to the President:													
Military assistance	6	51	47	61	77	63	51	70	84	60	93	209	873
Economic assistance	174	191	190	208	195	146	239	213	219	193	183	165	2, 315
Other	127	136	130	17	114	−232	169	94	−36	120	137	178	953
Agriculture Department:													
Commodity Credit Corporation	59	1, 090	745	856	−71	−73	−23	−81	−152	−236	13	−209	1, 918
Foreign assistance and special export programs	----------	70	138	100	153	165	91	100	212	111	164	205	1, 509
Other	427	315	159	130	285	177	120	213	270	14	265	−62	2, 314
Commerce Department	73	53	36	81	45	59	75	62	44	117	43	70	757

Footnotes at end of table.

TABLE 13.—*Administrative budget receipts and expenditures monthly and total for fiscal year 1967*—Continued

[In millions of dollars]

Expenditures	July	August	September	October	November	December	January	February	March	April	May	June	Total 1967
Defense Department:													
Military:													
Department of the Army	1,143	1,357	1,723	1,648	1,751	1,737	1,903	1,765	2,059	2,127	1,815	2,173	21,201
Department of the Navy	1,272	1,554	1,709	1,580	1,535	1,659	1,611	1,531	1,907	1,520	1,656	1,885	19,419
Department of the Air Force	1,799	1,719	1,951	1,750	1,689	1,847	1,990	1,917	2,214	2,077	2,066	2,162	23,181
Defense agencies	237	319	307	307	327	352	387	176	422	382	312	238	3,764
Undistributed stock fund transactions	206	395	25	−6	−47	90	13	112	−1	−56	−14	−717	....
Civil defense	5	8	11	6	7	11	7	8	11	7	6	12	100
Total military	4,661	5,353	5,725	5,285	5,262	5,695	5,912	5,509	6,611	6,057	5,841	5,753	67,664
Civil	123	133	135	149	133	116	97	88	85	96	98	92	1,343
Health, Education, and Welfare Department	909	765	900	767	702	771	1,112	933	1,050	692	971	1,223	10,794
Housing and Urban Development Department:													
Federal National Mortgage Association	444	−253	327	165	133	−447	−395	−30	33	−101	53	−131	−203
Other	172	131	184	192	155	93	−96	51	106	−245	85	−130	697
Interior Department	134	171	121	127	130	142	103	124	115	98	116	133	1,516
Justice Department	38	30	34	31	33	39	33	30	33	31	35	42	409
Labor Department	70	66	71	86	71	86	79	−228	49	50	55	57	512
Post Office Department	74	124	143	52	70	80	123	113	119	50	93	100	1,141
State Department	70	28	50	40	53	41	36	31	2	16	30	16	414
Transportation Department	130	125	122	135	124	123	133	121	124	82	136	114	1,467
Treasury Department:													
Interest on the public debt	1,091	1,064	1,086	1,098	1,100	1,160	1,173	1,108	1,154	1,127	1,103	1,127	13,391
Interest on refunds, etc	16	13	8	12	10	10	10	12	12	9	12	10	133
Other	92	73	72	80	114	70	81	80	77	78	113	84	1,014
Atomic Energy Commission	226	180	189	195	174	192	196	181	195	190	199	147	2,264
General Services Administration	73	69	65	65	67	41	62	16	73	56	37	52	675
National Aeronautics and Space Administration	494	441	483	493	458	486	464	390	468	380	441	427	5,426
Veterans' Administration	449	442	531	545	553	608	466	560	547	478	564	453	6,197

Other independent agencies:													
Export-Import Bank of Washington	−3	89	−37	204	102	−211	−205	−403	97	20	−75	81	−343
Small Business Administration	−1	28	63	15	20	17	−137	18	17	−145	32	−169	−244
Tennessee Valley Authority	4	6	7	11	8	9	7	6	7	5	13	18	102
Other	124	70	183	77	85	73	65	49	66	64	37	49	944
District of Columbia	26	2	-----	2	-----	7	14	12	-----	−12	-----	33	84
Interfund transactions [4]	−40	−51	−53	−325	−2	−31	−92	−17	−8	−14	−8	−42	−682
Net expenditures	10, 263	11, 042	11, 883	10, 977	10, 386	9, 512	9, 987	9, 459	11, 699	9, 464	10, 915	10, 131	125, 718
Surplus, or deficit (−)	−4, 561	−3, 845	593	−5, 165	−2, 993	1, 093	−601	−1, 702	−304	4, 070	−4, 626	8, 173	−9, 869

*Less than $500,000.

[1] Interest on refunds is included in "Expenditures: Treasury Department."

[2] Mainly internal revenue income, excise (including customs), and estate and gift taxes.

[3] Employment taxes and highway excise taxes.

[4] Mainly interest payments by Government corporations and agencies that borrow from the Treasury. For details of these transactions for fiscal years 1964–67, see table 9. These interfund transactions do not include payments to the Treasury by wholly owned Government corporations for retirement of their capital stock and for disposition of earnings.

TABLE 14.—*Trust receipts and expenditures monthly and total for fiscal year 1967*

[In millions of dollars. On basis of "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Receipts and expenditures	July	August	September	October	November	December	January	February	March	April	May	June	Total 1967
RECEIPTS													
Highway trust fund	357	528	355	342	371	357	341	362	569	201	352	319	4,455
Federal old-age and survivors insurance trust fund	1,500	2,619	1,417	1,042	1,891	1,584	1,045	2,631	1,817	2,582	2,926	2,317	23,371
Federal disability insurance trust fund	155	242	164	102	177	166	110	253	204	259	273	227	2,332
Federal hospital insurance trust fund	176	251	164	102	175	159	156	320	274	330	381	601	3,089
Federal supplementary medical insurance trust fund	50	60	51	60	48	55	422	117	176	56	49	139	1,285
Unemployment trust fund	179	825	85	152	524	238	196	565	66	157	894	191	4,072
Government life insurance fund	2	1	2	1	1	1	1	1	2	1	1	29	43
National service life insurance fund	43	43	42	45	41	37	49	45	46	36	44	222	693
Civil Service Commission	201	221	261	188	213	192	231	209	208	194	223	753	3,094
Railroad Retirement Board	13	120	90	13	137	92	19	127	99	16	672	214	1,611
Military assistance advances [1]	129	88	68	−5	138	176	32	56	84	17	81	215	1,078
Agriculture Department	3	5	5	5	8	4	5	6	5	4	5	8	64
Interior Department:													
Indian tribal funds	7	4	3	4	2	4	4	3	4	2	3	7	48
Other	1	7	2	2	8	1	2	6	2	2	1	19	51
Treasury Department	2	2	2	2	3	3	5	2	3	3	3	3	33
District of Columbia	46	21	38	57	24	29	39	35	50	40	34	57	471
All other	8	9	4	7	4	5	7	12	9	3	12	12	92
Interfund transactions [2]	−34	−74	−72	−50	−49	−71	−52	−54	−73	−52	−587	−73	−1,242
Net trust receipts	2,837	4,973	2,681	2,069	3,717	3,033	2,612	4,696	3,543	3,850	5,367	5,262	44,640
EXPENDITURES													
Highway trust fund	348	429	491	460	414	383	302	257	238	217	237	198	3,973
Federal old-age and survivors insurance trust fund	1,536	1,554	1,564	1,549	1,570	1,583	1,607	1,623	1,650	1,658	2,154	1,680	19,728
Federal disability insurance trust fund	157	160	160	161	163	151	165	165	169	168	205	171	1,997
Federal hospital insurance trust fund	11	112	170	196	225	221	217	250	306	267	320	301	2,597
Federal supplementary medical insurance trust fund	9	12	20	34	46	76	83	85	105	103	115	111	799
Unemployment trust fund	163	193	181	138	192	228	290	277	335	251	246	260	2,754
Government life insurance fund	7	6	6	6	6	6	7	6	16	6	6	5	82
National service life insurance fund	48	55	54	49	55	48	73	85	140	44	42	36	729
Civil Service Commission	133	155	130	165	162	143	151	161	168	178	183	149	1,877
Railroad Retirement Board	101	120	102	107	105	102	113	113	111	116	114	112	1,315
Military assistance advances [1]	79	91	76	−8	53	142	39	45	136	83	165	168	1,070

Agriculture Department	4	4	4	4	6	5	4	3	4	5	8	7	59
Housing and Urban Development Department: Federal National Mortgage Association	−198	352	−236	−52	27	643	73	83	3	−11	−96	102	691
Interior Department:													
Indian tribal funds	12	20	17	1	6	12	4	35	21	6	28	12	174
Other	1	1	2	1	2	2	1	2	2	2	2	3	19
Treasury Department	5	3	3	3	3	3	3	3	4	3	4	3	39
District of Columbia	37	37	31	34	37	45	40	35	42	42	45	48	472
Deposit fund accounts	223	−535	−78	−152	−52	−25	−385	−93	1	−13	−10	66	−1,054
Government-sponsored enterprises	991	−72	16	23	−365	−304	−571	−684	−713	−444	−300	−177	−2,600
All other	9	5	14	14	10	12	7	7	12	11	17	11	130
Participation certificate transactions	----------	----------	----------	----------	----------	----------	500	----------	----------	150	----------	250	900
Interfund transactions [2]	−34	−74	−72	−50	−49	−71	−52	−54	−73	−52	−587	−73	−1,242
Net trust expenditures	3,642	2,627	2,655	2,684	2,617	3,403	2,673	2,406	2,677	2,789	2,897	3,443	34,510
Excess of trust receipts, or expenditures (−)	−805	2,347	26	−614	1,101	−371	−60	2,290	866	1,061	2,471	1,819	10,130
Net investments in, or sales (−), of public debt and agency securities	−333	3,103	142	−698	989	166	−477	1,649	1,082	−329	4,213	1,344	10,852
Net redemptions, or sales (−), of Government agency securities in the market	−297	−470	−22	−130	55	−767	−76	241	462	563	−285	304	−420

[1] Previously reported under "Funds appropriated to the President."

[2] Mainly financial interchanges between trust funds resulting in receipts and expenditures. For detail of these interfund transactions for fiscal years 1964–67, see table 10.

TABLE 15.—*Trust receipts by sources and expenditures by major functions, fiscal years 1959–67*

[In millions of dollars. Classified in accordance with basis used in 1968 Budget document]

Receipts and expenditures	1959	1960	1961	1962	1963	1964	1965	1966	1967
RECEIPTS									
Employment taxes:									
Transfers	8,530	10,817	12,502	12,708	15,004	17,003	17,104	20,256	26,958
Less refunds	−83	−89	−98	−147	−143	−170	−199	−234	−288
Unemployment tax deposits by States	1,701	2,167	2,398	2,729	3,009	3,042	3,052	3,067	2,917
Excise taxes:									
Transfers	2,171	2,642	2,923	3,080	3,405	3,646	3,782	4,037	4,652
Less refunds	−97	−103	−126	−131	−126	−127	−123	−120	−212
Federal employee and agency payments for retirement	1,507	1,504	1,740	1,756	1,878	2,029	2,173	2,269	2,462
Interest:									
Trust fund investments	1,315	1,327	1,404	1,423	1,467	1,602	1,758	1,893	2,273
Uninvested trust funds	9	10	10	10	11	11	12	14	13
Veterans' life insurance premiums:									
Government life	24	22	20	18	17	16	15	14	13
National service life	453	460	484	483	477	478	473	497	487
Miscellaneous	1,375	2,494	2,840	2,889	3,195	3,322	3,639	3,928	6,607
Subtotal trust receipts	16,904	21,250	24,097	24,818	28,193	30,852	31,686	35,622	45,882
Interfund transactions (−)	−135	−908	−515	−528	−505	−521	−638	−770	−1,242
Net trust receipts	16,769	20,342	23,583	24,290	27,689	30,331	31,047	34,853	44,640
EXPENDITURES									
National defense	229	256	196	366	679	487	751	760	1,091
International affairs and finance	21	48	13	15	44	62	−160	171	41
Space research and technology	------	------	------	------	------	(*)	(*)	1	(*)
Agriculture and agricultural resources	645	458	416	398	507	496	927	1,151	1,148
Natural resources	94	116	183	112	122	137	134	145	244
Commerce and transportation	2,493	2,831	2,505	2,662	2,877	3,482	3,864	3,751	3,728
Housing and community development	1,263	1,439	−273	1,524	−36	1,889	1,136	3,202	−2,269
Health, labor, and welfare	14,306	16,358	19,236	20,382	21,855	22,733	23,186	26,384	31,078
Education	1	1	1	1	2	2	2	2	−2
Veterans' benefits and services	651	673	811	733	835	666	624	565	815
General government	10	17	16	20	19	18	21	24	32
Deposit funds	−60	−78	203	−544	146	−567	−210	−520	−1,054
Participation certificate transactions	------	------	------	------	------	------	------	------	900
Subtotal	19,655	22,120	23,308	25,669	27,050	29,406	30,276	35,634	35,752
Interfund transactions (−)	−135	−908	−515	−528	−505	−521	−638	−770	−1,242
Net trust expenditures	19,521	21,212	22,793	25,141	26,545	28,885	29,637	34,864	34,510
Excess of trust receipts, or expenditures (−)	−2,751	−870	790	−851	1,143	1,446	1,410	−12	10,130

*Less than $500,000.

TABLE 16.—*Administrative budget receipts by sources and expenditures by major functions, fiscal years 1959–67*

[In millions of dollars. Expenditures classified in accordance with bases used in the 1968 Budget document, table 19, as nearly as can be done on an individual appropriation and fund item basis. Prior year figures have been adjusted below the appropriation level in some instances by the Bureau of the Budget. Fiscal 1967 figures, in general, are classified only at the appropriation level]

Receipts	1959	1960	1961	1962	1963	1964	1965	1966	1967
RECEIPTS									
Individual income taxes	40,735	44,946	46,153	50,650	52,988	54,590	53,661	61,298	69,371
Corporation income taxes	18,092	22,179	21,765	21,296	22,336	24,301	26,131	30,834	34,918
Excise taxes	10,760	11,865	12,064	12,752	13,410	13,950	14,793	13,398	14,114
Employment taxes	8,854	11,159	12,502	12,708	15,004	17,003	17,104	20,256	26,958
Estate and gift taxes	1,353	1,626	1,916	2,035	2,187	2,416	2,746	3,094	3,014
Internal revenue taxes not otherwise classified	5	-----	-----	-----	-----	-----	-----	-----	-----
Total internal revenue	79,798	91,775	94,401	99,441	105,925	112,260	114,435	128,880	148,375
Customs	948	1,123	1,008	1,171	1,241	1,284	1,478	1,811	1,972
Miscellaneous receipts	3,158	4,064	4,082	3,206	4,436	4,077	4,622	5,865	6,876
Total receipts by major sources	83,904	96,962	99,491	103,818	111,602	117,622	120,535	136,556	157,223
Deductions:									
Refunds of receipts (excluding interest): [1]									
Internal revenue applicable to:									
Budget accounts	4,907	5,024	5,725	5,957	6,267	6,817	5,668	6,857	9,011
Trust accounts	180	193	224	278	35	297	323	354	500
Customs	23	18	25	29	269	32	35	45	71
Other	3	2	2	1	1	1	3	(*)	(*)
Total refunds of receipts	5,114	5,238	5,976	6,266	6,571	7,148	6,030	7,256	9,582
Transfers to trust accounts: [1]									
Federal old-age and survivors insurance trust fund	7,084	9,192	10,537	10,600	12,351	14,335	14,572	16,474	20,732
Federal disability insurance trust fund	837	929	953	945	994	1,057	1,082	1,442	2,066
Federal hospital insurance trust fund	-----	-----	-----	-----	-----	-----	-----	862	2,483
Highway trust fund	2,074	2,539	2,798	2,949	3,279	3,519	3,659	3,917	4,441
Railroad retirement accounts	525	607	571	564	572	593	636	683	793
Unemployment trust fund	-----	-----	343	453	945	847	615	561	597
Total transfers to trust accounts	10,520	13,267	15,202	15,510	18,141	20,351	20,563	23,939	31,111
Total deductions	15,634	18,505	21,178	21,776	24,712	27,499	26,593	31,195	40,692
Subtotal receipts	68,270	78,457	78,313	82,042	86,890	90,122	93,942	105,362	116,531
Interfund transactions (included in both receipts and expenditures) [2]	355	694	654	633	513	664	870	635	682
Net administrative budget receipts	67,915	77,763	77,659	81,409	86,376	89,459	93,072	104,727	115,849

Footnotes at end of table.

TABLE 16.—*Administrative budget receipts by sources and expenditures by major functions, fiscal years 1959–67*—Continued

[In millions of dollars]

Expenditures	1959	1960	1961	1962	1963	1964	1965	1966	1967
EXPENDITURES [3]									
National defense:									
Department of Defense—military:									
Military personnel	11,801	11,738	12,085	13,032	13,000	14,195	14,771	16,753	19,787
Operation and maintenance	10,378	10,223	10,611	11,594	11,874	11,932	12,349	14,710	19,000
Procurement	14,409	13,334	13,095	14,532	16,632	15,351	11,839	14,339	19,012
Research, development, test, and evaluation	2,866	4,710	6,131	6,319	6,376	7,021	6,236	6,259	7,160
Military construction	1,948	1,626	1,605	1,347	1,144	1,026	1,007	1,334	1,536
Other [4]	−179	−416	−300	−9	−771	235	−29	1,015	1,170
Total Department of Defense—military	41,223	41,215	43,227	46,815	48,252	49,760	46,173	54,409	67,664
Military assistance	2,340	1,609	1,449	1,390	1,721	1,485	1,229	968	873
Atomic energy	2,541	2,623	2,713	2,806	2,758	2,765	2,625	2,403	2,264
Defense-related activities	379	244	104	92	24	172	136	−62	−17
Total national defense	46,483	45,691	47,494	51,103	52,755	54,181	50,163	57,718	70,783
International affairs and finance:									
Conduct of foreign affairs	237	217	216	249	346	297	346	315	336
Economic and financial assistance	3,305	1,381	1,927	2,130	1,826	1,479	2,094	1,864	1,444
Foreign information and exchange activities	139	137	158	197	201	207	223	227	244
Food for Freedom [5]	1,299	1,458	1,823	1,947	2,040	2,049	1,843	1,784	1,452
Total international affairs and finance	4,980	3,195	4,124	4,523	4,412	4,032	4,506	4,191	3,476
Space research and technology:									
Manned space flight	11	113	279	565	1,516	2,768	3,538	4,210	n.a.
Space science and applications	26	133	249	420	576	754	751	778	n.a.
Space technology	21	52	87	159	303	432	484	435	n.a.
Aircraft technology	87	72	51	31	36	40	58	75	n.a.
Supporting activities	1	30	79	82	122	178	262	435	n.a.
Total space research and technology	145	401	744	1,257	2,552	4,171	5,093	5,933	5,426
Agriculture and agricultural resources:									
Farm income stabilization [5]	4,096	2,239	2,176	2,871	3,693	3,798	3,236	1,925	2,529
Financing farming and rural housing	311	289	349	234	300	251	268	160	−531
Financing rural electrification and rural telephones	315	330	301	303	342	342	392	373	424
Agricultural land and water resources	341	324	347	367	324	324	341	346	355
Research and other agricultural services	291	293	324	341	391	414	457	503	540
Total agriculture and agricultural resources	5,354	3,475	3,498	4,116	5,050	5,129	4,696	3,307	3,318

Natural resources:									
Land and water resources [6]	1,255	1,319	1,488	1,680	1,853	1,927	2,023	2,235	2,327
Forest resources	201	220	331	280	303	332	374	406	455
Mineral resources	71	65	61	68	71	91	105	108	122
Fish and wildlife resources	68	68	73	81	94	105	120	130	135
Recreational resources	85	74	91	94	112	130	134	152	187
General resource surveys and administration	61	51	55	60	73	73	94	89	95
Total natural resources	1,741	1,798	2,100	2,264	2,506	2,658	2,851	3,120	3,322
Commerce and transportation:									
Air transportation	494	568	716	781	808	835	875	879	945
Water transportation	436	508	569	654	672	658	728	708	773
Ground transportation	30	38	36	33	41	39	39	46	67
Postal service	774	525	914	797	770	578	805	888	1,141
Advancement of business	234	265	271	427	366	401	557	193	[7] 96
Area and regional development [8]				7	101	401	398	156	162
Regulation of business	58	59	67	74	84	91	98	99	121
Total commerce and transportation	2,025	1,963	2,573	2,774	2,843	3,002	3,499	2,969	3,305
Housing and community development:									
Aids to private housing	732	−172	−44	−149	−537	−595	−818	−406	[7] −189
Public housing programs	97	134	150	163	178	149	230	233	265
Urban renewal and community facilities	108	130	162	261	222	306	420	446	538
National Capital region	33	30	51	74	70	59	64	75	88
Total housing and community development	970	122	320	349	−67	−80	−104	347	703
Health, labor, and welfare:									
Health services and research [6, 9]	664	774	917	1,177	1,437	1,784	1,781	2,523	[10] 3,159
Labor and manpower	924	510	809	591	224	345	464	500	504
Public assistance [9]	1,969	2,061	2,147	2,331	2,631	2,786	2,827	2,797	[10] 4,227
Economic opportunity programs							211	1,018	1,508
Other welfare services	284	304	327	382	423	466	513	736	889
Total health, labor, and welfare	3,841	3,650	4,200	4,481	4,715	5,381	5,797	7,574	10,288
Education:									
Assistance for elementary and secondary education [11]	259	327	332	337	392	404	418	1,368	[12] 1,760
Assistance for higher education	225	261	286	350	428	383	413	701	[12] 609
Assistance to science education and basic research	106	120	143	183	206	310	309	368	415
Other aid to education	141	156	181	207	219	241	405	397	[12] 576
Total education	732	866	943	1,076	1,244	1,339	1,544	2,834	3,360
Veterans' benefits and services:									
Veterans' service-connected compensation	2,071	2,049	2,034	2,017	2,116	2,158	2,176	2,221	[13] 4,302
Veterans' nonservice-connected pensions	1,152	1,265	1,532	1,635	1,698	1,743	1,864	1,910	([13])
Veterans' readjustment benefits	864	725	559	388	−13	113	−50	−664	[7] 356
Veterans' hospitals and medical care	921	961	1,030	1,084	1,145	1,229	1,270	1,318	1,391
Other veterans' benefits and services	280	266	259	279	240	249	235	238	[13] 138
Total veterans' benefits and services	5,287	5,266	5,414	5,403	5,186	5,492	5,495	5,023	6,187

Footnotes at end of table.

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TABLE 16.—*Administrative budget receipts by sources and expenditures by major functions, fiscal years 1959–67*—Continued

[In millions of dollars]

Expenditures	1959	1960	1961	1962	1963	1964	1965	1966	1967
EXPENDITURES [3]—Continued									
Interest:									
Interest on the public debt	7,593	9,180	8,957	9,120	9,895	10,666	11,346	12,014	13,391
Interest on refunds of receipts	69	76	83	68	74	88	77	104	120
Interest on uninvested funds	9	10	10	10	11	11	12	14	13
Total interest	7,671	9,266	9,050	9,198	9,980	10,765	11,435	12,132	13,524
General government:									
Legislative functions	102	109	118	135	131	126	142	159	167
Judicial functions	47	49	52	57	63	66	76	79	87
Executive direction and management	21	20	22	22	21	22	23	24	25
Central fiscal operations	566	558	607	653	715	791	825	864	937
General property and records management	295	372	372	419	444	576	606	585	658
Central personnel management	95	84	140	153	142	174	174	175	190
Protective services and alien control	255	263	289	300	323	335	366	385	427
Other general government	86	88	109	136	139	189	190	192	218
Total general government	1,466	1,542	1,709	1,875	1,979	2,280	2,402	2,464	2,708
Total expenditures by major functions	80,697	77,233	82,169	88,419	93,155	98,348	97,377	107,613	126,399
Deductions:									
Interfund transactions (included in both receipts and expenditures) [2]	355	694	654	633	513	664	870	635	682
Net administrative budget expenditures	80,342	76,539	81,515	87,787	92,642	97,684	96,507	106,978	125,718
Administrative budget surplus, or deficit (−)	−12,427	1,224	−3,856	−6,378	−6,266	−8,226	−3,435	−2,251	−9,869

n.a. Not available.

*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] For details of these transactions for fiscal years 1964–67, see table 9.

[3] Expenditures are net of receipts of public enterprise funds.

[4] Includes functions formerly shown separately as: Family housing, civil defense, and revolving and management funds.

[5] The program under which agricultural commodities are donated abroad through voluntary agencies was reclassified from "Farm income stabilization" to "Food for Freedom."

[6] Expenditures for water pollution control were reclassified from "Health services and research" to "Land and water resources."

[7] "Aids to private housing" includes amounts applicable to "Advancement of business" and "Veterans' readjustment benefits."

[8] Beginning with 1963 includes the temporary public works acceleration program which supplements expenditures in various other categories.

[9] Beginning with 1961, the portion of the expenditures for "Public assistance" which finances medical and hospital care for the aged has been included in "Health services and research."

[10] "Public assistance" includes amounts applicable to "Health service and research."

[11] Beginning with 1966 includes "Educational improvement for the handicapped, civil rights educational activities, and arts and humanities educational activities", which through 1965, are included in "Other aid to education."

[12] "Assistance for higher education" includes amounts applicable to "Assistance for elementary and secondary education" and "Other aid to education."

[13] "Veterans' service-connected compensation" includes amounts applicable to "Veterans' nonservice-connected pensions" and "Other veterans' benefits and services."

TABLE 17.—*Trust and other transactions by major classifications, fiscal years 1957–67*

[In millions of dollars. On basis of the "Monthly Statement of Receipts and Expenditures of the United States Government," see "Bases of Tables"]

Classification	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
TRUST ACCOUNTS, ETC.											
RECEIPTS											
Federal old-age and survivors insurance trust fund	7,159	7,900	8,182	10,439	11,910	12,141	13,984	16,196	16,595	18,673	23,634
Less refunds of taxes	−58	−75	−74	−79	−86	−130	−128	−152	−179	−212	−263
Federal disability insurance trust fund	339	943	938	1,071	1,093	1,104	1,157	1,224	1,254	1,632	2,351
Less refunds of taxes	-----	-----	−10	−10	−10	−12	−12	−13	−13	−15	−19
Federal hospital insurance trust fund	-----	-----	-----	-----	-----	-----	-----	-----	-----	916	3,089
Federal supplementary medical insurance trust fund	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	1,285
Railroad retirement accounts	723	695	758	1,403	1,051	1,081	1,128	1,192	1,342	1,411	1,611
Less refunds of taxes	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	(*)
Unemployment trust fund	1,912	1,855	1,997	2,703	4,055	4,276	4,519	4,537	4,335	4,342	4,357
Less:											
Refunds of taxes	-----	-----	-----	-----	−2	−5	−3	−4	−8	−6	−6
Return of advances to the general fund	-----	-----	-----	-----	−250	−285	−255	−244	−195	−210	−279
National service life insurance fund	608	640	634	643	668	664	658	661	662	693	693
Government life insurance fund	69	67	63	61	58	54	52	50	48	47	43
Federal employees' retirement funds [1]	1,397	1,458	1,741	1,766	2,033	2,086	2,255	2,465	2,674	2,834	3,105
Highway trust fund	1,482	2,134	2,185	3,003	2,985	3,087	3,419	3,666	3,793	4,115	4,667
Less:											
Refunds of taxes	(*)	−90	−97	−103	−126	−131	−126	−127	−123	−120	−212
Return of advances to the general fund	-----	-----	-----	−359	−60	-----	-----	-----	-----	−70	-----
Other trust funds and accounts [2]	681	638	585	711	778	890	1,546	1,402	1,500	1,593	1,826
Less certain trust receipts which are also expenditures [3]	−10	−11	−135	−908	−515	−528	−505	−521	−638	−770	−1,242
Net receipts [4]	14,301	16,153	16,769	20,342	23,583	24,290	27,689	30,331	31,047	34,853	44,640
EXPENDITURES											
Federal old-age and survivors insurance trust fund [5]	6,665	8,041	9,380	11,073	11,752	13,270	14,530	15,285	15,962	18,769	19,728
Federal disability insurance trust fund	1	181	361	561	746	1,089	1,259	1,341	1,498	1,937	1,997
Federal hospital insurance trust fund	-----	-----	-----	-----	-----	-----	-----	-----	-----	64	2,597
Federal supplementary medical insurance trust fund	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	799
Railroad retirement accounts	682	730	778	1,136	1,124	1,135	1,112	1,139	1,185	1,246	1,315
Unemployment trust fund	1,644	3,148	3,054	2,736	4,734	3,906	3,815	3,707	3,130	2,687	2,754
National service life insurance fund	515	544	562	582	707	626	747	585	545	485	729
Government life insurance fund	86	120	80	83	94	96	79	72	71	69	82
Federal employees' retirement funds [1]	591	699	792	896	955	1,063	1,183	1,326	1,446	1,695	1,976
Highway trust fund	966	1,512	2,613	2,945	2,620	2,784	3,017	3,645	4,026	3,965	3,973
Federal National Mortgage Association	971	105	134	988	−89	317	−730	−37	91	1,478	691
Other trust funds and accounts [6]	565	915	672	711	698	835	1,208	1,055	1,152	1,574	1,865
Deposit fund accounts (net)	216	−31	−61	−75	205	−544	146	−567	−210	−520	−1,054

Footnotes at end of table.

TABLE 17.—*Trust and other transactions by major classifications, fiscal years 1957–67*—Continued

[In millions of dollars]

Classification	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
TRUST ACCOUNTS, ETC.—Continued											
EXPENDITURES—Continued											
Government-sponsored enterprises (net):											
Farm Credit Administration:											
Banks for cooperatives	44	21	86	46	49	50	29	37	189	154	200
Federal intermediate credit banks			236	142	122	129	277	182	149	391	445
Federal land banks	230	95	241	249	225	195	176	248	561	574	506
Federal Home Loan Bank Board:											
Home loan banks	−124	−628	854	182	−487	872	363	1,572	660	1,293	−3,513
Federal Deposit Insurance Corporation	−104	−115	−124	−134	−148	−154	−161	−183	−180	−227	−238
Total Government-sponsored enterprises	46	−627	1,292	484	−239	1,092	685	1,857	1,379	2,184	−2,600
Purchases of participation certificates by trust accounts (net)											900
Less certain trust expenditures which are also receipts [3]	−10	−11	−135	−908	−515	−528	−505	−521	−638	−770	−1,242
Net expenditures [4]	12,938	15,325	19,521	21,212	22,793	25,141	26,545	28,885	29,637	34,864	34,510
Excess of receipts, or expenditures (−)	1,363	829	−2,751	−870	790	−851	1,143	1,446	1,410	−12	10,130
INVESTMENTS OF GOVERNMENT AGENCIES IN PUBLIC DEBT AND AGENCY SECURITIES (NET)											
Employees' life insurance fund	5	36	58	48	47	51	56	50	27	15	55
Federal old-age and survivors insurance trust fund	220	−499	−1,290	−726	−225	−1,089	−821	692	461	−857	3,655
Federal disability insurance trust fund	325	729	552	494	285	21	−129	−139	−263	−413	320
Federal hospital insurance trust fund										786	462
Federal supplementary medical insurance trust fund											479
Railroad retirement account	36	−33	−35	264	−78	−63	1	69	149	154	237
Unemployment trust fund	274	−1,255	−1,011	−41	−952	72	456	573	967	1,468	1,095
National service life insurance fund	89	95	76	62	−44	44	−90	69	126	204	−184
Government life insurance fund	−16	−56	−17	−21	−35	−44	−25	−22	−22	−21	−40
Federal employees' retirement funds [1]	803	671	958	871	1,063	1,034	1,075	1,126	1,214	1,113	919
Highway trust fund	404	418	−393	−428	233	202	242	−69	−344	−28	484
Other trust funds and accounts [7]	122	−59	−60	−2	−20	42	245	20	−59	447	868
Public enterprise funds	36	91	102	166	149	191	287	363	28	205	473
Government-sponsored enterprises	39	460	−70	239	434	30	771	43	72	490	2,028
Net investments, or sales (−)	2,339	597	−1,130	925	855	493	2,069	2,775	2,356	3,562	10,852

SALES AND REDEMPTIONS OF GOVERNMENT AGENCY SECURITIES IN THE MARKET (NET)											
Guaranteed:											
Public enterprise funds	−33	6	−10	−28	−81	−204	−162	−206	223	129	−51
Trust enterprise funds				(*)	−19						
Not guaranteed:											
Public enterprise funds	136	−233	6	(*)	747	−95	(*)	−35	−45	−60	−132
Trust enterprise funds	−1, 188	−340	−67	−994	86	−359	597	262	−99	−1, 472	−810
Government-sponsored enterprises	−86	167	−1, 222	−723	−195	−1, 122	−1, 457	−1, 900	−1, 451	−2, 674	572
Net redemptions, or sales (−)	−1, 171	−400	−1, 293	−1, 746	537	−1, 780	−1, 022	−1, 880	−1, 372	−4, 077	−420

*Less than $500,000.

[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 from 1954 through November 1958.

[3] Totals shown for trust receipts and trust expenditures exclude certain interfund 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, for the fiscal years 1964-67, see table 10.

[4] Refunds of taxes (principal only) are shown as deductions from receipts.

[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 adjusted service certificate fund; employees health benefits and life insurance funds; Federal National Mortgage Association (secondary market operations); judicial survivors annuity fund; and investments of other accounts. 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.

TABLE 18.—*Receipts from and payments to the public, fiscal years 1957–67*

[In millions of dollars. On basis of the "Monthly Statement of Receipts and Expenditures of the United States Government"]

PART I.—SUMMARY OF FEDERAL GOVERNMENT CASH TRANSACTIONS WITH THE PUBLIC

Classification	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Federal receipts from the public:											
Administrative budget receipts (net) [1]	70, 562	68, 550	67, 915	77, 763	77, 659	81, 409	86, 376	89, 459	93, 072	104, 727	115, 849
Trust and other receipts (net) [2]	14, 301	16, 153	16, 769	20, 342	23, 583	24, 290	27, 689	30, 331	31, 047	34, 853	44, 640
Intragovernmental and other noncash transactions (see receipt adjustments Part II)	−2, 758	−2, 811	−3, 025	−3, 027	−4, 001	−3, 834	−4, 326	−4, 259	−4, 420	−5, 100	−6, 893
Total Federal receipts from the public	82, 105	81, 892	81, 660	95, 078	97, 242	101, 865	109, 739	115, 530	119, 699	134, 480	153, 596
Federal payments to the public:											
Administrative budget expenditures (net) [1]	68, 966	71, 369	80, 342	76, 539	81, 515	87, 787	92, 642	97, 684	96, 507	106, 978	125, 718
Trust fund and other expenditures (net) [2]	12, 938	15, 325	19, 521	21, 212	22, 793	25, 141	26, 545	28, 885	29, 637	34, 864	34, 510
Intragovernmental and other noncash transactions (see payment adjustments Part II)	−1, 899	−3, 222	−5, 111	−3, 423	−4, 766	−5, 266	−5, 436	−6, 237	−3, 749	−4, 026	−5, 085
Total Federal payments to the public	80, 006	83, 472	94, 752	94, 328	99, 542	107, 662	113, 751	120, 332	122, 395	137, 817	155, 142
Excess of cash receipts from, or payments to (−) the public	2, 099	−1, 580	−13, 092	750	−2, 300	−5, 797	−4, 012	−4, 802	−2, 696	−3, 337	−1, 546
Cash borrowing from the public, or repayment (−):											
Public debt increase, or decrease (−)	−2, 224	5, 816	8, 363	1, 625	2, 640	9, 230	7, 659	5, 853	5, 561	2, 633	6, 314
Net sales of Government agency securities in market (net)	1, 171	400	1, 293	1, 746	−537	1, 780	1, 022	1, 880	1, 372	4, 077	420
Net investment (−) in public debt and agency securities	−2, 339	−597	1, 130	−925	−855	−493	−2, 069	−2, 775	−2, 356	−3, 562	−10, 852
Other noncash transactions (see borrowing adjustments, Part II)	292	200	−2, 160	−597	−536	−923	−1, 033	−1, 099	−250	−530	314
Total net cash borrowing from the public, or repayment (−)	−3, 100	5, 820	8, 626	1, 848	712	9, 594	5, 579	3, 859	4, 328	2, 618	−3, 804
Seigniorage [3]	49	59	44	53	55	58	45	69	117	649	837
Total cash transactions with the public	−952	4, 299	−4, 422	2, 651	−1, 533	3, 854	1, 611	−874	1, 749	−71	−4, 514
Cash balances—net increase, or decrease (−):											
Treasurer's account	−956	4, 159	−4, 399	2, 654	−1, 311	3, 736	1, 686	−1, 080	1, 575	−203	−4, 648
Cash held outside Treasury	5	140	−23	−4	−222	118	−74	206	174	132	135
Total changes in the cash balances	−952	4, 299	−4, 422	2, 651	−1, 533	3, 854	1, 611	−874	1, 749	−71	−4, 514

PART II.—INTRAGOVERNMENTAL AND OTHER NONCASH TRANSACTIONS

[Showing details of amounts included as adjustments in Part I]

Classification	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Adjustments applicable to receipts:											
Intragovernmental transactions:											
Interest on trust fund investments	1,318	1,342	1,315	1,327	1,404	1,423	1,467	1,603	1,759	1,894	2,239
Civil service retirement—payroll deductions for employees [4]	641	660	744	744	838	845	914	973	1,042	1,088	1,181
Civil service retirement—employers' share [4]	525	579	744	744	838	845	914	973	1,042	1,089	1,181
Other	224	170	178	159	866	663	986	642	459	381	1,455
Subtotal	2,709	2,751	2,980	2,975	3,945	3,776	4,281	4,190	4,303	4,451	6,056
Excess profits tax refund bonds [5]	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Seigniorage [3]	49	59	44	53	55	58	45	69	117	649	837
Total receipt adjustments	2,758	2,811	3,025	3,027	4,001	3,834	4,326	4,259	4,420	5,100	6,893
Adjustments applicable to payments:											
Intragovernmental transactions (see detail under receipt adjustments)	2,709	2,751	2,980	2,975	3,945	3,776	4,281	4,190	4,303	4,451	6,056
Applicable also to net borrowings:											
Savings and retirement plan bonds increment [6]	336	385	383	136	430	496	577	611	571	571	620
Discount on securities	52	−131	418	205	−209	145	119	268	144	225	41
International Monetary Fund notes	−674	−450	1,361	259	258	171	255	117	−472	−133	−746
Other special security issues [7]	−6	−4	−2	−2	56	111	83	103	6	−132	−229
Subtotal	−292	−200	2,160	597	536	923	1,033	1,099	250	531	−314
Accrued interest on public debt [8]	39	93	76	132	6	18	186	38	110	−50	−11
Checks outstanding and other accounts [9]	−557	576	−105	−281	279	548	−64	910	−913	−906	−646
Total payment adjustments	1,899	3,222	5,111	3,423	4,766	5,266	5,436	6,237	3,749	4,026	5,085
Adjustments applicable to net borrowings:											
Debt issuance representing:											
Receipts—excess profits tax refund bonds [5]	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Payments (see detail under payment adjustments)	−292	−200	2,160	597	536	923	1,033	1,099	250	531	−314
Total borrowing adjustments (net)	−292	−200	2,160	597	536	923	1,033	1,099	250	530	−314

*Less than $500,000. [1] For details see table 13. [2] For details see table 14.

[3] Includes 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.

[4] Beginning with fiscal 1958 excludes District of Columbia.

[5] Treated as noncash refund deductions from receipts when issued and as cash refund deductions when redeemed.

[6] Accrued interest on bonds, i.e., the difference between the purchase price and the current redemption value less interest paid on bonds redeemed.

[7] Includes adjustments for payments of adjusted service bonds and Armed Forces leave bonds; the net issue or redemption of special notes to the International Development Association and the Inter-American Development Bank; and special bonds to U.N. funds.

[8] Net increase or decrease of 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.

[9] Checks outstanding less deposits in transit, and changes in other accounts; net increase, or decrease (−). (See also footnote 6.)

TABLE 19.—*Internal revenue collections by tax sources, fiscal years 1936–67* [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									
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
1963	38,718,702	14,268,878	52,987,581	22,336,134	75,323,714	13,484,379	948,464	571,644	15,004,486	(4)	1,971,614	215,843
1964	39,258,881	15,331,473	54,590,354	24,300,863	78,891,218	15,557,783	850,858	593,864	17,002,504	(4)	2,110,992	305,312
1965	36,840,394	16,820,288	53,660,683	26,131,334	79,792,016	15,846,073	622,499	635,734	17,104,306	(4)	2,454,332	291,201
1966	42,811,381	18,486,170	61,297,552	30,834,243	92,131,795	19,005,488	567,014	683,631	20,256,133	(4)	2,646,968	446,954
1967	50,520,874	18,849,721	69,370,595	34,917,825	104,288,420	25,562,638	602,745	792,858	26,958,241	(4)	2,728,580	285,826

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.	
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, 873, 630	769, 774	78, 678	60, 928	2. 783, 012	1, 513, 740	45, 618	20. 871	1, 580, 229	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
1963	2, 467, 521	825. 412	101, 871	46, 853	3. 441, 656	2, 010, 524	50, 232	18. 481	2. 079. 237	149, 069
1964	2. 535, 596	887, 560	107, 779	46, 564	3, 577. 499	1, 976, 675	56, 309	19, 561	2, 052, 545	171, 614
1965	2, 710, 603	905, 730	110, 153	46, 147	3, 772, 634	2, 069, 695	60, 923	17, 976	2, 148, 594	186, 289
1966	2, 767, 400	887, 319	110, 284	49, 376	3, 814, 378	2, 006, 499	57, 662	9, 796	2, 073, 956	146, 457
1967	2, 966, 967	940, 622	121, 489	46, 645	4, 075, 723	2, 023, 090	55, 736	1, 043	2, 079, 869	68, 260

Footnotes at end of table.

TABLE 19.—*Internal revenue collections by tax sources, fiscal years 1936–67* [1]—Continued

[In thousands of dollars]

Fiscal year	Excise taxes—Continued												
	Manufacturers excise taxes [8]												
	Gasoline	Lubricating oils	Passenger automobiles and motorcycles [9]	Automobile trucks and busses	Parts and accessories for automobiles [10]	Tires, tubes, and tread rubber	Business and store machines [11]	Refrigerators, freezers, air-conditioners, etc. [12]	Radio and television receiving sets and phonographs, parts [11]	Electric, gas, and oil appliances [11]	Electrical energy	All other [13]	Total manufacturers excise taxes
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, 837	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	(14)	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	(14)	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	(14)	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	(14)	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	(14)	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	(14)	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	(14)	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	(14)	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	(14)	150, 826	4, 896, 802
1962	2, 412, 714	73, 012	1, 300, 440	257, 200	198, 077	361, 562	81, 719	54. 638	173, 024	66, 435	(14)	154, 129	5, 132, 949
1963	2, 497, 316	74, 410	1, 559, 510	303, 144	224, 507	398, 860	74, 845	61, 498	184. 220	68, 171	(14)	163, 827	5, 610, 309
1964	2, 618, 370	76, 316	1, 745, 969	350, 945	228, 762	411, 483	71, 867	62, 799	197, 595	77, 576	(14)	178, 861	6, 020, 543
1965	2, 687, 135	76, 095	1, 887, 691	425, 361	252, 874	440, 467	74, 426	75, 987	221, 769	80, 983	(14)	195, 356	6, 418, 145
1966	2, 824, 189	90, 776	1, 492, 225	460, 069	196, 546	481, 803	6, 745	137	[15] −3, 761	5, 367	(14)	59, 773	5, 613, 869
1967	2, 932, 894	92, 573	1, 413, 833	468, 910	34, 640	503, 753	−461	−2, 650	[15] −1, 329	−758	(14)	36, 941	5, 478, 347

Fiscal year	Excise taxes—Continued										
	Retailers excise taxes [11]					Miscellaneous excise taxes					
	Jewelry	Furs	Toilet preparations	Luggage, handbags, wallets	Total retailers excise taxes	Toll telephone, telegraph, radio, and cable services [16]	General telephone service	Transportation of persons [17]	Transportation of property (including coal)	Admissions [18]	
										General admissions	Cabarets
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		80,167	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	[19] 143,250	49,977	45,117
1960	165,699	30,207	120,211	62,573	378,690	312,055	426,242	255,459	[19] 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	176,023	31,163	144,594	69,384	421,163	350,566	492,912	262,760	568	39,169	35,606
1963	181,902	29,287	158,351	74,019	443,558	364,618	515,987	233,928	451	42,789	39,794
1964	189,437	30,016	176,857	78,704	475,013	379,608	530,588	106,062	277	47,053	41,026
1965	204,572	31,390	195,833	81,386	513,181	458,057	620,880	125,890	215	51,968	43,623
1966	43,264	3,179	40,898	20,814	108,155	907,917	(20)	139,624	115	45,668	35,736
1967	1,643	204	1,218	555	3,619	1,101,853	(20)	170,323	51	358	3,041

Footnotes at end of table.

TABLE 19.—*Internal revenue collections by tax sources, fiscal years 1936–67* [1]—Continued

[In thousands of dollars]

Fiscal year	Excise taxes—Continued								Taxes not otherwise classified	Grand total
	Miscellaneous excise taxes—Continued						Unclassified excise taxes [23]	Total excise taxes		
	Club dues and initiation fees	Sugar	Diesel and special motor fuels [21]	Use tax on highway motor vehicles weighing over 26,000 lbs. [21]	All other [22]	Total miscellaneous excise taxes				
1936	6,091				44,656	88,957		1,547,293	[24] 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		9,517,233		69,919,991
1955	41,963	78,512	22,692		85,156	1,492,633	114,687	9,210,582	[25] 7,352	66,288,692
1956	47,171	82,894	24,464		84,981	1,608,497	−31,209	10,004,195	[25] 5,269	75,112,649
1957	54,236	86,091	39,454	27,163	89,132	1,718,509	66,237	10,637,544	[25] 15,482	80,171,971
1958	60,338	85,911	46,061	33,117	79,316	1,741,327	−32,749	10,814,268	[25] 7,024	79,978,476
1959	64,813	86,378	52,528	32,532	43,879	1,435,953	66,351	10,759,549	[25] 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	69,452	96,636	105,178	79,761	37,651	1,570,258	101,468	12,752,176		99,440,839
1963	71,097	99,903	113,012	99,481	38,596	1,619,656	66,251	13,409,737		105,925,395
1964	75,120	95,411	128,079	100,199	43,206	1,546,631	106,387	13,950,232		112,260,257
1965	79,671	97,109	152,188	102,038	54,447	1,786,056	−32,119	14,792,779		114,434,634
1966	52,571	102,932	159,326	104,240	55,236	1,603,364	37,933	13,398,112		128,879,961
1967	1,825	104,203	182,147	108,178	60,083	1,732,062	675,867	14,113,748		148,374,815

[1] For figures for 1863–1915, see 1929 annual report, p. 419; for 1916–28, see 1947 annual report, p. 310; and for 1929–35, see 1963 report, p. 486.

[2] Beginning with January 1951, withheld income taxes and old-age insurance taxes on employees, and employers, beginning with January 1957, disability insurance taxes on employees and employers, and beginning with fiscal 1966 hospital insurance taxes 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 sec. 201(a) of the Social Security Act, as amended (42 U.S.C. 401(a)). Individual income taxes withheld by employers, 1951–56, include amounts subsequently transferred to the Government of Guam, under the provisions of the act approved Aug. 1, 1950 (48 U.S.C. 1421h). 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 after June 30, 1945. Beginning with 1951 included under "Miscellaneous excise taxes, all other."

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. "Other" tobacco taxes repealed effective Jan. 1, 1966 (Public Law 89–44).

[6] Through 1956 "Distilled spirits" included 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. Tax on playing cards, repealed, effective June 22, 1965 (Public Law 89–44); silver bullion sales or transfers, repealed, effective June 5, 1963 (Public Law 88–36). Issues and transfers of stocks and bonds, repealed effective Jan. 1, 1966 (Public Law 89–44). Tax on foreign insurance policies (1 cent or 4 cents per $1 of premium) payable by return on and after Jan 1, 1966 (Public Law 89–44 and Treasury Decision 6868). Deeds of conveyance: $100 to $500, 55 cents; each additional $500 or fraction thereof, 55 cents.

[8] Includes taxes on sales under the act of Oct. 22, 1914; manufacturers, consumers, and dealers excise taxes under war revenue and subsequent acts; and for 1936 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] Passenger automobiles, rate 10 percent through May 14, 1965; 7 percent from May 15, 1965–Dec. 31, 1965; 6 percent Jan. 1, 1966–Mar. 15, 1966 (Public Law 89–44). Under the Tax Adjustment Act of 1966, rate restored to 7 percent, effective Mar. 16, 1966 (Public Law 89–368). Motorcycles, repealed effective Sept. 1, 1955 (Public Law 379).

[10] Parts and accessories for automobiles (except truck parts), repealed effective Jan. 1, 1966 (Public Law 89–44).

[11] Repealed, effective June 22, 1965 (Public Law 89–44).

[12] Air conditioners, repealed, effective May 15, 1965; refrigerators and freezers, repealed effective June 22, 1965 (Public Law 89–44).

[13] Beginning with 1936 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 22.

[14] Repealed by Revenue Act of 1951. Collections for the years subsequent to 1952 are included under "Miscellaneous excise taxes, All other."

[15] Negative figure stems primarily from floor stock credits taken on certain taxes repealed by the Excise Tax Reduction Act of 1965.

[16] General and toll telephone and teletypewriter service reduced to 3 percent, effective Jan. 1, 1966. Private communications service, telegraph service, and wire equipment service, repealed effective Jan. 1, 1966 (Public Law 89–44). For general and toll telephone service and for teletypewriter exchange service, the rate of tax on amounts paid on bills first rendered on or after Apr. 1, 1966, for services rendered after Jan. 31, 1966, is increased from 3 percent to 10 percent of the amount paid (Public Law 89–368).

[17] Transportation of persons: Rate of 10 percent repealed, effective Nov. 16, 1962, except on air transportation which was reduced to 5 percent.

[18] Repealed effective noon Dec. 31, 1965.

[19] Repealed effective Aug. 1, 1958 (26 U.S.C. 4292 note).

[20] Separate data not available after fiscal 1965. Now included in "Toll telephone, telegraph, radio, and cable services."

[21] 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).

[22] Includes: Certain delinquent taxes collected under repealed laws, capital stock taxes prior to 1951 which are shown under "Capital stock," and various other taxes not shown separately.

[23] Includes undistributed depositary receipts and unapplied collections of excise taxes.

[24] Consists of agricultural adjustment taxes.

[25] 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 6 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, fiscal year 1967*

[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	757,916	176,042	20,148	22,964	977,070	102,428
Alaska	83,528	5,757	2,003	369	91,658	16,596
Arizona	428,440	46,579	5,496	15,968	496,483	68,543
Arkansas	354,725	64,711	24,427	10,218	454,080	46,542
California	9,732,385	2,002,658	988,990	374,117	13,098,149	1,345,427
Colorado	1,343,506	149,605	111,064	28,508	1,632,682	95,510
Connecticut	1,886,452	586,346	153,630	100,835	2,727,263	142,014
Delaware	518,537	556,319	2,024	35,708	1,112,588	23,410
Florida	1,853,682	388,530	104,417	102,017	2,448,646	220,486
Georgia	1,391,604	432,970	165,568	35,039	2,025,181	152,251
Hawaii	267,528	59,019	9,679	6,616	342,842	38,876
Idaho	220,465	53,969	3,798	6,225	284,457	27,808
Illinois	7,357,646	2,997,669	959,005	197,196	11,511,515	578,710
Indiana	2,310,386	595,066	356,997	47,321	3,309,770	213,995
Iowa	840,363	225,377	27,813	25,044	1,118,597	92,086
Kansas	693,233	177,147	22,053	28,321	920,753	83,631
Kentucky	721,047	246,435	1,165,708	21,608	2,154,798	92,304
Louisiana	982,400	229,748	67,937	24,417	1,304,503	108,385
Maine	269,243	60,425	6,121	12,889	348,679	36,217
Maryland [1]	2,656,577	426,755	301,800	123,654	3,508,786	253,158
Massachusetts	2,833,799	955,763	170,753	107,924	4,068,239	260,414
Michigan	5,212,214	3,358,353	1,600,436	93,023	10,264,027	445,294
Minnesota	1,667,826	593,221	115,586	43,139	2,419,772	168,717
Mississippi	359,228	63,906	6,813	10,889	440,836	46,188
Missouri	2,314,164	847,070	282,709	70,739	3,514,682	199,409
Montana	170,066	31,535	3,662	5,031	210,293	24,978
Nebraska	590,137	130,469	59,303	17,073	796,982	51,782
Nevada	190,596	30,975	12,079	5,312	238,962	32,175
New Hampshire	260,685	53,835	2,071	10,730	327,321	29,669
New Jersey	3,314,771	1,296,092	369,247	118,342	5,098,452	348,232
New Mexico	240,750	27,363	7,682	7,317	283,112	35,836
New York	15,314,139	9,465,194	1,297,719	511,200	26,588,253	955,272
North Carolina	1,329,803	671,010	1,192,294	33,574	3,226,682	131,317
North Dakota	134,998	11,436	4,551	3,129	154,113	16,378
Ohio	5,736,224	2,300,205	802,761	140,343	8,979,532	499,629
Oklahoma	770,693	277,520	288,621	35,084	1,371,919	88,277
Oregon	746,177	153,877	25,340	15,036	940,430	88,718
Pennsylvania	6,133,338	1,885,337	833,231	190,527	9,042,433	545,832
Rhode Island	472,293	166,743	17,163	18,113	674,312	41,200
South Carolina	531,211	145,573	18,237	13,978	708,998	64,443
South Dakota	138,149	18,668	6,684	3,997	167,498	18,378
Tennessee	1,013,714	268,998	38,392	27,644	1,348,748	109,002
Texas	3,616,869	1,133,126	756,525	144,816	5,651,336	385,394
Utah	263,828	52,189	15,686	5,613	337,316	47,092
Vermont	124,279	22,259	5,764	8,184	160,486	13,113
Virginia	1,325,953	330,335	460,657	40,366	2,157,311	172,960
Washington	1,433,696	236,047	111,987	38,034	1,819,764	187,222
West Virginia	378,535	70,189	14,454	15,359	478,538	56,927
Wisconsin	1,738,042	704,452	200,597	36,981	2,680,072	165,853
Wyoming	83,780	8,282	5,288	3,309	100,658	12,610
International [2]	407,111	56,647	63,725	20,566	548,049	49,922
Undistributed:						
Depositary receipts [3]	2,243,380		825,053		3,068,433	
Transferred to Government of Guam	−7,144				−7,144	
Withheld taxes of Federal employees [4]	167,172				167,172	
Unclassified						1,158
Gasoline, lubricating oil, and excess FICA credits [5]	408,699	70,029			478,728	478,728
Total	[6] 96,328,836	34,917,825	[7] 14,113,748	3,014,406	148,374,815	[8] 9,510,495

Footnotes on next page.

(Footnotes to table 20)

[1] Includes the District of Columbia.

[2] Collections from and refunds to U.S. taxpayers in Puerto Rico, Canal Zone, etc., and in foreign countries.

[3] Consists of all those issued during the fiscal year minus those received with tax returns which are included in the State totals.

[4] Net transactions in the clearing account on the central books of the Treasury for withheld income taxes from salaries of Federal employees.

[5] Represents credits allowable on income tax returns for certain gasoline and lubricating oil tax payments and for excess social security payments under the Federal Insurance Contributions Act (FICA).

[6] Includes $26.7 billion transferred to the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, the railroad retirement accounts, the Federal hospital insurance trust fund, and the unemployment trust fund for benefit payments within the States.

[7] Includes $4.4 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). Also includes internal revenue collections made by Customs.

[8] Inclusive of the reimbursement of $500 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 taxes collected and transferred.

NOTE.—Receipts in the various States do not indicate the Federal tax burden of each, since in many instances, taxes are collected in 1 State from residents of another State. For example, withholding taxes reported by employers located near State lines may include substantial amounts withheld from salaries of employees who reside in neighboring 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.

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.—*Deposits of earnings by the Federal Reserve banks, fiscal years 1947–67* [1]

	1947-64	1965	1966	1967	Cumulative through 1967
Boston	$439, 219, 448. 36	$67, 883, 240. 59	$85, 531, 922. 44	$92, 538, 118. 71	$685, 172, 730. 10
New York	2, 090, 169, 251. 92	354, 317, 201. 70	446, 216, 515. 13	470, 049, 621. 77	3, 360, 752, 590. 52
Philadelphia	492, 222, 255. 39	74, 907, 236. 98	89, 018, 448. 25	92, 896, 014. 71	749, 043, 955. 33
Cleveland	700, 120, 607. 50	113, 661, 624. 75	141, 152, 752. 61	143, 410, 447. 95	1, 098, 345. 432. 81
Richmond	515, 050, 055. 51	89, 242, 724. 65	107, 862, 333. 64	126, 605, 772. 96	838, 760, 886. 76
Atlanta	407, 600, 777. 99	70, 172, 287. 20	90, 957, 931. 36	93, 585, 593. 71	662, 316, 590. 26
Chicago	1, 419, 890, 136. 05	231, 749, 555. 70	282, 346, 299. 20	305, 907, 652. 13	2, 239, 893, 643. 08
St. Louis	332, 956, 424. 41	48, 676, 706. 80	58, 217, 948. 09	59, 058, 976. 06	498, 910, 055. 36
Minneapolis	176, 825. 710. 26	25, 285, 916. 53	32, 963, 675. 67	32, 923, 555. 48	267, 998, 857. 94
Kansas City	339, 438, 082. 03	51, 198, 738. 46	65, 101, 489. 72	64, 884, 641. 52	520, 622, 951. 73
Dallas	293, 009, 886. 09	55, 148, 759. 71	71, 189, 087. 52	68, 771, 727. 29	488, 119, 460. 61
San Francisco	893, 973, 963. 94	189, 799, 248. 84	242, 283, 545. 74	254, 745, 254. 79	1, 580, 802, 013. 31
Total	8, 100, 476, 599. 45	1, 372, 043, 241. 91	1, 712, 841. 949. 37	1, 805, 377, 377. 08	12, 990, 739, 167. 81

[1] Pursuant to section 16 of the Federal Reserve Act, as amended (12 U.S.C. 414). Through 1959, consists 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 provisions 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. Beginning in 1965, the surplus is maintained at the level of the paid in capital instead of subscribed capital.

TABLE 22.—*Customs collections and payments by regions and districts, fiscal year 1967*

Regions and districts	Collections				Payments			Cost to collect $100
					Refunds [1]			
	Duties and miscellaneous customs collections	Internal Revenue Service	Collections for others	Total	Excessive duties and similar refunds	Drawback	Expenses (net obligations)	
Boston region							$1,104,918	
District offices:								
Boston	$86,485,966	$22,252,454	$591	$108,739,011			2,562,654	$2.36
Bridgeport	8,555,709	11,091,582		19,647,291			263,928	1.34
Buffalo	39,163,594	6,120,886	21	45,284,501			2,356,525	5.20
Ogdensburg	23,291,922	29,717,025		53,008,947			1,567,438	2.96
Portland, Maine	5,288,508	18,697		5,307,205			1,395,755	26.30
Providence	4,733,972	1,770,593		6,504,565			193,531	2.98
St. Albans	7,363,276	4,149,992		11,513,268			1,354,576	11.77
Total, Boston region	174,882,947	75,121,229	612	250,004,788	$3,650,931	$1,822,882	10,799,325	4.32
New York regional office	841,267,320	170,987,863	698	1,012,255,881	9,514,558	10,155,813	27,710,476	2.74
Baltimore region							978,470	
District offices:								
Baltimore	51,948,252	23,395,154	1,016	75,344,422			1,754,544	2.33
Norfolk	32,364,361	1,767,963	897	34,133,221			897,918	2.63
Philadelphia	106,182,820	39,125,275	229	145,308,324			2,282,832	1.57
Total, Baltimore region	190,495,433	64,288,392	2,142	254,785,967	1,592,583	8,888,725	5,913,764	2.32
Miami region							645,639	
District offices:								
Charleston	33,870,120	1,107,007		34,977,127			373,835	1.07
Miami	19,310,641	12,859,548		32,170,189			3,210,428	9.98
St. Thomas [2]	3,391			3,391				
San Juan [3]	211,651	141,857	298	353,806				
Savannah	15,078,559	2,297,819	442	17,376,820			382,094	2.20
Tampa	15,952,846	8,620,566	96	24,573,508			729,746	2.97
Wilmington	24,497,939	1,435,574		25,933,513			317,653	1.22
Total, Miami region	108,925,147	26,462,371	836	135,388,354	862,998	3,224,061	5,659,395	4.18
New Orleans region							734,375	
District offices:								
Mobile	7,033,645	1,253,582	612	8,287,839			360,848	4.35
New Orleans	53,831,567	10,613,566	2,609	64,447,742			1,735,510	2.69
Total, New Orleans region	60,865,212	11,867,148	3,221	72,735,581	554,753	727,485	2,830,733	3.89

Houston region							629,342	
District offices:								
El Paso	7,262,038	2,416,792		9,678,830			1,142,642	11.81
Galveston	5,541,623	646,799	1,670	6,190,092			221,895	3.58
Houston	41,082,318	11,665,487	500	52,748,305			2,731,944	5.18
Laredo	18,342,580	424,185	3,250	18,770,015			2,077,207	11.07
Port Arthur	2,606,873	25,156	1,674	2,633,703			162,187	6.16
Total, Houston region	74,835,432	15,178,419	7,094	90,020,945	533,688	9,821,561	6,965,217	7.74
Los Angeles region							742,369	
District offices:								
Los Angeles	147,160,878	41,717,977	709	188,879,564			4,707,792	2.49
Nogales	12,285,126	26,396		12,311,522			726,599	5.90
San Diego	10,133,319	371,253	938	10,505,510			1,262,333	12.02
Total, Los Angeles region	169,579,323	42,115,626	1,647	211,696,596	1,606,769	1,476,431	7,439,093	3.51
San Francisco region							816,648	
District offices:								
Great Falls	4,281,733	3,304		4,285,037			426,051	9.94
Honolulu	10,030,138	2,383,520	619	12,414,277			1,074,581	8.66
Juneau	785,449	103,925		889,374			359,863	40.46
Portland, Oregon	19,727,363	1,617,102	196	21,344,661			603,831	2.83
San Francisco	75,421,313	32,769,010	687	108,191,010			2,441,349	2.26
Seattle	31,308,984	16,267,711	1,606	47,578,301			2,122,032	4.46
Total, San Francisco region	141,554,980	53,144,572	3,108	194,702,660	1,783,308	1,788,185	7,844,355	4.03
Chicago region							1,005,700	
District offices:								
Chicago	80,458,890	45,832,549	17	126,291,456			2,377,042	1.88
Cleveland	35,396,666	64,448,313		99,844,979			1,116,263	1.12
Detroit	67,929,807	115,473,699	287	183,403,793			2,745,285	1.50
Duluth	7,406,793	68,226		7,475,019			370,118	4.95
Milwaukee	6,570,810	2,909,171		9,479,981			266,066	2.81
Minneapolis	4,303,835	4,128,687		8,432,522			352,481	4.18
Pembina	6,269,489	39,631		6,309,120			856,904	13.58
St. Louis	11,365,252	9,055,248		20,420,500			364,133	1.78
Total, Chicago region	219,701,542	241,955,524	304	461,657,370	8,361,887	4,721,498	9,453,992	2.05
Total, all regions	1,982,107,336	701,121,144	19,662	2,683,248,142	28,461,475	42,626,641	84,616,350	3.15
Items not assigned to districts	762,323			762,323	3,615		[4] 7,030,479	
Grand total	1,982,869,659	[5] 701,121,144	19,662	2,684,010,465	28,465,090	42,626,641	91,646,829	3.41

[1] Available on regional basis only.
[2] Does not include collections of $3,852,645 deposited to the trust fund: Refunds, transfers, and expenses of operations, Virgin Islands, Bureau of Customs.
[3] Does not include collections of $25,067,179 deposited to the trust fund: Refunds, transfers, and expenses of operations, Puerto Rico, Bureau of Customs.
[4] Washington headquarters and foreign offices.
[5] Included in internal revenue excise tax collections reported in table 20.

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TABLE 23.—*Summary of customs collections and expenditures, fiscal years 1966 and 1967*

[On basis of Bureau of Customs accounts]

SCHEDULE 1.—COLLECTIONS BY CUSTOMS

	1966	1967	Percentage increase, or decrease (−)
Collections:			
Duties:			
Consumption entries	$1,544,334,804	$1,708,078,870	10.6
Warehouse withdrawals	207,750,200	203,700,791	−2.0
Mail entries	16,545,271	17,661,884	6.7
Passenger baggage entries	3,429,458	3,565,579	4.0
Crewmember baggage entries	1,043,373	1,261,705	20.9
Informal entries	14,615,692	15,023,103	2.8
Appraisement entries	175,061	136,410	−22.1
Supplemental duties	22,801,029	21,510,732	−19.7
Withheld duties	189,853	360,980	90.1
Other duties	285,471	499,737	75.1
Total duties	1,811,170,212	1,971,799,791	8.9
Miscellaneous: [1]			
Violations of customs laws	2,930,048	3,646,646	24.5
Marine inspection and navigation services	29,739	33,630	13.1
Testing, inspecting, and grading	603,784	582,162	−3.6
Miscellaneous taxes	6,200,681	6,383,782	3.0
Fees	319,544	263,460	−17.6
Unclaimed funds	95,973	122,276	27.4
Recoveries	21,166	16,340	−22.8
All other customs receipts	31,729	41,234	30.0
Total miscellaneous	10,232,664	11,089,530	8.4
Internal revenue taxes	652,213,948	701,121,144	7.5
Total collections	2,473,616,824	2,684,010,465	8.5

SCHEDULE 2.—APPROPRIATIONS AND EXPENDITURES

	1966	1967	Percentage increase, or decrease (−)
Appropriations:			
For salaries and expenses, Bureau of Customs	$84,293,000	$88,278,000	4.7
Transferred from Department of Commerce for export control	1,591,400	1,698,000	6.7
Transferred from Department of Agriculture for quarantine purposes	1,987,000	2,166,800	9.0
Total	87,871,400	92,142,800	4.9
Expenditures, obligations incurred by:			
Regional offices	72,077,126	75,227,847	4.4
Agency service (investigations)	10,037,288	10,712,319	6.7
Field audit	1,080,301	838,697	−22.4
Executive direction	4,656,802	4,867,966	4.5
Total obligations incurred	87,851,517	91,646,829	4.3
Balance of appropriations	19,883	[2] 495,971	2394.4
Expenditure (refunds):			
Excessive duties and similar refunds	26,908,325	28,465,090	5.8
Drawback payments	17,718,940	42,626,641	140.6
Total	44,627,265	71,091,731	59.3

[1] Includes miscellaneous customs collections of Puerto Rico and the Virgin Islands and those of other Government agencies.

[2] Includes $464,000 transferred to Coast Guard pursuant to Treasury Department Order No. 167-81, dated Jan. 30, 1967.

TABLE 24.—*Postal receipts and expenditures, fiscal years 1926–67*

Year	Postal revolving fund as reported to the Treasury by the Post Office Department				Surplus revenue paid into the Treasury [2]	Advances from the Treasury to cover postal deficiencies [3]
	Postal revenues	Postal expenditures [1]		Surplus, or deficit (−)		
		Extraordinary expenditures as reported under act of June 9, 1930	Other			
1926	$659,819,801		[4] $679,792,180	−$19,972,379		[4] $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	[5] −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 [6]	2,263,389,229	(7)	2,575,386,760	−311,997,531		521,999,804
1955 [6]	2,336,667,658	(7)	2,692,966,698	−356,299,040		285,261,181
1956 [6]	2,419,211,749	(7)	2,882,291,063	−463,079,314		382,311,040
1957 [6]	2,547,589,618	(7)	3,065,126,065	−517,536,447		516,502,460
1958 [6]	2,583,459,773	(8)	3,257,452,203	−673,992,431		921,750,883
1959 [6]	3,061,110,753	(8)	3,834,997,671	−773,886,918		605,184,335
1960 [6]	3,334,343,038	(8)	3,821,959,408	−487,616,370		569,229,167
1961 [6]	3,482,961,182	(8)	4,347,945,979	−864,984,797		824,989,797
1962 [6]	3,609,260,097	(8)	4,343,436,402	−734,176,305		773,739,374
1963 [6]	3,869,713,783	(8)	4,640,048,550	−770,334,767		817,693,516
1964 [6]	4,393,516,717	(8)	4,971,215,682	−577,698,965		698,626,276
1965 [6]	4,662,663,155	(8)	5,467,205,453	−804,542,298		764,090,520
1966 [6]	5,038,666,873	(8)	5,926,862,604	−888,195,731		941,698,236
1967 [6]	5,326,427,981	(8)	6,467,613,482	−1,141,185,501		1,174,402,507

[1] From 1927 to date includes salary deductions paid to and deposited for credit to the retirement fund.
[2] On basis of warrants-issued adjusted to basis of daily Treasury statements through 1947.
[3] 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.
[4] Excludes $10,472,289 transferred to the civil service retirement and disability fund on account of salary deductions.
[5] Repayment of unexpended portion of prior years' advances.
[6] Transactions for 1954–67 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.
[7] See letter of the Postmaster General in exhibits in annual reports prior to 1958.
[8] 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.

NOTE.—For figures from 1789–1925 see annual report for 1946, p. 419.

TABLE 25.—*Increment resulting from reduction in weight of the gold dollar, as of June 30, 1967*

	Allocation of increment [1]	Charges against increment	Unexpended balance of increment
Exchange Stabilization Fund	$2,000,000,000.00	$2,000,000,000.00	
Payments to Federal Reserve banks for industrial loans [2]	139,299,557.00	139,299,557.00	
Philippine currency reserve	23,862,751.00	23,862,751.00	
Melting losses on gold	2,175,121.93	1,857,771.96	$317,349.97
Retirement of national bank notes	645,387,965.45	645,387,965.45	
Unassigned	8,808,244.59		8,808,244.59
Total	2,819,533,639.97	2,810,408,045.41	9,125,594.56

[1] The authority, purpose, and amount of these allocations through 1940 are summarized in the 1940 annual report, pp. 128–130.
[2] Pursuant to the act of Aug. 21, 1958 (12 U.S.C. 352a notes), the $111,753,246.03 unexpended balance of this allocation was covered into the Treasury as miscellaneous receipts; and the $27,546,310.97 which had been advanced to the Federal Reserve banks under this allocation was repaid to a special fund from which it was appropriated to the Small Business Administration. The unused portion of the appropriation was subsequently rescinded (73 Stat. 209) and the balance, $23,653,582.01, covered into the Treasury.

TABLE 26.—*Seigniorage on coin and silver bullion, January 1, 1935–June 30, 1967*

Fiscal year	Total seigniorage on coin (silver and minor) and on silver bullion revalued	Potential seigniorage on silver bullion at cost in Treasurer's account, end of fiscal year [1]
Jan. 1, 1935–June 30, 1962, cumulative	$2,295,289,795.54	[2] $16,693,959.11
1963	44,896,025.48	17,290,212.19
1964	68,745,284.41	7,520,617.15
1965	116,996,658.41	6,560,393.72
1966	87,569,486.89	51,328.32
1967	36,601,733.83	37,560.91
Jan. 1, 1935–June 30, 1967, cumulative	2,650,098,984.56	

[1] Not cumulative, as the bullion held by the Treasurer of the United States changes, the potential seigniorage changes accordingly.
[2] Represents potential seigniorage as of June 30, 1962.

NOTE.—For calendar year figures 1935–63, see the "Treasury Bulletin" for July 1964, p. 79.

Public Debt, Guaranteed Debt, Etc.

I.—Outstanding

TABLE 27.—*Principal of the public debt, fiscal years 1790–1967*

[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	1.10
1857	28,503,377	197,998		28,701,375	.93
1858	44,743,256	170,168		44,913,424	1.59
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

Footnotes at end of table.

TABLE 27.—*Principal of the public debt, fiscal years 1790–1967*—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]
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
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	1,696.67
1951	252,851,765,497	512,046,600	1,858,164,718	255,221,976,815	1,654.20
1952	256,862,861,128	418,692,165	1,823,625,492	259,105,178,785	1,650.84
1953	263,946,017,740	298,420,570	1,826,623,328	266,071,061,639	1,667.48
1954	268,909,766,654	437,184,655	1,912,647,799	271,259,599,108	1,670.41
1955	271,741,267,507	588,601,480	2,044,353,816	274,374,222,803	1,660.11
1956	269,883,068,041	666,051,697	2,201,693,911	272,750,813,649	1,621.38
1957	268,485,562,677	529,241,585	1,512,367,635	270,527,171,896	1,579.50
1958	274,697,560,009	597,324,889	1,048,332,847	276,343,217,746	1,586.89
1959	281,833,362,429	476,455,003	2,396,089,647	284,705,907,078	1,606.11
1960	283,241,182,755	444,608,630	2,644,969,463	286,330,760,848	1,584.70
1961	285,671,608,619	349,355,209	2,949,974,782	288,970,938,610	1,572.58
1962	294,442,000,790	437,627,514	3,321,194,417	298,200,822,721	1,597.60
1963	301,953,730,701	310,415,540	3,595,486,755	305,859,632,996	1,614.74
1964	307,356,561,535	295,293,165	4,061,044,557	311,712,899,257	1,622.49
1965	313,112,816,994	292,259,861	3,868,822,129	317,273,898,984	r 1,630.62
1966	315,431,054,919	307,673,987	4,168,358,890	319,907,087,795	1,624.55
1967	322,285,952,388	284,262,674	3,650,722,733	326,220,937,795	p 1,638.33

Footnotes on next page.

Footnotes to table 27.

r Revised.
p Preliminary.
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 Sept. 1, 1866, through June 30, 1890.
2 See table 28, footnote 3.
3 Includes certain securities not subject to statutory limitation; see table 1, notes 5 and 6. Public debt includes debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which securities of the corporations and activities were issued to the Treasury (see table 111).

NOTE.—From 1790–1842, the fiscal year ended December 31. Detailed figures for 1790–1852 are not available on a basis comparable with those of later years. For bases prior to 1916, see the 1963 annual report p. 497, Note.

TABLE 28.—*Public debt and guaranteed debt outstanding June 30, 1934–67*

[Gross public debt on basis of daily Treasury statements. Guaranteed debt 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 debt of U.S. Government agencies held outside the Treasury			Gross public debt and guaranteed debt [1]	
		Interest-bearing	Matured [2]	Total	Total	Per capita [3]
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	1,696.80
1951	255,221,976,815	27,364,069	1,863,100	29,227,169	255,251,203,984	1,654.39
1952	259,105,178,785	44,092,646	1,472,700	45,565,346	259,150,744,131	1,651.13
1953	266,071,061,639	50,881,686	1,191,075	52,072,761	266,123,134,400	1,667.80
1954	271,259,599,108	80,415,386	1,026,000	81,441,386	271,341,040,495	1,670.91
1955	274,374,222,803	43,257,786	885,175	44,142,961	274,418,365,764	1,660.37
1956	272,750,813,649	73,100,900	787,575	73,888,475	272,824,702,124	1,621.82
1957	270,527,171,896	106,434,150	703,800	107,137,950	270,634,309,846	1,580.12
1958	276,343,217,746	100,565,250	655,350	101,220,600	276,444,438,346	1,587.47
1959	284,705,907,078	110,429,100	590,050	111,019,150	284,816,926,228	1,606.74
1960	286,330,760,848	139,305,000	536,775	139,841,775	286,470,602,623	1,585.48
1961	288,970,938,610	239,694,000	521,450	240,215,450	289,211,154,060	1,573.89
1962	298,200,822,721	443,688,500	530,425	444,218,925	298,645,041,646	1,599.98
1963	305,859,632,996	605,489,600	1,120,775	606,610,375	306,466,243,371	1,617.94
1964	311,712,899,257	812,272,200	719,725	812,991,925	312,525,891,182	1,626.72
1965	317,273,898,984	588,900,500	1,425,550	590,326,050	317,864,225,034	r 1,633.66
1966	319,907,087,795	460,474,100	1,073,175	461,547,275	320,368,635,070	1,626.90
1967	326,220,937,795	511,788,700	407,375	512,196,075	326,733,133,870	p 1,640.90

r Revised.
p Preliminary.
1 Includes certain securities not subject to statutory limitation. For amounts subject to limitation, see table 1. Public debt includes debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which securities of the corporations and activities were issued to the Treasury (see table 111).
2 Amounts shown represent outstanding principal on which interest has ceased. The amount of accrued interest as of June 30, 1967, was $154,431, funds for which are on deposit with the Treasurer of the United States.
3 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.

TABLE 29.—*Public debt outstanding by classification, June 30, 1957–67*

[In millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Class	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Interest-bearing:											
Public issues:											
Marketable:											
Treasury bills:											
Regular weekly	21,919	22,406	25,006	25,903	26,914	32,225	37,729	39,730	43,659	42,922	45,827
Tax anticipation	1,501	--------	3,002	--------	1,503	1,802	--------	--------	--------	--------	--------
Other	--------	--------	4,009	7,512	8,307	8,009	9,501	11,010	10,005	12,008	12,708
Certificates of indebtedness (regular)	20,473	32,920	33,843	17,650	13,338	13,547	22,169	--------	--------	1,652	5,610
Treasury notes	30,973	20,416	27,314	51,483	56,257	65,464	52,145	67,284	52,549	50,649	49,108
Treasury bonds	80,789	90,883	84,803	81,247	80,830	75,025	81,964	88,461	102,481	101,897	97,418
Panama Canal bonds	50	50	50	50	--------	--------	--------	--------	--------	--------	--------
Total marketable issues	155,705	166,675	178,027	183,845	187,148	196,072	203,508	206,489	208,695	209,127	210,672
Nonmarketable:											
Certificates of indebtedness:											
Foreign currency series	--------	--------	--------	--------	--------	[1] 75	[2] 25	[3] 30	--------	[4] 368	[5] 431
Foreign series	--------	--------	--------	--------	--------	860	465	240	778	305	275
Treasury certificates	--------	--------	--------	--------	--------	--------	2	18	95	93	48
Depositary bonds	196	171	183	170	117	138	103	103	59	44	45
Treasury bonds:											
Foreign currency series	--------	--------	--------	--------	--------	--------	[6] 604	[7] 802	[8] 1,137	[9] 589	--------
Foreign series	--------	--------	--------	--------	--------	--------	--------	--------	204	174	144
Investment series	11,135	9,621	8,365	6,783	5,830	4,727	3,921	3,546	3,256	2,692	2,589
REA series	--------	--------	--------	--------	19	25	27	25	26	23	26
4% Treasury bonds	--------	--------	--------	--------	--------	--------	--------	20	9	4	--------
Treasury notes:											
Foreign currency series	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	[10] 460
Foreign series	--------	--------	--------	--------	--------	--------	183	152	150	338	205
U.S. savings notes	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	1
U.S. retirement plan bonds	--------	--------	--------	--------	--------	--------	(*)	5	11	16	21
U.S. savings bonds	54,622	51,984	50,503	47,544	47,514	47,607	48,314	49,299	50,043	50,537	51,213
Total nonmarketable issues	65,953	61,777	59,050	54,497	53,481	53,431	53,645	54,240	55,768	55,183	55,459
Total public issues	221,658	228,452	237,078	238,342	240,629	249,503	257,153	260,729	264,463	264,311	266,131
Special issues:											
Canal Zone Postal Savings System notes	(*)	--------	(*)	--------	--------	--------	--------	--------	--------	--------	--------
Civil service retirement fund:											
Certificates	5,707	4,249	298	186	170	210	80	73	70	41	--------
Notes	740	1,540	2,072	1,892	1,608	1,236	1,056	986	1,002	2,626	4,101
Bonds	925	1,925	6,212	7,289	8,604	9,899	11,263	12,432	13,465	12,480	11,426
Exchange Stabilization Fund certificates	--------	--------	--------	--------	--------	--------	108	292	232	560	833
Export-Import Bank of Washington certificates	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	82

Federal Deposit Insurance Corporation notes	718	673	629	694	556	500	260	270	312	57	85
Federal disability insurance trust fund:											
Certificates	258	658	89	56	34	1	6	--------	--------	--------	--------
Notes	30	150	394	487	464	336	84	1	--------	158	384
Bonds	38	188	1,050	1,474	1,801	1,967	2,076	1,901	1,563	992	992
Federal home loan banks:											
Certificates	10	--------	--------	59	50	74	372	82	100	924	52
Notes	40	165	165	--------	--------	--------	--------	--------	--------	--------	--------
Federal hospital insurance trust fund:											
Certificates	--------	--------	--------	--------	--------	--------	--------	--------	--------	52	16
Notes	--------	--------	--------	--------	--------	--------	--------	--------	--------	733	1,176
Federal Housing Administration notes:											
Apartment unit insurance fund	--------	--------	--------	--------	--------	1	1	(*)	(*)	--------	--------
Armed services housing mortgage insurance fund	3	1	(*)	(*)	26	10	14	14	3	--------	--------
Experimental housing insurance fund	--------	--------	--------	--------	--------	1	1	1	1	--------	--------
Housing insurance fund	2	1	4	4	4	4	1	2	4	--------	--------
Housing investment insurance fund	--------	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	--------	--------
Mutual mortgage insurance fund	26	18	15	15	15	15	10	10	96	--------	--------
National defense housing insurance fund	2	4	1	1	(*)	(*)	(*)	(*)	(*)	--------	--------
Section 203 home improvement account	--------	--------	--------	--------	--------	1	1	1	1	--------	--------
Section 220 home improvement account	--------	--------	--------	--------	--------	1	1	1	1	--------	--------
Section 220 housing insurance fund	1	1	1	1	1	1	2	2	1	--------	--------
Section 221 housing insurance fund	1	1	1	1	--------	--------	--------	--------	--------	--------	--------
Servicemen's mortgage insurance fund	2	3	2	1	2	2	2	2	10	--------	--------
Title I housing insurance fund	1	1	1	1	1	1	1	1	1	--------	--------
Title I insurance fund	43	34	29	23	23	23	14	9	11	--------	--------
War housing insurance fund	8	7	6	6	15	10	8	8	6	--------	--------
Federal old-age and survivors insurance trust fund:											
Certificates	14,963	9,925	400	270	441	1,080	--------	--------	141	--------	940
Notes	2,000	3,860	4,032	2,428	1,387	257	--------	598	1,032	2,820	5,316
Bonds	2,500	4,825	12,795	13,715	14,372	13,737	14,221	14,201	14,088	11,584	11,584
Federal Savings and Loan Insurance Corporation notes	103	112	116	104	138	182	98	332	287	223	3
Federal supplementary medical insurance trust fund:											
Certificates	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	32
Notes	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	447
Foreign service retirement fund certificates	22	24	26	29	32	37	38	39	40	42	42
Government life insurance fund:											
Certificates	1,200	1,144	1,127	1	--------	7	--------	--------	--------	--------	--------
Notes	--------	--------	--------	295	222	142	74	1	--------	78	78
Bonds	--------	--------	--------	811	849	879	929	955	933	860	736
Highway trust fund certificates	404	822	429	1	234	436	678	609	265	238	722
National service life insurance fund:											
Certificates	--------	--------	--------	8	--------	1	--------	--------	8	14	--------
Notes	5,570	5,665	5,742	1,547	1,168	782	395	8	28	613	606
Bonds	--------	--------	--------	4,248	4,591	5,021	5,319	5,775	5,873	5,486	5,138
Postal Savings System notes	5	--------	--------	--------	--------	26	--------	--------	--------	--------	--------
Railroad retirement account:											
Certificates	--------	--------	--------	--------	--------	--------	--------	119	208	218	67
Notes	3,475	3,531	3,417	3,586	3,504	3,316	2,786	686	450	593	976
Bonds	--------	--------	--------	--------	--------	--------	--------	2,164	2,465	2,465	2,280
Railroad retirement holding account certificates	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	4

Footnotes at end of table.

TABLE 29.—*Public debt outstanding by classification, June 30, 1957–67*—Continued

[In millions of dollars]

Class	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Interest-bearing—Continued											
Special issues—Continued											
Railroad retirement supplementary account certificates	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	11
Unemployment trust fund certificates	7,996	6,671	5,636	5,580	4,625	4,657	4,803	4,931	5,799	7,075	7,785
Veterans' special term insurance fund certificates	34	48	66	85	106	88	101	123	149	170	189
Veterans' reopened insurance fund	--------	--------	--------	--------	--------	--------	--------	--------	3	19	53
Total special issues	46,827	46,246	44,756	44,899	45,043	44,939	44,801	46,627	48,650	51,120	56,155
Total interest-bearing debt	268,486	274,698	281,833	283,241	285,672	294,442	301,954	307,357	313,113	315,431	322,286
Matured debt on which interest has ceased	529	597	476	445	349	438	310	295	292	308	284
Debt bearing no interest:											
Special notes of the United States:											
International Monetary Fund series	1,068	618	1,979	2,238	2,496	2,667	2,922	3,289	3,167	3,614	3,328
International Development Association series	--------	--------	--------	--------	58	115	129	142	138	64	--------
Inter-American Development Bank series	--------	--------	--------	--------	--------	55	125	150	150	132	--------
Special bonds of the United States:											
U.N. Children's Fund Series	--------	--------	--------	--------	--------	--------	--------	8	--------	--------	--------
U.N. Special Fund Series	--------	--------	--------	--------	--------	--------	--------	56	75	38	5
U.N./FAO World Food Program Series	--------	--------	--------	--------	--------	--------	--------	2	2	--------	--------
U.S. savings stamps [11]	51	51	50	53	52	53	54	54	55	56	57
Excess profits tax refund bonds	1	1	1	1	1	1	1	1	1	1	1
U.S. notes (less gold reserve)	191	191	191	191	191	191	191	191	167	166	166
Deposits for retirement of national bank and Federal Reserve bank notes	196	182	169	157	147	139	116	110	91	86	82
Other debt bearing no interest	6	6	6	6	6	[12] 101	59	58	23	11	11
Total debt bearing no interest	1,512	1,048	2,396	2,645	2,950	3,321	3,595	4,061	3,869	4,168	3,651
Total gross debt [13]	270,527	276,343	284,706	286,331	288,971	298,201	305,860	311,713	317,274	319,907	326,221

*Less than $500,000.

[1] Dollar equivalent of certificates issued and payable in the amount of 46,500,000,000 Italian lire.

[2] Dollar equivalent of certificates issued and payable in the amount of 110,000,000 Swiss francs.

[3] Dollar equivalent of certificates issued and payable in the amount of 130,000,000 Swiss francs.

[4] Dollar equivalent of certificates issued and payable in the amount of 800,000,000 Deutsche Marks and 727,000,000 Swiss francs.

[5] Dollar equivalent of certificates issued and payable in the amount of 800,000,000 Deutsche Marks, 885,000,000 Swiss francs, and 650,000,000 Austrian schillings.

[6] Dollar equivalent of Treasury bonds issued and payable in the amount of 124,050,000,000 Italian lire, 647,000,000 Swiss francs, 800,000,000 Deutsche Marks, 650,000,000 Austrian schillings, and 1,500,000,000 Belgian francs.

[7] Dollar equivalent of Treasury bonds issued and payable in the amount of 1,057,000,000 Swiss francs, 1,900,000,000 Deutsche Marks, 1,300,000,000 Austrian schillings, and 1,500,000,000 Belgian francs.

[8] Dollar equivalent of Treasury bonds issued and payable in the amount of 1,412,000,000 Swiss francs, 2,700,000,000 Deutsche Marks, 2,600,000,000 Austrian schillings, and 1,500,000,000 Belgian francs.

[9] Dollar equivalent of Treasury bonds issued and payable in the amount of 685,000,000 Swiss francs, 800,000,000 Deutsche Marks, 1,950,000,000 Austrian schillings, 1,500,000,000 Belgian francs, and 78,000,000,000 Italian lire.

[10] Dollar equivalent of Treasury notes issued and payable in the amount of 687,000,000 Swiss francs, 600,000,000 Deutsche Marks, 650,000,000 Austrian schillings, and 78,000,000,000 Italian lire.

[11] On Oct. 1, 1942, they replaced postal savings stamps which had been Postal Savings System's obligations.

[12] 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 debt bearing no interest.

[13] Includes certain securities not subject to statutory limitation; for amounts subject to limitation, see table 1. Includes public debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange, for which securities of the corporations and activities were issued to the Treasury; see table 111.

NOTE.—For comparable data for 1931–43, see the 1943 annual report, page 564; for 1944–54, see 1954 annual report, page 472; and for 1955–56, see 1965 annual report, page 557. Composition of the public debt 1916–45, is shown in the 1947 annual report, p. 361. For reconciliation with Public Debt accounts for 1967, see table 33.

TABLE 30.—*Guaranteed securities issued by Government corporations and other business-type activities and held outside the Treasury, June 30, 1957–67*

[Face amount, in thousands of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Issuing agency	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
UNMATURED DEBT											
District of Columbia Armory Board stadium bonds	--------	--------	(1)	476	19,800	19,800	19,800	19,800	19,800	19,800	19,800
Federal Housing Administration debentures:											
Mutual mortgage insurance fund	10,638	9,987	8,699	11,411	25,389	194,716	328,062	499,018	333,523	133,402	73,658
Cooperative management housing insurance fund	--------	--------	--------	--------	--------	--------	--------	--------	--------	1,636	7,524
General insurance fund:											
General insurance	--------	--------	--------	--------	--------	--------	--------	--------	--------	142,426	279,009
Armed services housing mortgage insurance fund	10,209	8,324	10,466	19,368	62,420	47,277	16,001	5,691	2,576	1,714	1,695
Housing insurance fund	10,135	8,987	9,970	9,232	23,406	35,299	63,445	89,942	76,723	57,583	49,173
National defense housing insurance fund	40,738	47,734	[2] 59,446	71,737	75,393	92,551	98,124	79,354	71,965	46,400	29,090
Section 203 home improvement account	--------	--------	--------	--------	--------	--------	2	--------	6	(*)	--------
Section 220 housing insurance fund	--------	--------	--------	10	--------	66	9,360	27,547	23,514	19,672	19,672
Section 221 housing insurance fund	--------	8	8	217	4,780	23,353	36,558	55,836	31,566	12,284	12,191
Servicemen's mortgage insurance fund	12	78	38	680	1,673	12,609	22,746	31,111	22,886	19,858	15,416
Title I housing insurance fund	482	377	213	411	186	633	523	254	373	319	223
War housing insurance fund	34,220	25,070	21,591	25,762	26,647	17,385	10,869	3,720	5,970	5,381	4,339
Total unmatured debt	106,434	100,565	[2] 110,429	139,305	239,694	443,688	605,490	812,272	588,900	460,474	511,789
MATURED DEBT [3]											
Federal Farm Mortgage Corporation	265	240	214	193	174	170	161	144	133	124	120
Federal Housing Administration	--------	--------	--------	12	25	57	669	299	1,025	682	35
Home Owners' Loan Corporation	438	415	376	331	323	303	291	276	268	266	252
Total matured debt [4]	704	655	590	537	521	530	1,121	720	1,426	1,073	407
Total [4]	107,138	101,221	[2] 111,019	139,842	240,215	444,219	606,610	812,992	590,326	461,547	512,196

*Less than $500.

[1] Excludes guaranteed securities of the District of Columbia Armory Board in the amount of $96 thousand not reported in the daily Treasury statement of June 30, 1959.

[2] Includes $179 thousand face amount redeemed as of June 30, 1959, but omitted from transactions cleared on that date.

[3] Funds are on deposit with the Treasurer of the United States for payment of these securities.

[4] Consists of principal only.

NOTE.—For figures for 1946–56 see 1958 annual report, p. 474. For securities held by the Treasury, see table 111.

TABLE 31.—*Interest-bearing securities outstanding issued by Federal agencies but not guaranteed by the U.S. Government, fiscal years 1957–67*

[In millions of dollars]

Fiscal year or month	Banks for cooperatives	Federal home loan banks [1]	Federal intermediate credit banks	Federal land banks [2]	Federal National Mortgage Association		Tennessee Valley Authority	Total
					Management and liquidation program	Secondary market program		
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
1963	459	2,770	2,133	2,725		1,960	145	10,192
1964	498	4,201	2,315	2,973		1,698	180	11,865
1965	686	4,757	2,462	3,532		1,797	225	13,460
1966	844	6,309	2,853	4,105		3,269	285	17,666
1967	1,042	4,585	3,297	4,611		4,078	415	18,028
1966—July	844	6,594	2,935	4,212		3,058	285	17,928
August	882	6,615	2,990	4,212		3,414	285	18,398
September	882	6,765	2,991	4,295		3,178	285	18,396
October	957	6,959	2,909	4,295		3,125	295	18,541
November	1,067	6,859	2,814	4,295		3,152	295	18,483
December	1,074	6,859	2,786	4,385		3,800	345	19,249
1967—January	1,074	6,859	2,779	4,385		3,878	345	19,320
February	1,113	6,316	2,850	4,450		3,984	345	19,058
March	1,113	5,741	2,944	4,450		4,010	345	18,604
April	1,085	5,085	3,074	4,450		4,006	345	18,045
May	1,101	5,085	3,186	4,611		3,938	415	18,336
June	1,042	4,585	3,297	4,611		4,078	415	18,028

[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.

NOTE.—Excludes securities which are issued for use as collateral for commercial bank borrowing.

TABLE 32.—*Maturity distribution and average length of marketable interest-bearing public debt,[1] June 30, 1946–67*

[Dollar amounts in millions. 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	Total	Average length: Years	Average length: Months
	By call classes (due or first becoming callable)							Years	Months
1946	$62,091	$35,057	$32,847	$16,012	$21,227	$22,372	$189,606	7	4
1947	52,442	42,522	18,932	13,326	27,076	14,405	168,702	7	5
1948	49,870	46,124	10,464	12,407	41,481	....	160,346	7	1
1949	52,302	39,175	15,067	13,715	34,888	....	155,147	6	7
1950	42,448	51,802	15,926	19,281	25,853	....	155,310	6	2
1951	60,860	31,022	16,012	21,226	8,797	....	137,917	4	10
1952	70,944	29,434	13,321	20,114	6,594	....	140,407	4	1
1953	76,017	30,162	13,018	26,546	....	1,592	147,335	3	11
1954	63,291	38,407	27,113	19,937	....	1,606	150,354	4	3
1955	51,152	46,399	42,755	11,371	....	3,530	155,206	4	7
1956	64,910	36,942	40,363	8,387	....	4,351	154,953	4	2
1957	76,697	41,497	26,673	6,488	....	4,349	155,705	3	7
1958	73,050	39,401	45,705	657	2,258	5,604	166,675	4	2
1959	81,678	58,256	28,075	1,276	2,256	6,485	178,027	3	8
1960	79,182	81,295	14,173	1,123	2,484	5,588	183,845	3	5
1961	84,855	70,760	18,391	1,123	3,125	8,893	187,148	3	9
1962	89,905	67,759	18,655	1,641	4,956	13,157	196,072	4	4
1963	91,202	68,980	20,522	4,304	4,525	13,975	203,508	4	7
1964	92,272	66,954	22,580	5,048	4,524	15,111	206,489	4	6
1965	99,792	51,377	33,053	4,192	3,040	17,241	208,695	4	9
1966	100,951	55,010	28,922	6,097	1,125	17,023	209,127	4	5
1967	105,837	59,824	21,006	6,087	1,121	16,797	210,672	4	1
	By maturity classes[2]								
1946	$61,974	$24,763	$41,807	$8,707	$8,754	$43,599	$189,606	9	1
1947	51,211	21,851	35,562	13,009	5,588	41,481	168,702	9	5
1948	48,742	21,630	32,264	14,111	2,118	41,481	160,346	9	2
1949	48,130	32,562	16,746	14,111	8,710	34,888	155,147	8	9
1950	42,338	51,292	7,792	10,289	17,746	25,853	155,310	8	2
1951	43,908	46,526	8,707	8,754	21,226	8,797	137,917	6	7
1952	46,367	47,814	13,933	5,586	20,114	6,594	140,407	5	8
1953	65,270	36,161	15,651	2,117	26,546	1,592	147,335	5	4
1954	62,734	29,866	27,515	8,696	19,937	1,606	150,354	5	6
1955	49,703	39,107	34,253	17,242	11,371	3,530	155,206	5	10
1956	58,714	34,401	28,908	20,192	8,387	4,351	154,953	5	4
1957	71,952	40,669	12,328	19,919	6,488	4,349	155,705	4	9
1958	67,782	42,557	21,476	26,999	654	7,208	166,675	5	3
1959	72,958	58,304	17,052	20,971	654	8,088	178,027	4	7
1960	70,467	72,844	20,246	11,746	884	7,658	183,845	4	4
1961	81,120	58,400	26,435	8,706	1,527	10,960	187,148	4	6
1962	88,442	57,041	26,049	5,957	3,362	15,221	196,072	4	11
1963	85,294	58,026	37,385	2,244	6,115	14,444	203,508	5	1
1964	81,424	65,453	34,929	2,244	6,110	16,328	206,489	5	0
1965	87,637	56,198	39,169	2,609	5,841	17,241	208,695	5	4
1966	89,136	60,933	33,596	4,518	3,922	17,023	209,127	4	11
1967	89,648	71,424	24,378	4,514	3,912	16,797	210,672	4	7

[1] Includes public debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which securities of the corporations and activities were issued to the Treasury.

[2] All issues are classified to final maturity except partially tax-exempt bonds which have been classified to earliest call date. The last of these bonds were called on Aug. 14, 1962, for redemption on Dec. 15, 1962.

TABLE 33.—*Summary of public debt and guaranteed debt by classification, June 30, 1967*

Classification	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:				
Treasury bills:	*Percent*			
Regular weekly	[3] 4.093	$42,925,890,000	....	$42,925,890,000
Regular monthly	[3] 5.115	15,609,026,000	....	15,609,026,000
Certificates of indebtedness (regular)	5.250	5,610,355,000	....	5,610,355,000
Treasury notes	4.764	49,116,316,000	−$7,918,000	49,108,398,000
Treasury bonds	3.686	97,414,871,250	3,051,500	97,417,922,750
Subtotal	4.165	210,676,458,250	−4,866,500	210,671,591,750
Nonmarketable:				
Certificates of indebtedness:				
Foreign series	3.564	275,000,000	....	275,000,000
Foreign currency series	4.975	430,654,821	....	430,654,821
Treasury notes:				
Foreign series	4.554	205,010,887	....	205,010,887
Foreign currency series	4.910	459,737,983	....	459,737,983
Treasury bonds, foreign series	4.250	143,929,534	....	143,929,534
Treasury certificates	3.163	48,495,537	....	48,495,537
U.S. savings bonds	3.780	51,210,321,353	3,157,364	51,213,478,716
U.S. savings notes	4.740	1,872,396	−375,887	1,496,509
U.S. retirement plan bonds	3.849	21,190,541	−25,343	21,165,198
Depositary bonds	2.000	45,425,500	....	45,425,500
Treasury bonds, REA series	2.000	25,930,000	75,000	26,005,000
Treasury bonds, investment series	2.750	2,580,831,000	7,948,000	2,588,779,000
Subtotal	3.745	55,448,399,552	10,779,133	55,459,178,685
Total public issues	4.078	266,124,857,802	5,912,633	266,130,770,435
Special Issues:				
Civil service retirement fund	3.828	15,526,618,000	....	15,526,618,000
Exchange Stabilization Fund	3.705	832,704,953	....	832,704,953
Export-Import Bank of Washington	3.250	81,500,000	....	81,500,000
Federal Deposit Insurance Corp	2.000	85,312,000	....	85,312,000
Federal disability insurance trust fund	3.954	1,375,583,000	....	1,375,583,000
Federal home loan banks	3.250	52,000,000	....	52,000,000
Federal hospital insurance trust fund	4.815	1,191,647,000	....	1,191,647,000
Federal old-age and survivors insurance trust fund	3.806	17,840,433,000	....	17,840,433,000
Federal Savings and Loan Insurance Corp.	2.000	3,268,000	....	3,268,000
Federal supplementary medical insurance trust fund	4.750	478,849,000	....	478,849,000
Foreign service retirement fund	3.973	42,145,000	....	42,145,000
Government life insurance fund	3.646	814,027,000	....	814,027,000
Highway trust fund	4.125	721,710,000	....	721,710,000
National service life insurance fund	3.396	5,744,307,000	....	5,744,307,000
Railroad retirement account	4.265	3,323,486,000	....	3,323,486,000
Railroad retirement holding account	4.750	4,067,000	....	4,067,000
Railroad retirement supplemental account	4.750	10,977,000	....	10,977,000
Unemployment trust fund	4.000	7,784,613,000	....	7,784,613,000
Veterans' special term insurance fund	3.625	189,382,000	....	189,382,000
Veterans' reopened insurance fund	4.750	52,553,000	....	52,553,000
Subtotal	3.854	56,155,181,953	....	56,155,181,953
Total interest-bearing debt	4.039	322,280,039,755	5,912,633	322,285,952,388
Matured debt on which interest has ceased	....	250,748,560	33,514,113	284,262,674
DEBT BEARING NO INTEREST				
International Monetary Fund	....	3,328,000,000	....	3,328,000,000
U.N. Special Fund	....	5,000,000	....	5,000,000
Other	....	317,458,412	264,321	317,722,733
Total gross public debt	....	326,181,246,728	39,691,067	326,220,937,795

Footnotes at end of table

TABLE 33.—*Summary of public debt and guaranteed debt by classification, June 30, 1967*—Continued

Classification	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
GUARANTEED DEBT OF U.S. GOVERNMENT AGENCIES				
Interest-bearing debt:	*Percent*			
Federal Housing Administration	3.739	$491,988,700		[4] $491,988,700
D.C. Armory Board bonds	4.200	19,800,000		19,800,000
Matured debt on which interest has ceased		407,375		407,375
Total guaranteed debt		512,196,075		512,196,075
SUMMARY				
Total gross public debt and guaranteed debt		326,693,442,803	$39,691,067	326,733,133,870
Deduct debt not subject to statutory limitation		262,012,656		262,012,656
Total debt subject to limitation		326,431,430,146	39,691,067	326,471,121,213

[1] On daily Treasury statement basis.
[2] Items in transit on June 30, 1967.
[3] Included in debt outstanding at face amount, but the annual interest rate is computed on the discount value.
[4] Components shown in table 35.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*

[On basis of Public Debt accounts, see "Bases of Tables"]

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]							
Public Issues							
Marketable:							
Treasury bills: Series maturing and approximate yield to maturity (%): [3] [e]							
Regular weekly:							
July 6, 1967—4.912	Jan. 5, 1967	July 6, 1967	Sold at a discount; payable at par on maturity.	$97.517 Cash	$858,600,000.00		
				Exchange	142,557,000.00	----------	$2,302,197,000.00
3.975	Apr. 6, 1967			98.995 Cash	1,024,265,000.00		
				Exchange	276,775,000.00		
July 13, 1967—4.889	Jan. 12, 1967	July 13, 1967		97.528 Cash	996,681,000.00		
				Exchange	3,524,000.00	----------	2,301,511,000.00
3.811	Apr. 13, 1967			99.037 Cash	1,292,204,000.00		
				Exchange	9,102,000.00		
July 20, 1967—4.687	Jan. 19, 1967	July 20, 1967		97.631 Cash	879,109,000.00		
				Exchange	121,797,000.00	----------	2,301,411,000.00
3.903	Apr. 20, 1967			99.013 Cash	955,757,000.00		
				Exchange	344,748,000.00		
July 27, 1967—4.663	Jan. 26, 1967	July 27, 1967		97.643 Cash	807,534,000.00		
				Exchange	192,398,000.00	----------	2,300,800,000.00
3.715	Apr. 27, 1967			99.061 Cash	1,047,830,000.00		
				Exchange	253,038,000.00		
Regular monthly:							
July 31, 1967—4.964	July 31, 1966	July 31, 1967		94.967 Cash	749,370,000.00		
				Exchange	245,474,000.00	----------	1,495,214,000.00
5.567	Oct. 31, 1966			95.778 Cash	410,306,000.00		
				Exchange	90,064,000.00		
Regular weekly:							
Aug. 3, 1967—4.460	Feb. 2, 1967	Aug. 3, 1967		97.745 Cash	780,282,000.00		
				Exchange	221,821,000.00	----------	2,303,052,000.00
3.770	May 4, 1967			99.047 Cash	981,721,000.00		
				Exchange	319,228,000.00		
Aug. 10, 1967—4.524	Feb. 9, 1967	Aug. 10, 1967		97.713 Cash	788,113,000.00		
				Exchange	212,003,000.00	----------	2,301,130,000.00
3.672	May 11, 1967			99.072 Cash	1,097,259,000.00		
				Exchange	203,755,000.00		
Aug. 17, 1967—4.581	Feb. 16, 1967	Aug. 17, 1967		97.684 Cash	918,834,000.00		
				Exchange	82,580,000.00	----------	2,301,979,000.00
3.628	May 18, 1967			99.083 Cash	1,057,377,000.00		
				Exchange	243,188,000.00		

Footnotes at end of table.

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TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bills: Series maturing and approximate yield to maturity (%) [3] [e]—Continued							
Regular weekly—Continued							
Aug. 24, 1967: 4.694	Feb. 23, 1967	Aug. 24, 1967		$97.627 Cash	$817,228,000.00		$2,300,088,000.00
				Exchange	182,891,000.00		
3.493	May 25, 1967			99.117 Cash	1,019,317,000.00		
				Exchange	280,652,000.00		
Aug. 31, 1967: 4.534	Mar. 2, 1967	Aug. 31, 1967		97.708 Cash	874,092,000.00		2,304,875,000.00
				Exchange	130,393,000.00		
3.478	June 1, 1967			99.121 Cash	959,164,000.00		
				Exchange	341,226,000.00		
Regular monthly:							
Aug. 31, 1967: 5.844	Aug. 31 1967	Aug. 31, 1967		94.075 Cash	770,814,000.00		1,500,768,000.00
				Exchange	229,237,000.00		
5.552	Nov. 30, 1966			95.774 Cash	430,637,000.00		
				Exchange	70,080,000.00		
Regular weekly:							
Sept. 7, 1967: 4.340	Mar. 9, 1967	Sept. 7, 1967		97.806 Cash	923,050,000.00		2,300,509,000.00
				Exchange	77,438,000.00		
3.385	June 8, 1967			99.144 Cash	998,814,000.00		
				Exchange	301,207,000.00		
Sept. 14, 1967: 4.264	Mar. 16, 1967	Sept. 14, 1967		97.844 Cash	874,515,000.00		2,301,559,000.00
				Exchange	127,042,000.00		
3.506	June 15, 1967			99.114 Cash	950,817,000.00		
				Exchange	349,185,000.00		
Sept. 21, 1967: 4.006	Mar. 23, 1967	Sept. 21, 1967		97.975 Cash	798,351,000.00		2,300,149,000.00
				Exchange	201,840,000.00		
3.572	June 22, 1967			99.097 Cash	967,426,000.00		
				Exchange	332,532,000.00		
Sept. 28, 1967: 4.073	Mar. 30, 1967	Sept. 28, 1967		97.941 Cash	498,703,000.00		2,300,608,000.00
				Exchange	201,699,000.00		
3.463	June 29, 1967			99.125 Cash	989,389,000.00		
				Exchange	310,817,000.00		
Regular monthly:							
Sept. 30, 1967: 5.806	Sept. 30, 1966	Sept. 30, 1967		94.113 Cash	732,008,000.00		1,400,163,000.00
				Exchange	168,105,000.00		
4.920	Dec. 31, 1966			96.310 Cash	499,962,000.00		
				Exchange	88,000.00		

Regular weekly:								
Oct. 5, 1967	3.997	Apr. 6, 1967	Oct. 5, 1967	Sold at a discount; payable at par on maturity.	97.979	Cash	818,018,000.00	1,000,743,000.00
						Exchange	182,725,000.00	
Oct. 13, 1967	3.856	Apr. 13, 1967	Oct. 13, 1967		98.040	Cash	875,761,000.00	1,000,657,000.00
						Exchange	124,896,000.00	
Oct. 19, 1967	3.950	Apr. 20, 1967	Oct. 19, 1967		98.003	Cash	797,714,000.00	1,000,713,000.00
						Exchange	202,999,000.00	
Oct. 26, 1967	3.772	Apr. 27, 1967	Oct. 26, 1967		98.093	Cash	778,819,000.00	1,000,257,000.00
						Exchange	221,438,000.00	
Regular monthly:								
Oct. 13, 1967	5.544	Oct. 31, 1966	Oct. 31, 1967		94.379	Cash	835,691,000.00	1,405,740,000.00
						Exchange	68,949,000.00	
	4.656	Jan. 31, 1967			96.469	Cash	363,835,000.00	
						Exchange	137,265,000.00	
Regular weekly:								
Nov. 2, 1967	3.906	May 4, 1967	Nov. 2, 1967		98.025	Cash	797,706,000.00	1,000,332,000.00
						Exchange	202,626,000.00	
Nov. 9, 1967	3.831	May 11, 1967	Nov. 9, 1967		98.063	Cash	897,676,000.00	1,000,103,000.00
						Exchange	102,427,000.00	
Nov. 16, 1967	3.803	May 18, 1967	Nov. 16, 1967		98.078	Cash	859,354,000.00	1,000,647,000.00
						Exchange	141,293,000.00	
Nov. 24, 1967	3.692	May 25, 1967	Nov. 24, 1967		98.123	Cash	847,890,000.00	1,000,329,000.00
						Exchange	152,439,000.00	
Nov. 30, 1967	3.733	June 1, 1967	Nov. 30, 1967		98.113	Cash	818,966,000.00	1,000,993,000.00
						Exchange	182,027,000.00	
Regular monthly:								
Nov. 30, 1967	5.519	Nov. 30, 1966	Nov. 30, 1967		94.404	Cash	738,897,000.00	1,400,449,000.00
						Exchange	161,596,000.00	
	4.718	Feb. 28, 1967			96.396	Cash	408,457,000.00	
						Exchange	91,499,000.00	
Regular weekly:								
Dec. 7, 1967	3.758	June 8, 1967	Dec. 7, 1967		98.100	Cash	778,040,000.00	1,000,625,000.00
						Exchange	222,585,000.00	
Dec. 14, 1967	3.795	June 15, 1967	Dec. 14, 1967		98.081	Cash	795,087,000.00	1,000,134,000.00
						Exchange	205,047,000.00	
Dec. 21, 1967	3.841	June 22, 1967	Dec. 21, 1967		98.058	Cash	763,309,000.00	1,000,050,000.00
						Exchange	236,741,000.00	
Dec. 28, 1967	3.950	June 29, 1967	Dec. 28, 1967		98.003	Cash	766,169,000.00	1,000,439,000.00
						Exchange	234,270,000.00	
Regular monthly:								
Dec. 31, 1967	4.820	Dec. 31, 1966	Dec. 31, 1967		95.113	Cash	702,030,000.00	1,401,121,000.00
						Exchange	199,000,000.00	
	4.077	Mar. 31, 1967			96.885	Cash	409,853,000.00	
						Exchange	90,238,000.00	
Jan. 31, 1968	4.577	Jan. 31, 1967	Jan. 31, 1968		95.360	Cash	779,006,000.00	1,401,412,000.00
						Exchange	121,961,000.00	
	3.843	Apr. 30, 1967			97.065	Cash	370,330,000.00	
						Exchange	130,115,000.00	

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
NTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bills: Series maturing and approximate yield to maturity (%)[3] [e]—Continued							
Regular monthly—Continued							
Feb. 29, 1968 — 4.696	Feb. 28, 1967	Feb. 29, 1968	Sold at a discount; payable at par on maturity.	$95.226 Cash	$749,983,000.00		
				Exchange	151,046,000.00		$1,401,069,000.00
3.945	May 31, 1967			96.998 Cash	388,184,000.00		
				Exchange	111,856,000.00		
Mar. 31, 1968 — 4.074	Mar. 31, 1967	Mar. 31, 1968		95.858 Cash	748,276,000.00		
				Exchange	151,771,000.00		1,400,376,000.00
4.723	June 30, 1967			96.392 Cash	400,023,000.00		
				Exchange	100,306,000.00		
Apr. 30, 1968 — 3.833	Apr. 30, 1967	Apr. 30, 1968		96.104 Cash	709,768,000.00		902,021,000.00
				Exchange	192,253,000.00		
May 31, 1968 — 3.934	May 31, 1967	May 31, 1968		96.001 Cash	679,426,000.00		900,146,000.00
				Exchange	220,720,000.00		
June 30, 1968 — 4.732	June 30, 1967	June 30, 1968		95.189 Cash	775,800,000.00		1,000,547,000.00
				Exchange	224,747,000.00		
Total Treasury bills					58,534,916,000.00		58,534,916,000.00
Certificates of indebtedness: [f]							
Regular:							
5¼% Series A-1967	Aug. 15, 1966	Aug. 15, 1967	Feb. 15-Aug. 15	Exchange at par	5,919,382,000.00	$309,027,000.00	5,610,355,000.00
Treasury notes: [f]							
3¾% Series A-1967 [g] (effective rate 3.8353%).	Sept. 15, 1962	Aug. 15, 1967	Feb. 15-Aug. 15	Exchange at 99	180,885,000.00		
				Exchange at 99.50	772,384,000.00		
				Exchange at 99.60	3,234,798,000.00		
				Exchange at 99.90	1,093,461,000.00		
Subtotal					5,281,528,000.00	3,187,427,000.00	2,094,101,000.00
4⅞% Series E-1967 (effective rate 4.9625%).	Feb. 15, 1966	Aug. 15, 1967	Feb. 15-Aug. 15	Exchange at 99.875	2,117,366,000.00	213,135,000.00	1,904,231,000.00
4⅞% Series F-1967 (effective rate 4.9800%).	May 15, 1966	Nov. 15, 1967	May 15-Nov. 15	Exchange at 99.85	8,135,065,000.00		8,135,065,000.00
5⅝% Series A-1968	Nov. 15, 1966	Feb. 15, 1968	Feb. 15-Aug. 15	Exchange at par	2,634,829,000.00		2,634,829,000.00
4¾% Series B-1968 (effective rate 4.8545%).	Feb. 15, 1967	May 15, 1968	May 15-Nov. 15	99.875	1,950,902,000.00		
				Exchange at 99.875	3,635,940,000.00		

Subtotal					5,586,842,000.00		5,586,842,000.00
4¼% Series C-1968 (effective rate 4.2832%).	May 15, 1967	Aug. 15, 1968	Feb. 15-Aug. 15	Exchange at 99.95	5,803,854,000.00		
				Exchange at 100.05	639,816,000.00		
Subtotal					6,443,670,000.00		6,443,670,000.00
5% Series A-1970 (effective rate 4.9412%).	Feb. 15, 1967	Nov. 15, 1970	May 15-Nov. 15	Exchange at par	2,839,566,000.00		
				Exchange at 100.25	1,230,048,000.00		
				Exchange at 100.30	657,054,500.00		
				Exchange at 100.45	2,624,588,000.00		
				Exchange at 100.90	324,230,500.00		
Subtotal					7,675,487,000.00		7,675,487,000.00
5¼% Series A-1971 (effective rate 5.2189%).	Aug. 15, 1966	May 15, 1971	May 15-Nov. 15	Exchange at par	2,577,696,500.00		
				Exchange at 100.10	517,352,000.00		
				Exchange at 100.35	583,842,000.00		
				Exchange at 100.55	586,140,500.00		
Subtotal					4,265,031,000.00		4,265,031,000.00
5⅜% Series B-1971	Nov. 15, 1966	Nov. 15, 1971	May 15-Nov. 15	Exchange at par	1,734,117,000.00		1,734,117,000.00
4¾% Series A-1972 (effective rate 4.8353%).	Feb. 15, 1967	Feb. 15, 1972	Feb. 15-Aug. 15	99.625	1,777,471,000.00		
				Exchange at 99.625	228,158,000.00		
Subtotal					2,005,629,000.00		2,005,629,000.00
4¾% Series B-1972 (effective rate 4.7494%).	May 15, 1967	May 15, 1972	May 15-Nov. 15	Exchange at par	3,506,507,000.00		
				Exchange at 100.10	445,560,000.00		
				Exchange at 99.70	309,027,000.00		
				Exchange at 100.15	835,259,000.00		
				Exchange at 99.80	213,135,000.00		
Subtotal					5,309,488,000.00		5,309,488,000.00
1½% Series EO-1967	Oct. 1, 1962	Oct. 1, 1967	Apr. 1-Oct. 1	Exchange at par	457,177,000.00		457,177,000.00
1½% Series EA-1968	Apr. 1, 1963	Apr. 1, 1968	do	do	212,127,000.00		212,127,000.00
1½% Series EO-1968	Oct. 1, 1963	Oct. 1, 1968	do	do	115,331,000.00		115,331,000.00
1½% Series EA-1969	Apr. 1, 1964	Apr. 1, 1969	do	do	60,545,000.00		60,545,000.00
1½% Series EO-1969	Oct. 1, 1964	Oct. 1, 1969	do	do	158,926,000.00		158,926,000.00
1½% Series EA-1970	Apr. 1, 1965	Apr. 1, 1970	do	do	87,529,000.00		87,529,000.00
1½% Series EO-1970	Oct. 1, 1965	Oct. 1, 1970	do	do	113,131,000.00		113,131,000.00
1½% Series EA-1971	Apr. 1, 1966	Apr. 1, 1971	do	do	35,435,000.00		35,435,000.00
1½% Series EO-1971	Oct. 1, 1966	Oct. 1, 1971	do	do	71,827,000.00		71,827,000.00
1½% Series EA-1972	Apr. 1, 1967	Apr. 1, 1972	do	do	15,798,000.00		15,798,000.00
Total Treasury notes					52,516,878,000.00	3,400,562,000.00	49,116,316,000.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds:[f]							
3⅝% of 1967 (effective rate 3.6083%):[g]	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		
Subtotal					3,603,544,500.00	$1,585,005,000.00	$2,018,539,500.00
2½% of 1963–68	Dec. 1, 1942	On and after Dec. 15, 1967; on Dec. 15, 1968.[4 5]	June and Dec. 15	Par	2,830,914,000.00	1,041,953,500.00	1,788,960,500.00
2½% of 1964–69	Apr. 15, 1943	On and after Dec. 15, 1967; on June 15, 1969.[4 5]	do	do	3,761,904,000.00	1,217,708,000.00	2,544,196,000.00
2½% of 1964–69	Sept. 15, 1943	On and after Dec. 15, 1967; on Dec. 15, 1969.[4 5]	do	do	3,778,754,000.00		
				Exchange at par	59,444,000.00		
Subtotal					3,838,198,000.00	1,346,269,000.00	2,491,929,000.00
2½% of 1967–72	June 1, 1945	On and after Dec. 15, 1967; on June 15, 1972.[4 5]	June and Dec. 15	Par	7,967,261,000.00	6,706,817,500.00	1,260,443,500.00
2½% of 1967–72	Nov. 15, 1945	On and after Dec. 15, 1967; on Dec. 15, 1972.[4]	do	do	11,688,868,500.00	9,051,560,500.00	2,637,308,000.00
2½% of 1965–70	Feb. 1, 1944	On and after Mar. 15, 1968; on Mar. 15, 1970.[4 5]	Mar. and Sept. 15.	do	5,120,861,500.00		
				Exchange at par	76,533,000.00		
Subtotal					5,197,394,500.00	2,909,575,500.00	2,287,819,000.00
2½% of 1966–71	Dec. 1, 1944	On and after Mar. 15, 1968; on Mar. 15, 1971.[4 5]	Mar. and Sept. 15	Par	3,447,511,500.00		
				Exchange at par	33,353,500.00		

Subtotal					3,480,865,000.00	2,254,570,000.00	1,226,295,000.00
2½% of 1967–72	Oct. 20, 1941	On and after Mar. 15, 1968; on Sept. 15, 1972.[4]	Mar. and Sept. 15	Par	2,527,073,950.00		
				Exchange at par	188,971,200.00		
Subtotal					2,716,045,150.00	764,452,400.00	1,951,592,750.00
3⅞% of 1968 (effective rate 3.9187%).[8]	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	[6] 320,407,000.00		
				Exchange at 99.375.	749,121,000.00		
Subtotal					2,459,935,500.00	2,500.00	2,459,933,000.00
3¾% of 1968	Apr. 18, 1962	On Aug. 15, 1968	Feb. and Aug. 15	Par	1,257,539,500.00		
				Exchange at par	2,489,819,000.00		
Subtotal					3,747,358,500.00		3,747,358,500.00
3⅞% of 1968 (effective rate 4.0704%).[8]	Sept. 15, 1963	On Nov. 15, 1968	May and Nov. 15	Exchange at 99.35	619,595,000.00		
				Exchange at 98.40	194,370,000.00		
				Exchange at 99.05	777,469,000.00		
Subtotal					1,591,434,000.00		1,591,434,000.00
4% of 1969 (effective rate 4.0858%).	Aug. 15, 1962	On Feb. 15, 1969	Feb. and Aug. 15	Par	1,843,615,500.00		
				Exchange at 99.45	1,884,375,000.00		
Subtotal					3,727,990,500.00		3,727,990,500.00
4% of 1969 (effective rate 4.0407%).[8]	Oct. 1, 1957	On Oct. 1, 1969[4]	Apr. and Oct. 1	Par	656,933,000.00		
				Exchange at par	619,461,000.00		
				Exchange at 100.50.	[7] 147,697,000.00		
				Exchange at 99.75	1,408,618,500.00		
				Exchange at 99.70	634,731,000.00		
				Exchange at 99.55	447,882,000.00		
				Exchange at 99.50	399,388,000.00		
				Exchange at 99.35	178,729,000.00		
				Exchange at 99.20	249,658,000.00		
				Exchange at 99.90	941,992,000.00		
				Exchange at 100.30.	578,928,000.00		
Subtotal					6,264,017,500.00	11,490,000.00	6,252,527,500.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds [f]—Continued							
4% of 1970 (effective rate 4.0740%).[g]	Jan. 15, 1965	On Feb. 15, 1970	Feb. and Aug. 15	Exchange at 99.10	$175,672,000.00		
				Exchange at 99.30	378,810,000.00		
				Exchange at 99.40	673,631,000.00		
				Exchange at 99.50	299,549,000.00		
				Exchange at 99.55	639,501,000.00		
				Exchange at 99.60	587,544,000.00		
				Exchange at 99.95	902,827,000.00		
				Exchange at 100.30	723,886,000.00		
Subtotal					4,381,420,000.00		$4,381,420,000.00
4% of 1970 (effective rate 4.0773%).[g]	June 23, 1963	On Aug. 15, 1970	Feb. and Aug. 15	Par	1,905,811,000.00		
				Exchange at 99.05	972,382,000.00		
				Exchange at 98.35	164,679,000.00		
				Exchange at 98.15	211,391,000.00		
				Exchange at 98.20	221,389,000.00		
				Exchange at 100.25	653,588,000.00		
Subtotal					4,129,240,000.00	$1,000.00	4,129,239,000.00
4% of 1971 (effective rate 3.8499%).[g]	Mar. 1, 1962	On Aug. 15, 1971	Feb. and Aug. 15	Exchange at par	1,154,257,500.00		
				Exchange at 102	1,651,369,000.00		
Subtotal					2,805,626,500.00		2,805,626,500.00
3⅞% of 1971 (effective rate 3.9713%).[g]	May 15, 1962	On Nov. 15, 1971	May and Nov. 15	Exchange at 99.50	[8] 1,245,537,000.00		
				Exchange at 98.90	693,473,000.00		
				Exchange at 99.10	93,607,000.00		
				Exchange at 99.30	727,803,000.00		
Subtotal					2,760,420,000.00	2,500.00	2,760,417,500.00
4% of 1972	Nov. 15, 1962	On Feb. 15, 1972	Feb. and Aug. 15	Exchange at par	2,343,511,000.00		2,343,511,000.00

4% of 1972 (effective rate 4.0840%).[g]	Sept. 15, 1962	On Aug. 15, 1972	do	Exchange at 98.80	378,792,000.00		
				Exchange at 99.30	370,327,000.00		
				Exchange at 99.40	1,570,407,000.00		
				Exchange at 99.70	259,021,000.00		
Subtotal					2,578,547,000.00		2,578,547,000.00
4% of 1973 (effective rate 4.1491%).[g]	Sept. 15, 1963	On Aug. 15, 1973	Feb. and Aug. 15	Exchange at 98.85	1,120,883,000.00		
				Exchange at 97.90	213,528,000.00		
				Exchange at 98.55	782,366,000.00		
				Exchange at 98.20	340,079,000.00		
				Exchange at 99.60	720,541,000.00		
				Exchange at 99.30	716,437,000.00		
Subtotal					3,893,834,000.00		3,893,834,000.00
4⅛% of 1973 (effective rate 4.2241%).[g]	July 22, 1964	On Nov. 15, 1973.[4]	May and Nov. 15	Exchange at 98.75	232,162,000.00		
				Exchange at 98.90	334,055,000.00		
				Exchange at 99.05	769,304,000.00		
				Exchange at 99.10	574,915,000.00		
				Exchange at 99.25	343,825,000.00		
				Exchange at 99.30	296,850,500.00		
				Exchange at 99.45	1,302,758,000.00		
				Exchange at 99.85	503,341,000.00		
Subtotal					4,357,210,500.00	2,847,000.00	4,354,363,500.00
4⅛% of 1974 (effective rate 4.1721%).[g]	Jan. 15, 1965	On Feb. 15, 1974[4]	Feb. and Aug. 15	Exchange at 99.05	140,326,000.00		
				Exchange at 99.25	399,959,000.00		
				Exchange at 99.35	493,462,000.00		
				Exchange at 99.45	146,917,000.00		
				Exchange at 99.50	415,742,000.00		
				Exchange at 99.55	333,760,000.00		
				Exchange at 99.90	461,289,000.00		
				Exchange at 100.25.	738,918,500.00		
Subtotal					3,130,373,500.00	617,000.00	3,129,756,500.00
4¼% of 1974 (effective rate 4.2306%).	May 15, 1964	On May 15, 1974[4]	May and Nov. 15	Exchange at par	1,531,898,500.00		
				Exchange at 100.25.	2,061,685,000.00		
Subtotal					3,593,583,500.00	3,268,000.00	3,590,315,500.00
3⅞% of 1974 (effective rate 3.9517%).[g]	Dec. 2, 1957	On Nov. 15, 1974.[4]	May and Nov. 15	Par	653,811,500.00		
				Exchange at 98.50	136,239,000.00		
				Exchange at 99	517,421,500.00		
				Exchange at 98.30	313,758,000.00		
				Exchange at 99.10	373,227,000.00		
				Exchange at par	250,315,000.00		
Subtotal					2,244,772,000.00	2,786,500.00	2,241,985,500.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds [f]—Continued							
4¼% of 1975-85 (effective rate 4.2631%).	Apr. 5, 1960	On and after May 15, 1975; on May 15, 1985.[4]	May and Nov. 15	Par	$469,533,000.00		
				Exchange at 101.15	52,853,500.00		
				Exchange at 99.95	397,057,000.00		
				Exchange at 99.25	105,792,000.00		
				Exchange at 99.10	75,642,000.00		
				Exchange at 99.05	116,733,000.00		
Subtotal					1,217,610,500.00	$849,000.00	$1,216,761,500.00
3¼% of 1978-83	May 1, 1953	On and after June 15, 1978; on June 15, 1983.[4]	June and Dec. 15	Par	1,188,769,175.00		
				Exchange at par	417,314,825.00		
Subtotal					1,606,084,000.00	32,529,500.00	1,573,554,500.00
4% of 1980 (effective rate 4.0454%).[g]	Jan. 23, 1959	On Feb. 15, 1980[4]	Feb. and Aug. 15	99	884,115,500.00		
				99.50	[9] 102,000.00		
				Exchange at 99	195,465,000.00		
				Exchange at 99.10	17,346,000.00		
				Exchange at 99.30	2,113,000.00		
				Exchange at 99.50	[9] 107,341,500.00		
				Exchange at 99.60	212,994,500.00		
				Exchange at 98.80	420,040,000.00		
				Exchange at 100.25	562,595,500.00		
				Exchange at 100.50	209,580,500.00		
Subtotal					2,611,693,500.00	7,924,500.00	2,603,769,000.00
3½% of 1980 (effective rate 3.3816%).[g]	Oct. 3, 1960	On Nov. 15, 1980[4]	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		
Subtotal					1,915,943,000.00	6,213,000.00	1,909,730,000.00
3¼% of 1985 (effective rate 3.2222%).	June 3, 1958	On May 15, 1985[4]	May and Nov. 15	100.50	1,134,867,500.00	13,726,000.00	1,121,141,500.00

4¼% of 1987-92 (effective rate 4.2340%).[g]	Aug. 15, 1962	On and after Aug. 15, 1987; on Aug. 15, 1992.[4]	Feb. and Aug. 15	101	359,711,500.00		
				Exchange at 99.60	118,050,000.00		
				Exchange at 99.75	150,959,000.00		
				Exchange at 99.90	188,007,000.00		
				Exchange at 99.95	486,642,000.00		
				Exchange at 100.10.	195,976,000.00		
				Exchange at 100.15.	685,356,500.00		
				Exchange at 100.25.	641,227,500.00		
				Exchange at 100.30.	147,686,000.00		
				Exchange at 100.35.	116,072,500.00		
				Exchange at 100.40.	281,957,000.00		
				Exchange at 100.45.	143,932,000.00		
				Exchange at 100.80.	139,738,000.00		
				Exchange at 101	5,410,000.00		
				Exchange at 101.15.	122,199,500.00		
				Exchange at 100.70.	34,928,000.00		
Subtotal					3,817,852,500.00	649,000.00	3,817,203,500.00
4% of 1988-93 (effective rate 4.0082%).	Jan. 17, 1963	On and after Feb. 15, 1988; on Feb. 15, 1993.[4]	Feb. and Aug. 15	99.85	250,000,000.00	454,500.00	249,545,500.00
4⅛% of 1989-94 (effective rate 4.1905%).[g]	Apr. 18, 1963	On and after May 15, 1989; on May 15, 1994.[4]	May and Nov. 15	100.55	300,000,000.00		
				Exchange at 97.70	125,623,000.00		
				Exchange at 98	104,739,000.00		
				Exchange at 98.35	317,182,000.00		
				Exchange at 98.65	489,896,000.00		
				Exchange at 99.10	131,877,000.00		
				Exchange at 99.40	91,149,000.00		
Subtotal					1,560,466,000.00	783,000.00	1,559,683,000.00
3½% of 1990 (effective rate 3.4907%).[g]	Feb. 14, 1958	On Feb. 15, 1990[4]	Feb. and Aug. 15	Exchange at par	2,719,730,000.00		
				Exchange at 99	721,728,000.00		
				Exchange at 100.25	575,798,500.00		
				Exchange at 101.25	233,236,000.00		
				Exchange at 101.50	344,644,000.00		
				Exchange at 101.75	322,275,000.00		
Subtotal					4,917,411,500.00	27,299,000.00	4,890,112,500.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Marketable—Continued							
Treasury bonds [f]—Continued							
3% of 1995	Feb. 15, 1955	On Feb. 15, 1995 [4]	Feb. and Aug. 15	Par	$821,474,500.00		
				Exchange at par	1,923,642,500.00		
Subtotal					2,745,117,000.00	$848,787,000.00	$1,896,330,000.00
3½% of 1998 (effective rate 3.5155%).[g]	Oct. 3, 1960	On Nov. 15, 1998 [4]	May and Nov. 15	Exchange at par	2,523,039,000.00		
				Exchange at 98	494,804,500.00		
				Exchange at 99	692,076,500.00		
				Exchange at 100.25	419,513,000.00		
				Exchange at 100.50	333,406,000.00		
Subtotal					4,462,839,000.00	81,141,500.00	4,381,697,500.00
Total Treasury bonds					125,334,153,150.00	27,919,281,900.00	97,414,871,250.00
Total marketable issues					242,305,329,150.00	31,628,870,900.00	210,676,458,250.00
Nonmarketable: [f]							
Certificates of indebtedness:							
3.50% foreign series	June 28, 1967	On 2 days' notice; on Sept. 27, 1967.	Sept. 27, 1967	Par	100,000,000.00		100,000,000.00
3.50% foreign series	June 30, 1967	On 2 days' notice; on Sept. 29, 1967.	Sept. 29, 1967	do	125,000,000.00		125,000,000.00
3.85% foreign series	June 22, 1967	On 2 days' notice; on Dec. 22, 1967.	Dec. 22, 1967	do	50,000,000.00		50,000,000.00
Total certificates, foreign series.					275,000,000.00		275,000,000.00
4.00% foreign currency series	Apr. 26, 1967	On 2 days' notice; on July 26, 1967.	July 26, 1967	431.6500 Swiss francs.	129,734,738.79		129,734,738.79
3.875% foreign currency series	May 10, 1967	do	do	431.5300 Swiss francs.	23,173,359.91		23,173,359.91
5.20% foreign currency series	Aug. 1, 1966	On 2 days' notice; on Aug. 1, 1967.	Feb. and Aug. 1	399.0800 Deutsche marks.	50,115,265.11		50,115,265.11
5.60% foreign currency series	Aug. 23, 1966	On 2 days' notice; on Aug. 23, 1967.	Feb. and Aug. 23	2,580.6000 Austrian schillings.	25,187,940.79		25,187,940.79

5.75% foreign currency series	Sept. 1, 1966	On 2 days' notice; on Sept. 1, 1967.	Mar. and Sept. 1	398.8600 Deutsche marks.	50,142,907.29		50,142,907.29
5.60% foreign currency series	Oct. 3, 1966	On 2 days' notice; on Oct. 3, 1967.	Apr. and Oct. 3	398.8800 Deutsche marks.	50,140,393.10		50,140,393.10
5.54% foreign currency series	Oct. 7, 1966	On 2 days' notice; on Oct. 6, 1967.	Apr. and Oct. 6	433.6200 Swiss francs.	51,888,750.52		51,888,750.52
5.48% foreign currency series	Nov. 1, 1966	On 2 days' notice; on Nov. 1, 1967.	May and Nov. 1	397.8400 Deutsche marks.	50,271,465.92		50,271,465.92
Total certificates, foreign currency series.					430,654,821.43		430,654,821.43
Treasury notes:							
4.26% foreign series	Oct. 12, 1965	On Jan. 12, 1968 [10]	Jan. and July 12	Par	25,000,000.00		25,000,000.00
4.30% foreign series	Nov. 12, 1965	On May 13, 1968. [11]	May and Nov. 13	do	75,000,000.00	19,989,112.73	55,010,887.27
4.86% foreign series	Mar. 31, 1966	On Dec. 31, 1968. [11]	June 30 and Dec. 31	do	40,000,000.00		40,000,000.00
4.66% foreign series	Dec. 23, 1965	On June 23, 1970. [11]	June and Dec. 23	do	85,000,000.00		85,000,000.00
Total notes, foreign series					225,000,000.00	19,989,112.73	205,010,887.27
5.58% foreign currency series	Nov. 16, 1966	On Nov. 17, 1967	May and Nov. 17.	431.7500 Swiss francs.	27,793,862.19		27,793,862.19
5.39% foreign currency series	Dec. 9, 1966	On Dec. 11, 1967	June and Dec. 11	432.3700 Swiss francs.	23,128,339.15		23,128,339.15
5.42% foreign currency series	do	On Jan. 9, 1968	Jan. and July 9	432.3700 Swiss francs.	30,066,840.90		30,066,840.90
4.93% foreign currency series	Jan. 3, 1967	On Apr. 3, 1968 [11]	Apr. and Oct. 3	432.8000 Swiss francs.	22,412,199.63		22,412,199.63
4.65% foreign currency series	Jan. 27, 1967	On May 27, 1968	May and Dec. 27	433.1000 Swiss francs.	30,016,162.55		30,016,162.55
5.47% foreign currency series	Dec. 12, 1966	On June 12, 1968. [11]	June and Dec. 12	2,586.4000 Austrian schillings.	25,131,456.85		25,131,456.85
4.57% foreign currency series	Jan. 30, 1967	On July 30, 1968. [11]	Jan. and July 30	62,525.0000 Italian lire.	124,750,099.96		124,750,099.96
4.83% foreign currency series	June 30, 1967	On Sept. 30, 1968. [11]	Mar. and Sept. 30	431.6400 Swiss francs.	25,484,199.80		25,484,199.80
4.87% foreign currency series	Jan. 3, 1967	On Nov. 1, 1968. [11]	May and Nov. 1	397.7300 Deutsche marks.	50,285,369.47		50,285,369.47
5.44% foreign currency series	Dec. 1, 1966	On Dec. 2, 1968. [11]	June and Dec. 2	397.3200 Deutsche marks.	50,337,259.64		50,337,259.64
4.27% foreign currency series	May 2, 1967	On Jan. 2, 1969 [11]	Jan. and June 2	397.3600 Deutsche marks.	50,332,192.47		50,332,192.47
Total notes, foreign currency series.					459,737,982.61		459,737,982.61
Treasury bonds:							
4.25% foreign series	Sept. 16, 1964	On Nov. 1, 1967 [12]	May and Nov. 1	Par	30,000,000.00		30,000,000.00
4.25% foreign series	do	On Nov. 1, 1968 [12]	do	do	30,000,000.00		30,000,000.00
4.25% foreign series	do	On Nov. 1, 1969 [12]	do	do	30,000,000.00		30,000,000.00
4.25% foreign series	do	On Nov. 1, 1970 [12]	do	do	30,000,000.00		30,000,000.00
4.25% foreign series	do	On Nov. 1, 1971 [12]	do	do	23,929,534.25		23,929,534.25
Total bonds, foreign series					143,929,534.25		143,929,534.25

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Nonmarketable [f]—Continued							
Treasury bonds—Continued							
U.S. retirement plan bonds (compounded semi-annually): [13]	First day of each month.						
3.75%	Jan. 1963 to May 1966.	Not redeemable until owner attains age 59½, except in case of death or disability.	Indeterminate	Par	$16,890,123.80	$974,361.99	$15,915,761.81
4.15%	June 1, 1966	do	do	do	5,250,806.48	39,759.47	5,211,047.01
Unclassified					59,950.00	−3,782.59	63,732.59
Total U.S. retirement plan bonds.					22,200,880.28	1,010,338.87	21,190,541.41
Depositary bonds:							
2% First Series	Various dates from July 1955.	At option of U.S. or owner upon 30 to 60 days notice; 12 years from issue date.	June and Dec. 1	do	383,047,000.00	337,621,500.00	45,425,500.00
Treasury bonds:							
2% REA Series	Various dates from July 1, 1960.	do	Jan. and July 1	do	49,291,000.00	23,361,000.00	25,930,000.00
Treasury bonds, investment series:							
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.[4] [14]	Apr. and Oct. 1	do	451,397,500.00		
				Exchange at par	14,879,956,500.00		
Subtotal					15,331,354,000.00		
Total Treasury bonds, investment series.					15,331,354,000.00	[15] 12,750,523,000.00	2,580,831,000.00

Treasury certificates:							
4.150% certificates	Apr. 1, 1967	On demand; on July 1, 1967.	July 1, 1967	Par	6, 508, 728. 35	3, 731, 656. 10	2, 777, 072. 25
4.150% certificates	Apr. 3, 1967	On demand; on July 3, 1967.	July 3, 1967	do	1, 419, 000. 00		1, 419, 000. 00
3.715% certificates	Apr. 30, 1967	On demand; on July 31, 1967.	July 31, 1967	do	1, 088, 874. 47		1, 088, 874. 47
3.10% certificates	June 30, 1967	On demand; on July 31, 1967.	do	do	32, 697, 495. 65		32, 697, 495. 65
3.462% certificates	June 30, 1967	On demand; on Sept. 30, 1967.	Sept. 30, 1967	do	8, 148, 540. 12		8, 148, 540. 12
1% certificates	June 15, 1967	On demand; on Dec. 15, 1967.	Dec. 15, 1967	do	2, 364, 554. 45		2, 364, 554. 45
Total Treasury certificates					52, 227, 193. 04	3, 731, 656. 10	48, 495, 536. 94
U.S. savings notes, series and yield to maturity:	First day of each month.						
S-1967, 4.74%	May to June 1967	After 1 year	After 4½ years	$81	1, 537, 764. 75	141. 75	1, 537, 623. 00
Unclassified					334, 773. 00		334, 773. 00
Total U.S. savings notes					1, 872, 537. 75	141. 75	1, 872, 396. 00
U.S. savings bonds, series and approximate yield to maturity (%): [16]	First day of each month.	On demand at option of owner; 10 years from issue date but may be held for additional period.[17]	Sold at a discount: payable at par on maturity.				
E-1941, 3.297% [18]	May to Dec. 1941	do	do	$75	1, 864, 747, 379. 83	1, 628, 328, 272. 85	236, 419, 106. 98
E-1942, 3.340% [18]	Jan. to Dec. 1942	do	do	$75	8, 229, 816, 590. 00	7, 209, 615, 409. 59	1, 020, 201, 180. 41
E-1943, 3.377% [18]	Jan. to Dec. 1943	do	do	$75	13, 245, 194, 423. 40	11, 634, 837, 997. 02	1, 610, 356, 426. 38
E-1944, 3.409% [18]	Jan. to Dec. 1944	do	do	$75	15, 446, 012, 352. 93	13, 464, 967, 217. 93	1, 981, 045, 135. 00
E-1945, 3.438% [18]	Jan. to Dec. 1945	do	do	$75	12, 128, 835, 430. 64	10, 380, 056, 793. 08	1, 748, 778, 637. 56
E-1946, 3.468% [18]	Jan. to Dec. 1946	do	do	$75	5, 481, 641, 990. 25	4, 499, 607, 670. 43	982, 034, 319. 82
E-1947, 3.497% [18]	Jan. to Dec. 1947	do	do	$75	5, 185, 899, 671. 52	4, 084, 701, 213. 92	1, 101, 198, 457. 60
E-1948, 3.528% [18]	Jan. to Dec. 1948	do	do	$75	5, 350, 385, 759. 87	4, 117, 513, 128. 86	1, 232, 872, 631. 01
E-1949, 3.464% [18]	Jan. to Dec. 1949	do	do	$75	5, 275, 504, 185. 92	3, 986, 426, 632. 44	1, 289, 077, 553. 48
E-1950, 3.433% [18]	Jan. to Dec. 1950	do	do	$75	4, 610, 945, 102. 00	3, 426, 650, 134. 23	1, 184, 294, 967. 77
E-1951, 3.485% [18]	Jan. to Dec. 1951	do	do	$75	3, 991, 741, 280. 90	2, 966, 691, 970. 77	1, 025, 049, 310. 13
E-1952, 3.520% (Jan. to Apr.).	Jan. to Apr. 1952	do	do	$75	1, 370, 626, 033. 48	1, 016, 077, 056. 61	354, 548, 976. 87

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Nonmarketable [f]—Continued							
U.S. savings bonds, series and approximate yield to maturity (%): [10]—Con.							
E-1952, 3.575% [18] (May to Dec.)	May to Dec. 1952	On demand at option of owner; 9 years, 8 months from issue date but may be held for additional period.[17]	Sold at a discount; payable at par on maturity.	$75	$2,808,439,302.76	$2,060,744,497.96	$747,694,804.80
E-1953, 3.608% [18]	Jan. to Dec. 1953	do	do	$75	4,770,901,240.53	3,410,230,256.32	1,360,670,984.21
E-1954, 3.657% [18]	Jan. to Dec. 1954	do	do	$75	4,858,249,219.54	3,386,072,931.72	1,472,176,287.82
E-1955, 3.702% [18]	Jan. to Dec. 1955	do	do	$75	5,058,523,779.78	3,445,185,447.74	1,613,338,332.04
E-1956, 3.746% [18]	Jan. to Dec. 1956	do	do	$75	4,875,339,964.64	3,258,881,160.23	1,616,458,804.41
E-1957, 3.780% (Jan.)	Jan. 1967	do	do	$75	405,117,131.32	260,278,632.90	144,838,498.42
E-1957, 3.915% [18] (Feb. to Dec.).	Feb. to Dec. 1957	On demand at option of owner; 8 years, 11 months from issue date but may be held for additional period.[17]	do	$75	4,174,592,367.69	2,690,345,506.53	1,484,246,861.16
E-1958, 3.959% [18]	Jan. to Dec. 1958	do	do	$75	4,450,694,373.62	2,709,253,234.20	1,741,441,139.42
E-1959, 3.990% (Jan. to May)	Jan. to Dec. 1959	do	do	$75	1,778,837,084.05	1,066,292,404.70	712,544,679.35
E-1959, 3.815% [18] (June to Dec.).	June to Dec. 1959.	On demand at option of owner; 7 years, 9 months from issue date but may be held for additional period.[17]	do	$75	2,382,748,357.57	1,419,086,280.02	963,662,077.55
E-1960, 3.859% [18]	Jan. to Dec. 1960	do	do	$75	4,155,368,469.53	2,367,733,878.73	1,787,634,590.09
E-1961, 3.904% [18]	Jan. to Dec. 1961	do	do	$75	4,185,371,997.11	2,253,843,950.42	1,931,528,046.68
E-1962, 3.955% [18]	Jan. to Dec. 1962	do	do	$75	4,031,009,036.11	2,107,240,403.14	1,923,768,632.97
E-1963, 4.008% [18]	Jan. to Dec. 1963	do	do	$75	4,479,119,649.84	2,148,344,794.25	2,330,774,855.59

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E-1964, 4.059% [18]	Jan. to Dec. 1964	do	do	$75	4,372,122,837.25	2,045,001,107.53	2,327,121,729.72
E-1965, 4.106% [18] (Jan. to Nov.).	Jan. to Nov. 1965	do	do	$75	3,877,715,682.35	1,729,500,216.74	2,148,215,465.61
E-1965, 4.150% (Dec.)	Dec. 1965	On demand at option of owner; 7 years from issue date but may be held for additional period.[17]	do	$75	399,548,541.44	164,044,300.44	235,504,241.00
E-1966, 4.150%	Jan. to Dec. 1966	do	do	$75	4,586,281,459.72	1,611,700,516.36	2,974,580,943.36
E-1967, 4.150%	Jan. to June 1967	do	do	$75	1,938,864,093.75	299,856,262.50	1,639,007,831.25
Unclassified sales and redemptions.					31,215,158.31	1,095,797.98	30,119,360.33
Total Series E					149,801,409,947.65	106,850,205,078.14	42,951,204,869.51
H-1952, 3.485% [18]	June to Dec. 1952	On demand at option of owner; 9 years, 8 months from issue date.[19]	Semiannually	Par	191,480,500.00	127,843,000.00	63,637,500.00
H-1953, 3.519% [18]	Jan. to Dec. 1953	do	do	do	470,500,500.00	293,813,000.00	176,687,500.00
H-1954, 3.566% [18]	Jan. to Dec. 1954	do	do	do	877,679,500.00	535,963,500.00	341,716,000.00
H-1955, 3.610% [18]	Jan. to Dec. 1955	do	do	do	1,173,084,000.00	694,689,000.00	478,395,000.00
H-1956, 3.659% [18]	Jan. to Dec. 1956	do	do	do	893,176,000.00	471,273,000.00	421,903,000.00
H-1957, 3.700% (Jan.)	Jan. 1957	do	do	do	64,506,000.00	29,421,500.00	35,084,500.00
H-1957, 3.671% [18] (Feb. to Dec.).	Feb. to Dec. 1957	On demand at option of owner; 10 years from issue date.[19]	do	do	567,682,000.00	232,219,500.00	335,462,500.00
H-1958, 3.762% [18]	Jan. to Dec. 1958	do	do	do	890,252,500.00	337,109,500.00	553,143,000.00
H-1959, 3.830% (Jan. to May)	Jan. to May 1959	do	do	do	356,319,500.00	115,653,000.00	240,666,500.00
H-1959, 3.874% [18] (June to Dec.).	June to Dec. 1959	do	do	do	362,413,000.00	110,722,500.00	251,690,500.00
H-1960, 3.901% [18]	Jan. to Dec. 1960	do	do	do	1,006,767,500.00	253,826,000.00	752,941,500.00
H-1961, 3.943% [18]	Jan. to Dec. 1961	do	do	do	1,041,579,000.00	230,037,000.00	811,542,000.00
H-1962, 3.982% [18]	Jan. to Dec. 1962	do	do	do	856,759,000.00	153,978,000.00	702,781,000.00
H-1963, 4.023% [18]	Jan. to Dec. 1963	do	do	do	772,968,000.00	114,003,500.00	658,964,500.00
H-1964, 4.072% [18]	Jan. to Dec. 1964	do	do	do	671,553,000.00	71,417,500.00	600,135,500.00
H-1965, 4.110% [18] (Jan. to Nov.).	Jan. to Nov. 1965	do	do	do	540,202,500.00	41,026,000.00	499,176,500.00
H-1965, 4.150% (Dec.)	Dec. 1965	do	do	do	45,681,000.00	2,666,500.00	43,014,500.00
H-1966, 4.150%	Jan. to Dec. 1966	do	do	do	635,221,000.00	20,207,500.00	615,013,500.00
H-1967, 4.150%	Jan. to June 1967	do	do	do	269,947,500.00	479,500.00	269,468,000.00
Unclassified sales and redemptions.					11,895,000.00	1,151,000.00	10,744,500.00
Total Series H					11,699,667,500.00	3,837,500,000.00	7,862,167,500.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Public Issues—Continued							
Nonmarketable[f]—Continued							
U.S. savings bonds, series and approximate yield to maturity (%): [16]—Con.							
J-1955, 2.76%	Jan. to Dec. 1955	On demand at option of owner; 12 years from issue date.	Sold at discount: payable at par on maturity.	$72	$285,222,211.74	$228,180,648.94	$57,041,562.80
J-1956, 2.76%	Jan. to Dec. 1956	do	do	$72	182,398,439.81	102,475,771.01	79,922,668.80
J-1957, 2.76%	Jan. to Apr. 1957	do	do	$72	38,540,883.85	20,719,350.25	17,821,533.60
Unclassified redemptions						483,782.20	−483,782.20
Total Series J					506,161,535.40	351,859,552.40	154,301,983.00
K-1955, 2.76%	Jan. to Dec. 1955	On demand at option of owner; 12 years from issue date.	Semiannually	Par	633,925,500.00	547,830,000.00	86,095,500.00
K-1956, 2.76%	Jan. to Dec. 1956	do	do	do	318,825,500.00	188,443,000.00	130,382,500.00
K-1957, 2.76%	Jan. to Apr. 1957	do	do	do	53,978,500.00	27,400,500.00	26,578,000.00
Unclassified redemptions						409,000.00	−409,000.00
Total Series K					1,006,729,500.00	764,082,500.00	242,647,000.00
Total U.S. savings bonds					163,013,968,483.05	111,803,647,130.54	51,210,321,352.51
Total nonmarketable issues					180,388,283,432.41	124,939,883,879.99	55,448,399,552.42
Total public issues					422,693,612,582.41	156,568,754,779.99	266,124,857,802.42
Special Issues[h]							
Civil service retirement fund:		Redeemable after 1 year from issue date and payable on June 30:					
Notes:							
4⅞% Series 1968	June 30, 1966	1968	June 30	Par	40,692,000.00		40,692,000.00
4⅞% Series 1969	do	1969	do	do	40,692,000.00		40,692,000.00

4⅞% Series 1970	do	1970	do	do	40,692,000.00		40,692,000.00
4⅞% Series 1971	do	1971	do	do	1,785,656,000.00		1,785,656,000.00
4¾% Series 1974	June 30, 1967	1974	do	do	1,758,171,000.00		1,758,171,000.00
4⅛% Series 1968	Various dates from June 30, 1964.	1968	do	do	142,474,000.00		142,474,000.00
4⅛% Series 1969	do	1969	do	do	142,474,000.00		142,474,000.00
4⅛% Series 1970	do	1970	do	do	69,699,000.00		69,699,000.00
3⅞% Series 1968	June 30, 1963	1968	do	do	80,227,000.00		80,227,000.00
Bonds:		On demand; on June 30:					
4⅛% Series 1970	Various dates from June 30, 1964.	1970	do	do	72,775,000.00		72,775,000.00
4⅛% Series 1971	do	1971	do	do	142,474,000.00		142,474,000.00
4⅛% Series 1972	do	1972	do	do	375,160,000.00		375,160,000.00
4⅛% Series 1973	do	1973	do	do	552,988,000.00		552,988,000.00
4⅛% Series 1974	do	1974	do	do	212,387,000.00		212,387,000.00
4⅛% Series 1975	do	1975	do	do	167,167,000.00		167,167,000.00
4⅛% Series 1976	do	1976	do	do	142,474,000.00		142,474,000.00
4⅛% Series 1977	do	1977	do	do	142,474,000.00		142,474,000.00
4⅛% Series 1978	do	1978	do	do	142,474,000.00		142,474,000.00
4⅛% Series 1979	do	1979	do	do	969,117,000.00		969,117,000.00
4⅛% Series 1980	do	1980	do	do	969,117,000.00		969,117,000.00
3⅞% Series 1969	June 30, 1963	1969	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1970	do	1970	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1971	do	1971	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1972	do	1972	do	do	532,981,000.00		532,981,000.00
3⅞% Series 1973	do	1973	do	do	103,448,000.00		103,448,000.00
3⅞% Series 1974	do	1974	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1975	do	1975	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1976	do	1976	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1977	do	1977	do	do	80,227,000.00		80,227,000.00
3⅞% Series 1978	do	1978	do	do	826,643,000.00		826,643,000.00
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% Ssries 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 1968	June 30, 1961	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 1976	do	1976	do	do	685,440,000.00	96,078,000.00	589,362,000.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT[a]—Continued							
Special Issues[b]—Continued							
Civil service retirement fund—Con.							
Bonds—Continued							
2⅝% Series 1968	Various dates from June 30, 1959.	1968	June 30	Par	$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 1974	do	1974	do	do	615,527,000.00	$344,803,000.00	270,724,000.00
2⅝% Series 1975	do	1975	do	do	615,527,000.00		615,527,000.00
2½% Series 1968	Various dates from June 30, 1957.	1968	do	do	200,000,000.00		200,000,000.00
Exchange Stabilization Fund:							
Certificates:							
3.25% Series 1967	Various dates from June 1, 1967.	July 1, 1967	July 1, 1967	do	1,272,171,301.54	699,476,666.63	572,694,634.91
3.73% Series 1967	do	do	do	do	50,000,000.00		50,000,000.00
4.150% Series 1967	Various dates from Apr. 1, 1967.	On 1 day's notice; on July 1, 1967.	do	do	39,138,729.02	39,128,411.07	10,317.95
3.95% Series 1967	June 27, 1967	do	do	do	10,000,000.00		10,000,000.00
4.99% Series 1967	June 29, 1967	On 1 day's notice; on Sept. 1, 1967.	Sept. 1, 1967	do	200,000,000.00		200,000,000.00
Export-Import Bank of Washington:							
Certificates:							
3.25% Series 1967	Various dates from June 1, 1967.	July 1, 1967	July 1, 1967	do	258,500,000.00	177,000,000.00	81,500,000.00
Federal Deposit Insurance Corporation:							
Notes:							
2% Series 1971	Various dates from Dec. 13, 1965.	Redeemable after 1 year from date of issue and payable on Dec. 1, 1971.	June 1- Dec. 1	do	188,840,000.00	103,528,000.00	85,312,000.00

Federal disability insurance trust fund:							
Notes:							
4⅞% Series 1971	June 30, 1966	June 30, 1971	June 30- Dec. 31	do	158, 195, 000. 00	83, 300, 000. 00	74, 895, 000. 00
4¾% Series 1974	June 30, 1967	June 30, 1974	do	do	309, 178, 000. 00		309, 178, 000. 00
Bonds:		On demand; on June 30:					
4⅛% Series 1979	Various dates from June 30, 1964.	1979	do	do	153, 632, 000. 00		153, 632, 000. 00
4⅛% Series 1980	do	1980	do	do	125, 606, 000. 00		125, 606, 000. 00
3⅞% Series 1978	June 30, 1963	1978	do	do	153, 632, 000. 00		153, 632, 000. 00
3¾% Series 1974	Various dates from June 30, 1961.	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	do	1977	do	do	153, 632, 000. 00		153, 632, 000. 00
2⅝% Series 1974	Various dates from June 30, 1959.	1974	do	do	132, 894, 000. 00	55, 888, 000. 00	77, 006, 000. 00
2⅝% Series 1975	do	1975	do	do	132, 894, 000. 00		132, 894, 000. 00
Federal home loan banks:							
Certificates:							
3.25% Series 1967	Various dates from June 1, 1967.	July 1, 1967	July 1, 1967	do	609, 500, 000. 00	557, 500, 000. 00	52, 000, 000. 00
Federal hospital insurance trust fund:							
Certificates:							
4¾% Series 1968	June 30, 1967	On demand; on June 30, 1968.	June 30-Dec. 31	do	15, 718, 000. 00		15, 718, 000. 00
Notes:		Redeemable after 1 year from issue date payable on June 30:					
4⅞% Series 1970	June 30, 1966	1970	do	do	52, 383, 000. 00	6, 252, 000. 00	46, 131, 000. 00
4⅞% Series 1971	do	1971	do	do	576, 226, 000. 00		576, 226, 000. 00
4¾% Series 1969	June 30, 1967	1969	do	do	46, 131, 000. 00		46, 131, 000. 00
4¾% Series 1972	do	1972	do	do	46, 131, 000. 00		46, 131, 000. 00
4¾% Series 1973	do	1973	do	do	46, 131, 000. 00		46, 131, 000. 00
4¾% Series 1974	do	1974	do	do	415, 179, 000. 00		415, 179, 000. 00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Special Issues[h]—Continued							
Federal old-age and survivors insurance trust fund:							
Certificates:							
4¾% Series 1968	June 30, 1967	On demand; on June 30, 1968.	June 30-Dec. 31	Par	$940,393,000.00		$940,393,000.00
Notes:		Redeemable after 1 year from issue date; payable on June 30:					
4⅞% Series 1968	June 30, 1966	1968	do	do	363,207,000.00	$223,589,000.00	139,618,000.00
4⅞% Series 1969	do	1969	do	do	1,080,011,000.00		1,080,011,000.00
4⅞% Series 1970	do	1970	do	do	296,526,000.00		296,526,000.00
4⅞% Series 1971	do	1971	do	do	1,080,011,000.00		1,080,011,000.00
4¾% Series 1974	June 30, 1967	1974	do	do	2,720,279,000.00		2,720,279,000.00
Bonds:		On demand; on June 30:					
4⅛% Series 1978	Various dates from June 30, 1964.	1978	do	do	421,567,000.00		421,567,000.00
4⅛% Series 1979	do	1979	do	do	1,080,011,000.00		1,080,011,000.00
4⅛% Series 1980	do	1980	do	do	1,080,011,000.00		1,080,011,000.00
3⅞% Series 1977	June 30, 1963	1977	do	do	1,080,011,000.00		1,080,011,000.00
3⅞% Series 1978	do	1978	do	do	658,444,000.00		658,444,000.00
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 1970	Various dates from June 30, 1959.	1970	do	do	1,133,000,000.00	349,515,000.00	783,485,000.00
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	do	1975	do	do	919,934,000.00		919,934,000.00
Federal Savings and Loan Insurance Corporation:							
Notes:							
2% Series 1971	Various dates from July 1, 1966.	Redeemable after 1 year from issue date; payable on June 30, 1971.	do	do	181,784,000.00	178,516,000.00	3,268,000.00

Federal supplementary medical insurance trust fund:							
Certificates:							
4¾% Series 1968	June 30, 1967	On demand; on June 30, 1968.	do	do	31,923,000.00		31,923,000.00
Notes:		Redeemable after 1 year from date of issue and payable on June 30:					
4¾% Series 1969	do	1969	do	do	31,923,000.00		31,923,000.00
4¾% Series 1970	do	1970	do	do	31,923,000.00		31,923,000.00
4¾% Series 1971	do	1971	do	do	31,923,000.00		31,923,000.00
4¾% Series 1972	do	1972	do	do	31,923,000.00		31,923,000.00
4¾% Series 1973	do	1973	do	do	31,923,000.00		31,923,000.00
4¾% Series 1974	do	1974	do	do	287,311,000.00		287,311,000.00
Foreign service retirement fund:							
Certificates:							
4% Series 1968	do	On demand; on June 30, 1968:	June 30	do	41,020,000.00		41,020,000.00
3% Series 1968	do	do	do	do	1,125,000.00		1,125,000.00
Government life insurance fund:							
Notes:							
4⅜% Series 1971	June 30, 1966	Redeemable after 1 year from issue date and payable on June 30, 1971.	do	do	77,986,000.00		77,986,000.00
Bonds:		On demand on June 30:					
4¼% Series 1978	June 30, 1967	1978	do	do	25,556,000.00		25,556,000.00
4¼% Series 1979	do	1979	do	do	2,912,000.00		2,912,000.00
3¾% Series 1969	June 30, 1960	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
3⅝% Series 1976	Various dates from June 30, 1964.	1976	do	do	5,971,000.00		5,971,000.00
3⅝% Series 1977	do	1977	do	do	23,807,000.00		23,807,000.00
3⅝% Series 1978	do	1978	do	do	48,214,000.00		48,214,000.00
3½% Series 1969	Various dates from Feb. 1, 1960.	1969	do	do	73,100,000.00	4,571,000.00	68,529,000.00
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	do	1976	do	do	67,799,000.00		67,799,000.00
3½% Series 1977	do	1977	do	do	49,963,000.00		49,963,000.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Special Issues[b]—Continued							
Highway trust fund:		On demand; on June 30:					
Certificates:							
4⅛% Series 1968	June 30, 1967	1968	June 30–Dec. 31	Par	$721,710,000.00		$721,710,000.00
National service life insurance fund:		Redeemable after 1 year from date of issue and payable on June 30:					
Notes:							
4⅜% Series 1968	June 30, 1966	1968	June 30	do	13,696,000.00		13,696,000.00
4⅜% Series 1969	do	1969	do	do	13,696,000.00		13,696,000.00
4⅜% Series 1970	do	1970	do	do	13,696,000.00		13,696,000.00
4⅜% Series 1971	do	1971	do	do	544,480,000.00		544,480,000.00
3⅝% Series 1968	June 30, 1965	1968	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1969	do	1969	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1970	do	1970	do	do	6,946,000.00		6,946,000.00
Bonds:		On demand; on June 30:					
4¼% Series 1981	June 30, 1967	1981	do	do	225,452,000.00		225,452,000.00
3¾% Series 1968	June 30, 1960	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
3⅝% Series 1971	Various dates from June 30, 1964.	1971	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1972	do	1972	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1973	do	1973	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1974	do	1974	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1975	do	1975	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1976	do	1976	do	do	6,946,000.00		6,946,000.00
3⅝% Series 1977	do	1977	do	do	7,512,000.00		7,512,000.00
3⅝% Series 1978	do	1978	do	do	95,560,000.00		95,560,000.00
3⅝% Series 1979	do	1979	do	do	393,819,000.00		393,819,000.00
3⅝% Series 1980	do	1980	do	do	393,819,000.00		393,819,000.00
3⅜% Series 1978	June 30, 1963	1978	do	do	298,259,000.00		298,259,000.00

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 1968	Feb. 1, 1960	1968	do	do	379,000,000.00	$186,360,000.00	192,640,000.00
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
Railroad retirement account:							
Certificates:							
4¾% Series 1968	June 30, 1967	1968	do	do	67,114,000.00		67,114,000.00
Notes:		Redeemable after 1 year from date of issue and payable on June 30:					
4⅞% Series 1969	June 30, 1966	1969	do	do	10,257,000.00		10,257,000.00
4⅞% Series 1970	do	1970	do	do	10,257,000.00		10,257,000.00
4⅞% Series 1971	do	1971	do	do	321,044,000.00		321,044,000.00
4¾% Series 1969	June 30, 1967	1969	do	do	184,844,000.00		184,844,000.00
4¾% Series 1974	do	1974	do	do	416,402,000.00		416,402,000.00
4⅛% Series 1969	Various dates from June 30, 1964.	1969	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1970	do	1970	do	do	10,298,000.00		10,298,000.00
Bonds:		On demand; on June 30:					
4⅛% Series 1970	do	1970	do	do	12,812,000.00		12,812,000.00
4⅛% Series 1971	do	1971	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1972	do	1972	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1973	do	1973	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1974	do	1974	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1975	do	1975	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1976	do	1976	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1977	do	1977	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1978	do	1978	do	do	23,110,000.00		23,110,000.00
4⅛% Series 1979	do	1979	do	do	208,201,000.00		208,201,000.00
4⅛% Series 1980	do	1980	do	do	208,201,000.00		208,201,000.00
4% Series 1969	Oct. 5, 1963	1969	do	do	185,091,000.00	184,844,000.00	247,000.00
4% Series 1970	do	1970	do	do	185,091,000.00		185,091,000.00
4% Series 1971	do	1971	do	do	185,091,000.00		185,091,000.00
4% Series 1972	do	1972	do	do	185,091,000.00		185,091,000.00
4% Series 1973	do	1973	do	do	185,091,000.00		185,091,000.00
4% Series 1974	do	1974	do	do	185,091,000.00		185,091,000.00
4% Series 1975	do	1975	do	do	185,091,000.00		185,091,000.00
4% Series 1976	do	1976	do	do	185,091,000.00		185,091,000.00
4% Series 1977	do	1977	do	do	185,091,000.00		185,091,000.00
4% Series 1978	do	1978	do	do	185,091,000.00		185,091,000.00

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Description	Date	When redeemable or payable [1]	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding [2]
INTEREST-BEARING DEBT [a]—Continued							
Special Issues [b]—Continued							
Railroad retirement holding account:							
Certificates:							
4¾% Series 1968	June 30, 1967	On demand; on June 30, 1968.	June 30	Par	$4,067,000.00		$4,067,000.00
Railroad retirement supplemental account:							
Certificates:							
4¾% Series 1968	do	do	do	do	10,977,000.00		10,977,000.00
Unemployment trust fund:							
Certificates:							
4% Series 1968	do	do	June 30–Dec. 31	do	7,784,613,000.00		7,784,613,000.00
Veterans' special term insurance fund:							
Certificates:							
3⅝% Series 1968	do	do	June 30	do	189,382,000.00		189,382,000.00
Veterans' reopened insurance fund:							
Certificates:							
4¾% Series 1968	do	do	do	do	52,578,000.00	$25,000.00	52,553,000.00
Total special issues					59,657,512,030.56	3,502,330,077.70	56,155,181,952.86
Total interest-bearing debt outstanding.					482,351,124,612.97	160,071,084,857.69	322,280,039,755.28

Title	Amount outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED	
Old debt matured (issued prior to Apr. 1, 1917) [20] [b]	[21] $1,491,410.26
2½% postal savings bonds [c]	[21] 191,700.00
First Liberty bonds, at various interest rates [d]	[21] 537,050.00
Other Liberty bonds and Victory notes, at various interest rates [a]	4,351,600.00
Treasury bonds, at various interest rates [a]	46,099,600.00
Adjusted service bonds of 1945 [a]	1,145,050.00
Treasury notes, at various interest rates [a]	20,560,200.00
Treasury savings notes [a]	367,700.00
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.	
Treasury notes, tax series [a]	$87,550.00
Certificates of indebtedness, at various interest rates [a]	427,200.00
Treasury bills [a]	83,307,000.00
Treasury savings certificates [a]	[21] 68,400.00
U.S. savings bonds [a]	86,414,025.00
Armed Forces leave bonds [a]	5,700,075.00
Total matured debt on which interest has ceased	250,748,560.26

Title	Amount outstanding
DEBT BEARING NO INTEREST	
Special notes of the United States (the notes are nonnegotiable, bear no interest, and are payable on demand):	
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)	$3,328,000,000.00
Special bonds of the United States: (the bonds are nonnegotiable, bear no interest, and are payable on demand):	
U.N. Special Fund Series	5,000,000.00
U.S. savings stamps (Public Debt Act of 1942 (31 U.S.C. 757c))	57,119,235.61
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	354,756.04
Second Series	260,424.45
Total excess profits tax refund bonds	615,180.49
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.)	[21] 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.)	[21] [22] 1,965,138.14
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.)	322,539,016.00
Less gold reserve	−156,039,430.93
Total legal tender notes less gold reserve	[21] 166,499,585.07
Old series currency (31 U.S.C. 912–916)	[21] [22] 5,358,219.00
National bank notes, redemption account (act of July 14, 1890 (31 U.S.C. 408))	[21] [22] 20,929,908.50

Footnotes at end of table.

TABLE 34.—*Description of public debt issues outstanding June 30, 1967*—Continued

Title	Amount outstanding
DEBT BEARING NO INTEREST—Continued	
Federal Reserve bank notes, redemption account (act of Dec. 23, 1913 (12 U.S.C. 467))	[21] [22] $61,219,251.00
Thrift and Treasury savings stamps	[21] 3,698,977.00
Total debt bearing no interest	3,650,458,412.31
SUMMARY	
Gross debt (including $24,611,173,644.17 to finance expenditures of Government corporations for which securities of such corporations are held by the Treasury)	326,181,246,727.85
Guaranteed debt of U.S. Government agencies	512,196,075.00
Total gross public debt and guaranteed debt	326,693,442,802.85
Deduct debt not subject to statutory limitation [23]	262,012,656.47
Total debt subject to limitation [23]	326,431,430,146.38

[1] Payable on date indicated except where otherwise noted. Where two dates are shown for Treasury bonds, first date is earliest call date and second date is maturity date.

[2] Reconciliation by classification to the basis of daily Treasury statement is shown in table 33.

[3] Treasury bills are shown at maturity value and 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 or 366 days a year) which is shown in the summary table 33.

[4] 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 owners' estate, provided entire proceeds of redemption are applied to payment of Federal estate taxes on such estate.

[5] Not called for redemption on first call date. Callable on succeeding interest payment dates.

[6] 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.

[7] 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.

[8] Of this amount $41,313,500 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar years 1963 and 1964, and $93,000 face amount was issued for cash.

[9] Of this amount $33,834,500 face amount was issued in exchange for Series F and G savings bonds maturing in the calendar years 1963 and 1964, and $102,000 face amount was issued for cash.

[10] Redeemable upon 2 days' notice in whole or in part for the purpose of purchasing United States certificates of indebtedness, foreign series, having a maturity of three months.

[11] Redeemable prior to maturity in whole or in part as per agreement.

[12] These bonds are subject to call by the United States for redemption prior to maturity.

[13] Semiannual interest to be added to principal (for redemption values see table in Department Circular, Public Debt Series No. 1–63, and amendment).

[14] May be exchanged at option of owner for marketable 1½ percent 5-year Treasury notes, dated Apr. 1 and Oct. 1 immediately preceding the date of exchange.

[15] Includes $316,389,000 of securities received by Federal National Mortgage Association in exchange for mortgages.

[16] Amounts issued and retired for Series E and J include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series H and K are stated at par value.

[17] 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.

[18] 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, 1966. (For details of yields by issue dates, see Treasury Circulars No. 653 (Seventh Revision) for Series E and No. 905 (Fourth Revision) for Series H, Mar. 18, 1966, and Apr. 7, 1966, respectively.)

[19] At option of owner, bonds dated June 1, 1952, through May 1, 1959, may be held and will accrue interest for additional 10 years.

[20] For detailed information see 1956 annual report, page 435.

[21] Not subject to the statutory debt limitation.

[22] After deducting amounts officially estimated to have been lost or irrevocably destroyed.

[23] For statutory limit on the public debt, see tables 37 and 38.

AUTHORIZING ACTS:

(a) Sept. 24, 1917, as amended.
(b) Various.
(c) June 25, 1910.
(d) Apr. 24, 1917.

TAX STATUS:

(e) Treasury bills are not considered capital assets under the Internal Revenue Code of 1954. The difference between the price paid for the bills and the amount actually received upon their sale or redemption at maturity for Federal income tax purposes is to be treated as an ordinary gain or loss for the taxable year in which the transaction occurs.

(f) Income derived from these securities is subject to all taxes now or hereafter imposed under the Internal Revenue Code of 1954.

(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 securities.

New security	*Effective date of exchange*	*Security exchanged*
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.
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. 15, 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.
3¾% Notes A-1967 4% Bonds 1972 (9-15-62)	Sept. 15, 1962	3½% Certificates A-1963. 2⅝% Notes A-1963. 3¼% Notes E-1963. 3¼% Certificates B-1963. 3¼% Notes D-1963. 4% Notes B-1963.
3⅝% Notes B-1967 3⅞% Bonds 1971	Mar. 15, 1963	3½% Certificates C-1963. 3⅛% Certifices D-1963. 2½% Bonds 1963. 3% Bonds 1964.
3⅞% Bonds 1974	Mar. 15, 1963	3½% Notes B-1965. 3⅝% Notes B-1966. 3% Bonds 1966. 3⅜% Bonds 1966.
4% Bonds 1980	Mar. 15, 1963	3½% Notes B-1965. 3⅝% Notes B-1966. 3½% Certificates C-1963. 3⅛% Certificates D-1963. 2½% Bonds 1963. 3% Bonds 1964. 3% Bonds 1966. 3⅜% Bonds 1966.
3⅞% Bonds 1968 (9-15-63)	Sept. 18, 1963	3¼% Certificates B-1964. 4¾% Notes A-1964. 3¾% Notes D-1964.
4% Bonds 1973 4⅛% Bonds 1989-94	Sept. 18, 1963	3¼% Certificates B-1964. 4¾% Notes A-1964. 3¾% Notes D-1964. 3¾% Bonds 1966. 4% Notes A-1966. 3⅝% Notes B-1967. 3¾% Notes A-1967.
4% Bonds 1970 4¼% Bonds 1975-85	Jan. 29, 1964	5% Notes B-1964. 4⅞% Notes C-1964. 3¾% Notes E-1964. 3¾% Notes F-1964. 4⅝% Notes A-1965. 2⅝% Bonds 1965.
4% Bonds 1969 (10-1-57) 4⅛% Bonds 1973 4⅛% Bonds 1987-92	July 24, 1964	3⅞% Notes C-1965. 3⅝% Notes B-1966. 4% Notes A-1966. 3⅝% Notes B-1967. 3¾% Bonds 1966.
4% Bonds 1970(1-15-65) 4⅛% Bonds 1974 4¼% Bonds 1987-92	Jan. 19, 1965	3½% Notes B-1965. 4% Notes E-1965. 3⅝% Notes B-1966. 3⅞% Notes C-1966. 3¾% Notes A-1967. 3¾% Bonds 1966. 3⅝% Bonds 1967.

(h) These issues, being investments of various Government funds and payable only for the account of such funds, have no present tax liability.

MEMORANDUM RELATING TO OTHER SECURITIES:

Securities of the United States payable on presentation:	
U.S. registered interest checks payable	$1,142,462,607.18
U.S. interest coupons due and outstanding	83,554,950.13
Interest payable with and accrued discount added to principal of U.S. securities	4,726,693.21
Total	1,230,744,250.52

TABLE 35.—*Description of guaranteed debt held outside the Treasury, June 30, 1967*

[On basis of daily Treasury statements, see "Bases of Tables"]

Securities	Rate of interest	Amount
UNMATURED DEBT		
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	$19,800,000.0
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 AA	2½	381,350.00
Series AA	2⅝	358,850.00
Series AA	2¾	239,550.00
Series AA	2⅞	848,400.00
Series AA	3	927,450.00
Series AA	3⅛	3,267,700.00
Series AA	3¼	671,650.00
Series AA	3⅜	2,504,700.00
Series AA	3½	10,213,600.00
Series AA	3¾	21,847,350.00
Series AA	3⅞	10,555,500.00
Series AA	4	16,286,150.00
Series AA	4⅛	5,555,650.00
Cooperative management housing insurance fund:		
Series NN	3	2,044,200.00
Series NN	3¼	1,164,800.00
Series NN	3⅜	808,000.00
Series NN	3¾	635,250.00
Series NN	4⅛	2,872,000.00
General insurance fund:		
General insurance:		
Series MM	2½	7,965,600.00
Series MM	2⅝	1,300.00
Series MM	2¾	691,350.00
Series MM	2⅞	36,900.00
Series MM	3	39,050.00
Series MM	3⅛	94,550.00
Series MM	3¼	35,600.00
Series MM	3⅜	69,550.00
Series MM	3½	1,256,500.00
Series MM	3¾	16,436,750.00
Series MM	3⅞	93,552,300.00
Series MM	4	58,803,600.00
Series MM	4⅛	100,025,800.00
Armed services housing mortgage insurance fund:		
Series FF	2½	174,050.00
Series FF	2¾	1,380,000.00
Series FF	3⅛	31,250.00
Series FF	3⅜	10,500.00
Series FF	3½	52,350.00
Series FF	3¾	10,000.00
Series FF	4	12,600.00
Series FF	4⅛	24,250.00
Housing insurance fund:		
Series BB	2½	6,204,600.00
Series BB	2¾	1,519,800.00
Series BB	2⅞	294,050.00
Series BB	3	8,450.00
Series BB	3⅛	1,201,800.00
Series BB	3¼	211,050.00
Series BB	3⅜	816,550.00
Series BB	3½	6,862,650.00
Series BB	3¾	10,366,300.00
Series BB	3⅞	6,153,100.00
Series BB	4	6,214,150.00
Series BB	4⅛	9,320,500.00
National defense housing insurance fund:		
Series GG	2½	11,741,200.00
Series GG	2⅝	1,976,400.00
Series GG	2¾	10,530,050.00
Series GG	2⅞	4,479,300.00
Series GG	3	50,000.00
Series GG	3¼	303,750.00
Series GG	3⅜	9,050.00
Section 220 housing insurance fund:		
Series CC	3⅛	4,740,000.00
Series CC	3⅜	9,251,200.00
Series CC	3½	2,336,750.00
Series CC	3¾	3,344,000.00

Footnotes at end of table.

TABLE 35.—*Description of guaranteed debt held outside the Treasury, June 30, 1967*—Continued

Securities	Rate of interest	Amount
UNMATURED DEBT—Continued		
Federal Housing Administration debentures issued under the act of June 27, 1934, as amended (12 U.S.C. 1701-1705g):[3 4]—Continued		
General insurance fund—Continued		
Section 221 housing insurance fund:	*Percent*	
Series DD	3⅛	$21,700.00
Series DD	3¼	1,650.00
Series DD	3⅜	1,132,750.00
Series DD	3½	9,241,300.00
Series DD	3¾	1,428,550.00
Series DD	3⅞	84,400.00
Series DD	4	61,450.00
Series DD	4⅛	219,050.00
Servicemen's mortgage insurance fund:		
Series EE	2⅝	27,100.00
Series EE	2⅞	412,050.00
Series EE	3	291,300.00
Series EE	3⅛	1,453,800.00
Series EE	3¼	376,750.00
Series EE	3⅜	1,262,500.00
Series EE	3½	3,134,550.00
Series EE	3¾	1,162,650.00
Series EE	3⅞	1,733,600.00
Series EE	4	1,826,350.00
Series EE	4⅛	3,734,950.00
Title I housing insurance fund:		
Series R	2¾	37,950.00
Series T	3	184,800.00
War housing insurance fund:		
Series H	2½	4,338,800.00
Subtotal		491,988,700.00
Total unmatured debt		511,788,700.00
MATURED DEBT[5]		
Commodity Credit Corporation, interest		11.25
District of Columbia Armory Board, interest		53,886.00
Federal Farm Mortgage Corporation:		
Principal		120,300.00
Interest		32,006.25
Federal Housing Administration:		
Principal		34,850.00
Interest		2,750.94
Home Owners' Loan Corporation:		
Principal		252,225.00
Interest		65,757.47
Reconstruction Finance Corporation, interest		19.25
Total matured debt (principal and interest)		561,806.16
Total		512,350,506.16

[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 December 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 January 1 and July 1. All unmatured debentures are redeemable on any interest day or days, on 3 months' notice.

[4] Under the Public Debt Act of 1941 (31 U.S.C. 742a), income or gain derived from these securities is subject to all Federal taxes now or hereafter imposed. The securities are subject to surtaxes, estate, inheritance, or gift 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] Funds are on deposit with the Treasurer of the United States for payment of principal of $407,375 and interest of $154,431.16.

NOTE.—For securities held by the Treasury, see table 111.

TABLE 36.—*Postal savings systems' deposits and Federal Reserve notes outstanding June 30, 1946–67*

[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	581,177	4,275	585,452	27,852,820
1963	483,504	4,023	487,527	29,379,114
1964	414,533	3,781	418,314	31,400,405
1965	342,274	3,145	345,419	33,828,265
1966	191,938	2,330	194,268	36,486,105
1967	[5] 52,950	[6] 1,712	54,662	[7] 38,097,901

[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. 5201–5224), and discontinued on Apr. 27, 1966, by the act of Mar. 28, 1966 (39 U.S.C. 5225–5229). Unpaid deposits, including accrued interest, were transferred on July 1, 1967, to the Secretary of the Treasury for payment to depositors.

[3] Established by the act of June 13, 1940, as amended (2 Canal Zone Code 1131–1143).

[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, 1967, including interest of $3,856,589 totaling $56,806,327, are offset by cash and other net assets of $56,806,327.

[6] Funds due depositors on June 30, 1967, including interest of $135,162 totaling $1,847,482 are offset by Government securities having a face value of $2,200,000 and other assets.

[7] In actual circulation, exclusive of $1,834,763,325 redemption fund deposited in the Treasury and $1,753,622,019 of their own Federal Reserve notes held by the issuing banks. Also excludes $1,089,598 held by the Treasurer of the United States for the redemption of all series of Federal Reserve notes before Series of 1928. See table 59, footnote 9. The collateral security for Federal Reserve notes issued consists of $6,645,000,000 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates, $36,481,000,000 face amount of U.S. Government securities, and $200,000 face amount of commercial paper. Notes issued by a Federal Reserve bank are a first lien against the assets of such bank.

TABLE 37.—*Statutory limitation on the public debt and guaranteed debt, June 30, 1967*

[In millions of dollars]

PART I.—STATUS UNDER LIMITATION, JUNE 30, 1967

Maximum amount of securities which may be outstanding at any one time under limitations imposed by section 21 of Second Liberty Bond Act, as amended [1]	336,000
Amount of securities outstanding subject to such statutory debt limitation:	
U.S. Government securities issued under the Second Liberty Bond Act, as amended	325,959
Guaranteed debt held outside the Treasury	512
Total	326,471
Balance issuable under limitation	9,529

PART II.—APPLICATION OF LIMITATION TO PUBLIC DEBT AND GUARANTEED DEBT OUTSTANDING, JUNE 30, 1967

Class of securities	Subject to statutory debt limitation	Not subject to statutory debt limitation	Total outstanding
Public debt:			
Interest-bearing securities:			
Marketable:			
Treasury bills	58,535		58,535
Certificates of indebtedness	5,610		5,610
Treasury notes	49,108		49,108
Treasury bonds	97,418		97,418
Total marketable	210,672		210,672
Nonmarketable:			
Certificates of indebtedness, foreign series	275		275
Certificates of indebtedness, foreign currency series	431		431
Treasury notes, foreign series	205		205
Treasury notes, foreign currency series	460		460
Treasury bonds, foreign series	144		144
Treasury certificates	48		48
U.S. savings bonds (current redemption value)	51,213		51,213
U.S. savings notes	1		1
U.S. retirement plan bonds	21		21
Depositary bonds	45		45
Treasury bonds, REA series	26		26
Treasury bonds, investment series	2,589		2,589
Total nonmarketable	55,459		55,459
Special issues to Government agencies and trust funds	56,155		56,155
Total interest-bearing securities	322,286		322,286
Matured debt on which interest has ceased	282	2	284
Debt bearing no interest:			
U.S. savings stamps	57		57
Excess profits tax refund bonds	1		1
Special notes of the United States:			
International Monetary Fund Series	3,328		3,328
Special bonds of the United States:			
U.N. Special Fund Series	5		5
U.S. notes (less gold reserve)		166	166
Deposits for retirement of national bank and Federal Reserve bank notes		82	82
Other debt bearing no interest		11	11
Total debt bearing no interest	3,391	260	3,651
Total public debt [2]	325,959	262	326,221
Guaranteed debt held outside the Treasury:			
Interest-bearing	512		512
Matured	(*)		(*)
Total guaranteed debt	512		512
Total public debt and guaranteed debt	326,471	262	326,733

[1] The following table details amendments to the act.

[2] Includes public debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which securities of the corporations and activities were issued to the Treasury. See table 111.

*Less than $500,000.

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TABLE 38.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–67*

Date and act	History of legislation	Amount of limitation
Sept. 24, 1917		
40 Stat. 288	Sec. 1 authorized issuance of *bonds* in the amount of	$7,538,945,460
40 Stat. 290	Sec. 5 authorized *certificates* of indebtedness outstanding	4,000,000,000
Apr. 4, 1918		
40 Stat. 502	Amended sec. 1, increasing *bond* issuance authority to	12,000,000,000
40 Stat. 504	Amended sec. 5, increasing authority for *certificates* outstanding to	8,000,000,000
July 9, 1918		
40 Stat. 844	Amended sec. 1, increasing *bond* issuance authority to	20,000,000,000
Mar. 3, 1919		
40 Stat. 1311	Amended sec. 5, increasing authority for *certificates* outstanding to	10,000,000,000
40 Stat. 1309	Added sec. 18, authorizing issuance of *notes* in the amount of	7,000,000,000
Nov. 23, 1921		
42 Stat. 321	Amended sec. 18, providing limit on *notes* outstanding	7,500,000,000
June 17, 1929		
46 Stat. 19	Amended sec. 5, authorizing *bills* in addition to certificates of indebtedness outstanding	10,000,000,000
Mar. 3, 1931		
46 Stat. 1506	Amended sec. 1, increasing *bond* issuance authority to	28,000,000,000
Jan. 30, 1934		
48 Stat. 343	Amended sec. 18, increasing authority for *notes* outstanding to	10,000,000,000
Feb. 4, 1935		
49 Stat. 20	Amended sec. 1, providing limit on *bonds* outstanding	25,000,000,000
49 Stat. 21	Added sec. 21, consolidating authority for *certificates* and *bills* (sec. 5) and authority for *notes* (sec. 18) outstanding	20,000,000,000
May 26, 1938		
52 Stat. 447	Amended sec. 21, consolidating authority for bonds, notes, certificates of indebtedness, and bills outstanding (*bonds* limited to $30 billion)	45,000,000,000
July 20, 1939		
53 Stat. 1071	Amended sec. 21, removing limitation on *bonds* without changing authorized total of bonds, notes, certificates of indebtedness, and bills outstanding	45,000,000,000
June 25, 1940		
54 Stat. 526	Amended sec. 21, adding new authority for issuance of $4 billion National Defense Series obligations outstanding	49,000,000,000
Feb. 19, 1941		
55 Stat. 7	Amended sec. 21, eliminating authority for $4 billion of National Defense Series obligations and increasing limitation to	65,000,000,000
Mar. 28, 1942		
56 Stat. 189	Amended sec. 21, increasing limitation to	125,000,000,000
Apr. 11, 1943		
57 Stat. 63	Amended sec. 21, increasing limitation to	210,000,000,000
June 9, 1944		
58 Stat. 272	Amended sec. 21, increasing limitation to	260,000,000,000
Apr. 3, 1945		
59 Stat. 47	Amended sec. 21, including obligations guaranteed as to principal and interest by the United States and increasing limitation to	300,000,000,000
June 26, 1946		
60 Stat. 316	Amended sec. 21, defining face amount of savings bonds to be current redemption value and decreasing limitation to	275,000,000,000
Aug. 28, 1954		
68 Stat. 895	Increased sec. 21 limitation by $6 billion during period beginning Aug. 28, 1954, and ending June 30, 1955	281,000,000,000
June 30, 1955		
69 Stat. 241	Amended act of Aug. 28, 1954, extending increase in limitation until June 30, 1956	281,000,000,000
July 9, 1956		
70 Stat. 519	Increased sec. 21 limitation by $3 billion during period beginning July 1, 1956, and ending June 30, 1957	278,000,000,000
	Temporary increase terminated July 1, 1957, and limitation reverted to	275,000,000,000
Feb. 26, 1958		
72 Stat. 27	Increased sec. 21 limitation by $5 billion during period beginning Feb. 26, 1958, and ending June 30, 1959	280,000,000,000
Sept. 2, 1958		
72 Stat. 1758	Amended sec. 21, increasing limitation to $283 billion, which, with temporary increase of Feb. 26, 1958, made limitation	288,000,000,000
June 30, 1959		
73 Stat. 156	Amended sec. 21, increasing limitation to $285 billion, and increased sec. 21 limitation by $10 billion during period beginning July 1, 1959, and ending June 30, 1960	295,000,000,000

TABLE 38.—*Debt limitation under the Second Liberty Bond Act, as amended, 1917–67*—Continued

Date and act	History of legislation	Amount of limitation
June 30, 1960 74 Stat. 290	Increased sec. 21 limitation by $8 billion during period beginning July 1, 1960, and ending June 30, 1961	$293,000,000,000
June 30, 1961 75 Stat. 148	Increased sec. 21 limitation by $13 billion during period beginning July 1, 1961, and ending June 30, 1962	298,000,000,000
Mar. 13, 1962 76 Stat. 23	Increased sec. 21 limitation by $2 billion (in addition to temporary increase of $13 billion in act of June 30, 1961) during period beginning Mar. 13, 1962, and ending June 30, 1962	300,000,000,000
July 1, 1962 76 Stat. 124	Increased sec. 21 limitation during the periods:	
	(1) beginning July 1, 1962, and ending Mar. 31, 1963, to	308,000,000,000
	(2) beginning Apr. 1, 1963, and ending June 24, 1963, to	305,000,000,000
	(3) beginning June 25, 1963, and ending June 30, 1963, to	300,000,000,000
May 29, 1963 77 Stat. 50	Increased sec. 21 limitation during the periods:	
	(1) beginning May 29, 1963, and ending June 30, 1963, to	307,000,000,000
	(2) beginning July 1, 1963, and ending Aug. 31, 1963, to	309,000,000,000
Aug. 27, 1963 77 Stat. 131	Increased sec. 21 limitation during the period beginning Sept. 1, 1963, and ending Nov. 30, 1963, to	309,000,000,000
Nov. 26, 1963 77 Stat. 342	Increased sec. 21 limitation during the periods:	
	(1) beginning Dec. 1, 1963, and ending June 29, 1964, to	315,000,000,000
	(2) ending June 30, 1964, to	309,000,000,000
June 29, 1964 78 Stat. 225	Increased sec. 21 limitation during the period beginning June 29, 1964, and ending June 30, 1965, to	324,000,000,000
June 24, 1965 79 Stat. 172	Increased sec. 21 limitation during the period beginning July 1, 1965, and ending June 30, 1966, to	328,000,000,000
June 24, 1966 80 Stat. 221	Increased sec. 21 limitation during the period beginning July 1, 1966, and ending June 30, 1967, to	330,000,000,000
Mar. 2, 1967 81 Stat. 4	Increased sec. 21 limitation during the period beginning Mar. 2, 1967, and ending June 30, 1967, to	336,000,000,000
June 30, 1967 81 Stat. 99	Sec. 21 amended to increase limitation on aggregate outstanding at any time to	358,000,000,000
	Sec. 21 amended also to increase the limitation temporarily, beginning July 1, 1968, and each July 1 thereafter for the period beginning July 1 and ending June 29 of each succeeding calendar year by $7 billion, providing an operating limitation of	365,000,000,000

II. Operations

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*

[On basis of daily Treasury statements, see "Bases of Tables"]

Receipts (issues)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Public issues:							
Marketable:							
Treasury bills:							
Regular weekly	$7,768,208,000.00	$7,500,811,000.00	$9,363,206,000.00	$7,972,839,000.00	$7,640,598,000.00	$9,497,358,000.00	$8,096,983,000.00
Tax anticipation	------------	3,009,331,000.00	------------	3,513,485,000.00	------------	800,885,000.00	------------
Other	------------	1,520,184,000.00	1,181,635,000.00	1,245,997,000.00	2,371,760,000.00	------------	2,344,833,000.00
Certificates of indebtedness, regular	------------	------------	------------	------------	------------	------------	------------
Treasury notes	------------	------------	------------	------------	3,370,443,000.00	−200,000.00	------------
Subtotal	7,768,208,000.00	12,030,326,000.00	10,544,841,000.00	12,732,321,000.00	13,382,801,000.00	10,298,043,000.00	10,441,816,000.00
Exchanges:							
Treasury bills:							
Regular weekly	1,442,637,000.00	1,706,533,000.00	2,147,919,000.00	1,231,389,000.00	1,562,407,000.00	2,031,294,000.00	1,113,397,000.00
Other	------------	474,711,000.00	218,536,000.00	159,013,000.00	231,796,000.00	------------	458,314,000.00
Treasury notes	783,000.00	4,273,883,000.00	5,827,000.00	9,720,000.00	1,002,664,000.00	4,321,000.00	5,345,000.00
Treasury bonds	------------	------------	------------	------------	------------	------------	------------
Certificates of indebtedness, regular	------------	5,870,804,000.00	−441,000.00	------------	49,019,000.00	------------	------------
Subtotal	1,443,420,000.00	12,325,931,000.00	2,371,841,000.00	1,400,122,000.00	2,845,886,000.00	2,035,615,000.00	1,577,056,000.00
Total marketable issues	9,211,628,000.00	24,356,257,000.00	12,916,682,000.00	14,132,443,000.00	16,228,687,000.00	12,333,658,000.00	12,018,872,000.00
Nonmarketable:							
Certificates of indebtedness:							
Foreign series	185,000,000.00	300,000,000.00	257,600,000.00	30,000,000.00	25,000,000.00	335,000,000.00	------------
Foreign currency series	118,121,294.12	75,303,205.90	50,142,907.29	102,029,143.62	77,996,617.25	------------	92,391,555.41
Depositary bonds	447,500.00	2,711,000.00	214,000.00	73,000.00	625,500.00	927,000.00	1,030,000.00
Treasury notes:							
Foreign series	------------	------------	------------	------------	------------	------------	------------
Foreign currency series	------------	------------	------------	------------	27,793,862.19	128,663,896.54	227,463,831.61
Treasury bonds:							
Foreign currency series	------------	------------	------------	------------	------------	------------	------------
REA series	550,000.00	150,000.00	10,000.00	------------	35,000.00	240,000.00	1,338,000.00
U.S. savings notes	------------	------------	------------	------------	------------	------------	------------
U.S. retirement plan bonds	144,653.56	102,640.35	107,171.77	229,397.66	365,116.19	1,445,042.29	2,410,435.98
4% Treasury bonds	------------	------------	------------	------------	------------	------------	------------
1% Treasury certificates	------------	------------	------------	------------	------------	2,281,432.80	------------
3.10% Treasury certificates	------------	------------	------------	------------	------------	------------	------------

Receipts (issues)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Public issues:							
Marketable:							
Treasury bills:							
Regular weekly	$7,452,298,000.00	$9,561,081,000.00	$7,590,237,000.00	$7,558,431,000.00	$8,787,181,000.00	$98,789,231,000.00	$103,424,153,000.00
Tax anticipation		2,706,765,000.00				10,030,466,000.00	7,531,825,000.00
Other	1,158,440,000.00	1,158,129,000.00		2,147,708,000.00	1,175,823,000.00	14,304,509,000.00	10,509,260,000.00
Certificates of indebtedness, regular							1,652,194,000.00
Treasury notes	3,728,627,000.00	−304,000.00				7,098,566,000.00	3,125,182,000.00
Subtotal	12,339,365,000.00	13,425,671,000.00	7,590,237,000.00	9,706,139,000.00	9,963,004,000.00	130,222,772,000.00	126,242,614,000.00
Exchanges:							
Treasury bills:							
Regular weekly	1,755,939,000.00	1,952,945,000.00	1,615,852,000.00	1,645,477,000.00	2,715,637,000.00	20,921,426,000.00	15,887,386,000.00
Other	242,545,000.00	242,009,000.00		654,944,000.00	325,053,000.00	3,006,921,000.00	1,498,325,000.00
Treasury notes	3,864,744,000.00	8,829,000.00	46,654,000.00	11,755,124,000.00	4,150,000.00	20,982,044,000.00	29,885,235,000.00
Treasury bonds							1,884,502,000.00
Certificates of indebtedness, regular						5,919,382,000.00	
Subtotal	5,863,228,000.00	2,203,783,000.00	1,662,506,000.00	14,055,545,000.00	3,044,840,000.00	50,829,773,000.00	49,155,448,000.00
Total marketable issues	18,202,593,000.00	15,629,454,000.00	9,252,743,000.00	23,761,684,000.00	13,007,844,000.00	181,052,545,000.00	175,398,062,000.00
Nonmarketable:							
Certificates of indebtedness:							
Foreign series					275,000,000.00	1,407,600,000.00	2,585,000,000.00
Foreign currency series			129,734,738.79	23,173,359.91		668,892,822.29	460,602,935.41
Depositary bonds	514,000.00	1,396,000.00	248,000.00	699,000.00	571,000.00	9,456,000.00	5,819,000.00
Treasury notes:							
Foreign series							350,000,000.00
Foreign currency series				50,332,192.47	25,484,199.80	459,737,982.61	
Treasury bonds:							
Foreign currency series							629,602,390.55
REA series	580,000.00	427,000.00	415,000.00	500,000.00	1,537,000.00	5,782,000.00	1,500,000.00
U.S. savings notes				95,478.75	1,401,090.75	1,496,569.50	
U.S. retirement plan bonds	211,645.63	106,956.65	143,516.59	175,344.82	373,344.98	5,815,266.47	5,320,173.28
4% Treasury bonds							267,906.50
1% Treasury certificates					2,364,554.45	4,645,987.25	4,685,619.93
3.10% Treasury certificates					32,697,495.65	32,697,495.65	

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Receipts (issues)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Public issues—Continued							
Nonmarketable—Continued							
3.37% Treasury certificates							
3.44% Treasury certificates							
3.462% Treasury certificates							
3.50% Treasury certificates							
3.54% Treasury certificates							
3.570% Treasury certificates							
3.715% Treasury certificates							
3.784% Treasury certificates							
3.82% Treasury certificates							
3.983% Treasury certificates							
4.01% Treasury certificates							
4.03% Treasury certificates	$31,533,668.71						
4.07% Treasury certificates							
4.11% Treasury certificates							
4.14% Treasury certificates							
4.15% Treasury certificates							
4.150% Treasury certificates							
4.19% Treasury certificates						$32,091,321.62	
4.23% Treasury certificates							$32,199,812.70
4.24% Treasury certificates							
4.26% Treasury certificates							
4.29% Treasury certificates			$31,742,423.30				
4.30% Treasury certificates		$31,636,203.67					
4.435% Treasury certificates	6,274,336.20						
4.457% Treasury certificates							
4.486% Treasury certificates							1,076,798.18
4.555% Treasury certificates							
4.58% Treasury certificates					$31,973,168.93		
4.630% Treasury certificates							
4.638% Treasury certificates							
4.74% Treasury certificates						14,315,991.39	
4.818% Treasury certificates	1,050,209.02						
4.822% Treasury certificates							6,431,200.23
5.246% Treasury certificates				$1,062,858.79			
5.503% Treasury certificates			19,224,395.18	38,196,198.91			
U.S. savings bonds:							
Issue price	410,883,013.82	386,650,974.44	402,389,921.19	407,719,898.34	367,113,831.50	371,469,710.87	491,458,267.88
Accrued discount	154,139,440.39	127,920,542.50	133,390,128.54	119,583,029.79	118,492,183.75	148,349,314.84	154,577,525.88
Exchanges, Series H	22,609,500.00	18,905,000.00	18,370,000.00	15,372,500.00	15,388,000.00	15,429,000.00	24,094,000.00
U.S. savings stamps		1,421,815.00		1,910,688.75	1,648,644.40	1,635,086.55	1,590,707.65
Total nonmarketable issues	930,753,615.82	944,801,381.86	913,190,947.27	716,176,715.86	666,431,924.21	1,051,847,796.90	1,036,062,135.52
Total public issues	10,142,381,615.82	25,301,058,381.86	13,829,872,947.27	14,848,619,715.86	16,895,118,924.21	13,385,505,796.90	13,054,934,135.52

Receipts (issues)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Public issues—Continued							
Nonmarketable—Continued							
3.37% Treasury certificates				$32,611,916.10		$32,611,916.10	
3.44% Treasury certificates							$61,782,938.85
3.462% Treasury certificates					$8,148,540.12	8,148,540.12	
3.50% Treasury certificates							62,080,262.36
3.54% Treasury certificates							249,603,771.77
3.570% Treasury certificates							62,427,656.55
3.715% Treasury certificates			$1,088,874.47			1,088,874.47	
3.784% Treasury certificates							
3.82% Treasury certificates			32,511,982.62			32,511,982.62	
3.983% Treasury certificates							21,221,494.18
4.01% Treasury certificates							63,374,590.30
4.03% Treasury certificates						31,533,668.71	
4.07% Treasury certificates		$32,409,269.14				32,409,269.14	
4.11% Treasury certificates							63,171,860.55
4.14% Treasury certificates							62,961,546.56
4.15% Treasury certificates			6,508,728.35			6,508,728.35	
4.150% Treasury certificates		8,210,120.69	1,419,000.00			9,629,120.69	
4.19% Treasury certificates						32,091,321.62	
4.23% Treasury certificates						32,199,812.70	
4.24% Treasury certificates	$32,299,074.58					32,299,074.58	64,422,517.18
4.26% Treasury certificates							64,210,962.15
4.29% Treasury certificates						31,742,423.30	
4.30% Treasury certificates						31,636,203.67	
4.435% Treasury certificates						6,274,336.20	19,013,582.09
4.457% Treasury certificates							21,432,807.21
4.486% Treasury certificates						1,076,798.18	
4.555% Treasury certificates							31,382,355.50
4.58% Treasury certificates						31,973,168.93	
4.630% Treasury certificates							1,038,105.40
4.638% Treasury certificates							1,026,511.10
4.74% Treasury certificates						14,315,991.39	
4.818% Treasury certificates						1,050,209.92	
4.822% Treasury certificates						6,431,200.23	
5.246% Treasury certificates						1,062,858.79	
5.503% Treasury certificates						57,420,594.09	
U.S. savings bonds:							
Issue price	425,010,527.80	458,675,173.56	393,131,746.95	437,790,762.94	408,282,081.39	4,960,575,910.68	4,645,151,491.78
Accrued discount	128,592,590.40	136,783,498.01	126,277,027.94	127,230,145.73	151,079,518.69	1,626,414,946.46	1,553,714,618.82
Exchanges, Series H	18,683,000.00	20,651,000.00	16,648,500.00	17,539,000.00	17,148,000.00	220,837,500.00	217,389,000.00
U.S. savings stamps	3,953,461.15	1,656,346.40		4,042,031.85	1,297,490.20	19,156,271.95	18,990,548.15
Total nonmarketable issues	609,844,299.56	660,315,364.45	708,127,115.71	694,189,232.57	925,384,316.03	9,857,124,845.76	11,327,194,646.17
Total public issues	18,812,437,299.56	16,289,769,364.45	9,960,870,115.71	24,455,873,232.57	13,933,228,316.03	190,909,669,845.76	186,725,256,646.17

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Receipts (issues)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Special issues:							
Civil service retirement fund	$200,311,000.00	$219,444,000.00	$279,199,000.00	$186,027,000.00	$212,785,000.00	$205,760,000.00	$229,582,000.00
Exchange Stabilization Fund	1,032,736,746.26	1,082,150,704.94	1,079,069,018.46	1,021,269,789.68	1,114,400,053.49	1,194,427,720.75	1,210,040,366.05
Export-Import Bank of Washington							
Federal Deposit Insurance Corp.		32,000,000.00	10,000,000.00	3,000,000.00	3,000,000.00		50,525,000.00
Federal disability insurance trust fund	195,848,000.00	237,016,000.00	197,898,000.00	123,627,000.00	155,320,000.00	193,946,000.00	129,867,000.00
Federal home loan banks	1,239,500,000.00	853,500,000.00	802,500,000.00	1,073,000,000.00	1,274,000,000.00	1,132,000,000.00	1,494,500,000.00
Federal hospital insurance trust fund	212,245,000.00	236,196,000.00	177,866,000.00	123,108,000.00	153,149,000.00	164,346,000.00	164,872,000.00
Federal Housing Administration funds							
Federal old-age and survivors insurance trust fund	1,566,880,000.00	2,940,478,000.00	1,511,831,000.00	1,046,173,000.00	2,054,460,000.00	1,544,237,000.00	1,131,154,000.00
Federal Savings and Loan Insurance Corp.	20,000,000.00				26,000,000.00		16,000,000.00
Federal supplementary medical insurance trust fund	44,313,000.00	44,458,000.00	61,210,000.00	60,207,000.00	34,928,000.00	66,725,000.00	424,476,000.00
Foreign service retirement fund	923,000.00	721,000.00	725,000.00	705,000.00	796,000.00	818,000.00	980,000.00
Government life insurance fund							
Highway trust fund	356,700,000.00	529,507,000.00	354,200,000.00	341,300,000.00	375,800,000.00	287,890,000.00	324,914,000.00
National service life insurance fund				1,407,000.00		15,246,000.00	
Railroad retirement account	16,357,000.00	117,703,000.00	100,083,000.00	24,916,000.00	129,702,000.00	77,669,000.00	39,657,000.00
Railroad retirement holding account						372,000.00	250,000.00
Railroad retirement supplemental account						1,671,000.00	1,107,000.00
Unemployment trust fund	39,497,000.00	862,647,000.00	85,574,000.00	80,465,000.00	490,499,000.00	239,460,000.00	36,918,000.00
Veterans' special term insurance fund	2,001,000.00	1,205,000.00	1,596,000.00	1,690,000.00	1,320,000.00	1,315,000.00	2,961,000.00
Veterans' reopened insurance fund	3,442,000.00	2,644,000.00	2,394,000.00	2,470,000.00	3,079,000.00	2,602,000.00	2,360.000.00
Total special issues	4,930,753,746.26	7,159,669,704.94	4,664,145,018.46	4,089,364,789.68	6,029,238,053.49	5,128,484,720.75	5,260,163.366.05

Receipts (issues)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Special issues:							
Civil service retirement fund	$206,208,000.00	$207,384,000.00	$193,221,000.00	$253,043,000.00	$1,968,657,000.00	$4,361,621,000.00	$4,276,621,000.00
Exchange Stabilization Fund	1,275,743,959.91	1,485,113,474.73	1,396,791,218.62	1,345,350,995.01	1,548,140,898.62	14,785,234,946.52	8,927,490,014.49
Export-Import Bank of Washington	324,700,000.00	253,000,000.00	165,500,000.00	528,400,000.00	258,500,000.00	1,530,100,000.00	----------
Federal Deposit Insurance Corp	108,815,000.00	----------	4,500,000.00	25,000,000.00	----------	236,840,000.00	328,771,000.00
Federal disability insurance trust fund	221,614,000.00	205,243,000.00	223,478,000.00	359,307,000.00	514,051,000.00	2,757,215,000.00	1,811,046,000.00
Federal home loan banks	1,725,500,000.00	1,063,500,000.00	581,500,000.00	151,500,000.00	609,500,000.00	12,000,500,000.00	6,811,300,000.00
Federal hospital insurance trust fund	272,394,000.00	268,650,000.00	279,657,000.00	451,737,000.00	860,084,000.00	3,364,304,000.00	1,619,822,000.00
Federal Housing Administration funds	----------	----------	----------	----------	----------	----------	141,850,000.00
Federal old-age and survivors insurance trust fund	2,755,547,000.00	1,790,499,000.00	1,947,378,000.00	4,113,191,000.00	5,436,776,000.00	27,838,604,000.00	21,413,696,000.00
Federal Savings and Loan Insurance Corp	----------	10,000,000.00	7,284,000.00	8,000,000.00	94,500,000.00	181,784,000.00	276,000,000.00
Federal supplementary medical insurance trust fund	110,218,000.00	177,847,000.00	58,919,000.00	49,272,000.00	606,110,000.00	1,738,683,000.00	----------
Foreign service retirement fund	704,000.00	718,000.00	779,000.00	735,000.00	42,988,000.00	51,592,000.00	50,455,000.00
Government life insurance fund	----------	----------	----------	----------	28,468,000.00	28,468,000.00	103,486,000.00
Highway trust fund	409,200,000.00	603,400,000.00	325,700,000.00	356,500,000.00	1,069,810,000.00	5,334,921,000.00	4,199,367,000.00
National service life insurance fund	----------	----------	27,166,000.00	42,528,000.00	228,224,000.00	314,571,000.00	663,289,000.00
Railroad retirement account	97,539,000.00	125,655,000.00	30,473,000.00	677,642,000.00	757,046,000.00	2,194,442,000.00	1,853,324,000.00
Railroad retirement holding account	800,000.00	892,000.00	42,000.00	1,070,000.00	4,661,000.00	8,087,000.00	----------
Railroad retirement supplemental account	3,595,000.00	4,007,000.00	179,000.00	4,808,000.00	13,639,000.00	29,006,000.00	----------
Unemployment trust fund	862,007,000.00	143,673,000.00	71,341,000.00	973,114,000.00	7,881,846,000.00	11,767,041,000.00	11,061,587,000.00
Veterans' special term insurance fund	1,655,000.00	2,220,000.00	1,365,000.00	1,177,000.00	190,512,000.00	209,017,000.00	188,598,000.00
Veterans' reopened insurance fund	2,611,000.00	3,191,000.00	2,793,000.00	3,260,000.00	55,679,000.00	86,525,000.00	40,860,000.00
Total special issues	8,378,850,959.91	6,344,992,474.73	5,318,066,218.62	9,345,634,995.01	22,169,191,898.62	88,818,555,946.52	63,767,562,014.49

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Receipts (issues) and Expenditures (retirements)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
RECEIPTS (ISSUES)							
Other issues:							
Federal Reserve banks						$169,000,000.00	
International Monetary Fund notes	$109,500,000.00	$281,750,000.00	$35,000,000.00	$31,000,000.00	$272,750,000.00	30,000,000.00	
U.N. Special Fund bonds							
Total other issues	109,500,000.00	281,750,000.00	35,000,000.00	31,000,000.00	272,750,000.00	199,000,000.00	
Total public debt receipts	15,182,635,362.08	32,742,478,086.80	18,529,017,965.73	18,968,984,505.54	23,197,106,977.70	18,712,990,517.65	$18,315,097,501.57
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable:							
Treasury bills:							
Regular weekly	7,763,324,000.00	7,023,662,000.00	9,135,603,000.00	7,825,006,000.00	7,408,951,000.00	9,475,315,000.00	7,633,865,000.00
Tax anticipation	77,544,000.00	1,744,000.00	574,000.00	922,000.00	167,000.00	15,000.00	
Other	23,593,000.00	1,985,258,000.00	1,006,392,000.00	999,126,000.00	998,142,000.00	13,139,000.00	1,981,671,000.00
Certificates of indebtedness, regular	2,000.00	37,000.00	83,000.00	2,000.00	1,066,242,000.00	3,585,000.00	514,000.00
Treasury notes	1,794,000.00	484,285,100.00	11,439,000.00	358,387,000.00	1,029,303,000.00	6,204,000.00	2,424,000.00
Treasury bonds	25,724,700.00	161,336,500.00	48,396,950.00	27,124,000.00	993,944,550.00	45,504,450.00	40,767,650.00
Other	12,271.75	5,775.75	23,162.00	4,989.25	10,266.75	16,580.00	13,021.00
Subtotal	7,891,993,971.75	9,656,328,375.75	10,202,511,112.00	9,210,571,989.25	11,496,759,816.75	9,543,779,030.00	9,659,254,671.00
Exchanges:							
Treasury bills:							
Regular weekly	1,442,637,000.00	1,706,533,000.00	2,147,919,000.00	1,231,389,000.00	1,562,407,000.00	2,031,294,000.00	1,113,397,000.00
Other		474,711,000.00	218,536,000.00	159,013,000.00	231,796,000.00		458,314,000.00
Certificates of indebtedness, regular		517,445,000.00	−19,000.00		63,742,000.00	−94,000.00	
Treasury notes	−55,000.00	8,498,491,000.00	−4,538,000.00	−105,000.00	662,335,000.00	10,000.00	
Treasury bonds	45,000.00	1,121,898,000.00	4,062,000.00	73,000.00	319,866,000.00		
Subtotal	1,442,627,000.00	12,319,078,000.00	2,365,960,000.00	1,390,370,000.00	2,840,146,000.00	2,031,210,000.00	1,571,711,000.00
Total marketable issues	9,334,620,971.75	21,975,406,375.75	12,568,471,112.00	10,600,941,989.25	14,336,905,816.75	11,574,989,030.00	11,230,965,671.00
Nonmarketable:							
Adjusted service bonds	8,200.00	11,350.00	10,350.00	2,800.00	4,400.00	11,550.00	5,000.00
Armed Forces leave bonds	40,350.00	81,550.00		38,650.00	31,950.00	25,775.00	58,275.00
Treasury notes, foreign series				127,069,993.51		1,943,723.19	

Receipts (issues) and Expenditures (retirements)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
RECEIPTS (ISSUES)							
Other issues:							
Federal Reserve banks		$149,000,000.00			$87,000,000.00	$405,000,000.00	
International Monetary Fund notes						760,000,000.00	$582,000,000.00
U.N. Special Fund bonds							3,325,938.00
Total other issues		149,000,000.00			87,000,000.00	1,165,000,000.00	585,325,938.00
Total public debt receipts	$27,191,288,259.47	22,783,761,839.18	$15,278,936,334.33	$33,801,508,227.58	36,189,420,214.65	280,893,225,792.28	251,078,144,598.66
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable:							
Treasury bills:							
Regular weekly	7,204,572,000.00	9,291,048,000.00	7,571,514,000.00	6,952,649,000.00	8,479,078,000.00	95,764,587,000.00	93,952,168,000.00
Tax anticipation	25,000.00	1,994,078,000.00	2,512,785,000.00	5,482,000.00	5,477,736,000.00	10,071,072,000.00	7,495,923,000.00
Other	999,288,000.00	1,401,043,000.00	20,234,000.00	2,779,688,000.00	1,511,084,000.00	13,718,658,000.00	18,700,117,000.00
Certificates of indebtedness, regular	256,000.00	150,000.00	62,000.00	72,000.00	151,000.00	1,071,156,000.00	66,000.00
Treasury notes	3,625,767,000.00	15,240,000.00	272,465,000.00	426,033,000.00	9,862,100.00	6,243,203,200.00	4,974,688,300.00
Treasury bonds	40,352,000.00	34,606,950.00	50,195,350.00	40,761,950.00	418,242,800.00	1,926,957,850.00	839,766,150.00
Other	2,668.50	9,571.50	7,673.75	7,606.00	7,653.25	121,239.50	130,308.50
Subtotal	11,870,262,668.50	12,736,175,521.50	10,427,263,023.75	10,204,693,556.00	15,896,161,553.25	128,795,755,289.50	125,962,858,758.50
Exchanges:							
Treasury bills:							
Regular weekly	1,755,939,000.00	1,952,945,000.00	1,615,852,000.00	1,645,477,000.00	2,715,637,000.00	20,921,426,000.00	15,887,386,000.00
Other	242,545,000.00	242,009,000.00		654,944,000.00	325,053,000.00	3,006,921,000.00	1,498,325,000.00
Certificates of indebtedness, regular				309,005,000.00	22,000.00	890,101,000.00	
Treasury notes	3,863,044,000.00	1,054,000.00		10,359,125,000.00	−370,000.00	23,378,991,000.00	29,955,072,000.00
Treasury bonds				1,085,011,000.00	365,000.00	2,531,320,000.00	1,631,079,000.00
Subtotal	5,861,528,000.00	2,196,008,000.00	1,615,852,000.00	14,053,562,000.00	3,040,707,000.00	50,728,759,000.00	48,971,862,000.00
Total marketable issues	17,731,790,668.50	14,932,183,521.50	12,043,115,023.75	24,258,255,556.00	18,936,868,553.25	179,524,514,289.50	174,934,720,758.50
Nonmarketable:							
Adjusted service bonds	4,100.00	9,650.00	5,700.00	5,250.00	8,800.00	87,150.00	110,750.00
Armed Forces leave bonds		44,700.00	38,375.00	77,375.00	38,125.00	475,125.00	493,825.00
Treasury notes, foreign series		728,678.47	36,899.28	2,923,481.43	321,513.07	133,024,288.95	161,964,823.78

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Expenditures (retirements)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Public issues—Continued							
Nonmarketable—Continued							
4% Treasury bonds			$23,838.97			$4,363,443.05	
1% Treasury certificates						2,220,150.53	
3.10% Treasury certificates							
3.37% Treasury certificates							
3.44% Treasury certificates							
3.50% Treasury certificates							
3.54% Treasury certificates							
3.555% Treasury certificates							
3.570% Treasury certificates							
3.715% Treasury certificates							
3.784% Treasury certificates							
3.82% Treasury certificates							
3.83% Treasury certificates							
3.983% Treasury certificates							
4.01% Treasury certificates							
4.03% Treasury certificates		$31,533,668.71					
4.07% Treasury certificates							
4.11% Treasury certificates							
4.14% Treasury certificates							
4.15% Treasury certificates							
4.150% Treasury certificates							
4.19% Treasury certificates							$32,091,321.62
4.23% Treasury certificates							
4.24% Treasury certificates	$64,422,517.18						
4.26% Treasury certificates							
4.29% Treasury certificates				$31,742,423.30			
4.30% Treasury certificates			31,636,203.67				
4.435% Treasury certificates			19,013,582.09	6,274,336.20			
4.457% Treasury certificates							
4.486% Treasury certificates							
4.555% Treasury certificates	6,203,700.00						
4.58% Treasury certificates						31,973,168.93	
4.630% Treasury certificates	1,038,105.40						
4.638% Treasury certificates							
4.74% Treasury certificates							849,890.13
4.818% Treasury certificates				1,050,209.02			
4.822% Treasury certificates							
4.86% Treasury certificates					$31,852,296.01		
5.246% Treasury certificates							1,062,858.79
5.503% Treasury certificates					4,306,013.87	14,918,381.31	6,343,902.90
Certificates of indebtedness:							
Foreign series	255,000,000.00	350,000,000.00	80,000,000.00	30,000,000.00	97,600,000.00	385,000,000.00	165,000,000.00
Foreign currency series	92,635,479.39				77,706,408.35	103,184,960.80	165,027,9[illegible].05
Depositary bonds	327,500.00	1,666,000.00	425,000.00	158,000.00	341,500.00	576,000.00	1,017,000.00

Expenditures (retirements)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Public issues—Continued							
Nonmarketable—Continued							
4% Treasury bonds						$4,387,282.02	$4,974,692.50
1% Treasury certificates					$2,281,432.80	4,501,583.33	8,656,723.80
3.10% Treasury certificates							
3.37% Treasury certificates					32,611,916.10	32,611,916.10	
3.44% Treasury certificates							61,782,938.85
3.50% Treasury certificates							62,080,262.36
3.54% Treasury certificates							248,424,447.09
3.555% Treasury certificates							
3.570% Treasury certificates							62,427,656.55
3.715% Treasury certificates							
3.784% Treasury certificates							27,487,858.09
3.82% Treasury certificates				$32,511,982.62		32,511,982.62	
3.83% Treasury certificates							62,786,298.82
3.983% Treasury certificates							21,221,494.18
4.01% Treasury certificates							63,374,590.30
4.03% Treasury certificates						31,533,668.71	
4.07% Treasury certificates			$32,409,269.14			32,409,269.14	
4.11% Treasury certificates							63,171,860.55
4.14% Treasury certificates							62,961,546.56
4.15% Treasury certificates					3,731,656.10	3,731,656.10	
4.150% Treasury certificates					8,210,120.69	8,210,120.69	
4.19% Treasury certificates						32,091,321.62	
4.23% Treasury certificates	$32,199,812.70					32,199,812.70	
4.24% Treasury certificates		$32,299,074.58				96,721,591.76	
4.26% Treasury certificates							64,210,962.15
4.29% Treasury certificates						31,742,423.30	
4.30% Treasury certificates						31,636,203.67	
4.435% Treasury certificates						25,287,918.29	
4.457% Treasury certificates							21,432,807.21
4.486% Treasury certificates			1,076,798.18			1,076,798.18	
4.555% Treasury certificates						6,203,700.00	25,178,655.50
4.58% Treasury certificates						31,973,168.93	
4.630% Treasury certificates						1,038,105.40	
4.638% Treasury certificates							1,026,511.10
4.74% Treasury certificates	4,337,838.82	9,128,262.44				14,315,991.39	
4.818% Treasury certificates						1,050,209.02	
4.822% Treasury certificates			6,431,200.23			6,431,200.23	
4.86% Treasury certificates						31,852,296.01	
5.246% Treasury certificates						1,062,858.79	
5.503% Treasury certificates						25,568,298.08	
Certificates of indebtedness:							
Foreign series	25,000,000.00				50,000,000.00	1,437,600,000.00	3,058,000,000.00
Foreign currency series			92,391,555.41	49,767,337.70	25,490,105.20	606,203,838.90	92,637,097.37
Depositary bonds	478,000.00	587,500.00	598,000.00	332,000.00	1,260,000.00	7,766,500.00	21,571,000.00

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Expenditures (retirements)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Public issues—Continued							
Nonmarketable—Continued							
Excess profits tax refund bonds	$1,444.55	$5,171.45	$164.92		$203.50	$1,238.71	$374.75
Treasury bonds:							
Foreign series					30,000,000.00		
Foreign currency series	98,781,321.11	75,393,432.27	75,039,849.08	$101,950,311.01	27,714,906.00	25,176,721.22	154,949,500.06
Investment series	21,000.00	70,000.00	1,525,000.00	70,000.00	6,000.00	25,000.00	1,000.00
REA series	170,000.00	446,000.00	390,000.00	715,000.00	180,000.00	80,000.00	241,000.00
Treasury tax and savings notes	375.00	2,050.00	2,700.00	800.00	30,100.00	3,700.00	1,300.00
U.S. savings notes							
U.S. retirement plan bonds	32,469.24	50,756.46	55,210.48	34,943.78	12,701.21	35,487.61	67,039.41
U.S. savings bonds:							
Matured:							
Issue price	107,496,758.75	125,211,045.00	121,802,615.50	170,671,265.00	79,977,960.75	142,067,471.25	112,888,485.00
Accrued discount	54,110,360.21	56,691,915.28	62,112,031.51	68,772,181.88	37,645,907.33	79,384,554.04	54,163,142.34
Series H	14,256,500.00	14,926,000.00	14,751,500.00	27,031,000.00	17,621,000.00	13,361,000.00	14,782,000.00
Unmatured:							
Issue price	246,911,513.37	250,051,225.78	266,351,565.04	291,511,369.53	184,263,309.83	350,586,801.68	251,200,526.38
Accrued discount	14,114,468.36	13,926,903.91	15,313,008.47	16,775,369.38	9,369,717.03	18,873,322.98	11,666,706.43
Exchanges:							
Series E, F, and J, for series H:							
Issue price	11,325,151.63	11,663,584.97	13,415,601.21	11,681,901.72	8,482,178.17	13,780,458.32	9,257,059.37
Accrued discount	6,568,450.67	6,962,984.54	7,916,208.37	7,493,203.13	4,295,595.93	8,124,011.89	5,316,596.90
Unclassified: [1]							
Cash	61,839,455.20	15,653,566.31	87,972,348.67	−108,889,269.07	78,062,702.01	−156,060,612.50	184,596,597.87
Exchanges:							
Series E, F, and J, for series H	4,715,897.70	278,430.49	−2,961,809.58	−3,802,604.85	2,610,225.90	−6,475,470.21	9,520,343.73
U.S. savings stamps	1,501,201.23	1,150,602.81	1,076,072.59	955,655.50	1,066,275.50	1,282,874.24	1,740,098.66
Subtotal	1,041,522,218.99	955,776,237.98	795,871,040.99	781,307,539.04	693,181,351.39	1,034,463,712.04	1,181,848,011.39
Exchanges:							
Treasury bonds, investment series	793,000.00	6,853,000.00	5,881,000.00	9,752,000.00	5,740,000.00	4,405,000.00	5,345,000.00
Total nonmarketable issues	1,042,315,218.99	962,629,237.98	801,752,040.99	791,059,539.04	698,921,351.39	1,038,868,712.04	1,187,193,011.39
Total public issues	10,376,936,190.74	22,938,035,613.73	13,370,223,152.99	11,392,001,528.29	15,035,827,168.14	12,613,857,742.04	12,418,158,682.39

Expenditures (retirements)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Public issues—Continued							
Nonmarketable—Continued							
Excess profits tax refund bonds	----------	$631.36	$180.43	$23.60	$15.99	$9,449.26	$51,198.12
Treasury bonds:							
Foreign series	----------	----------	----------	----------	----------	30,000,000.00	30,000,000.00
Foreign currency series	----------	----------	----------	30,224,670.06	----------	589,230,710.81	1,177,100,200.31
Investment series	$74,000.00	20,000.00	----------	----------	4,000.00	1,816,000.00	380,857,000.00
REA series	290,000.00	150,000.00	----------	360,000.00	100,000.00	3,122,000.00	4,130,000.00
Treasury tax and savings notes	17,150.00	9,025.00	1,600.00	6,925.00	14,500.00	90,225.00	68,050.00
U.S. savings notes	----------	----------	----------	----------	60.75	60.75	----------
U.S. retirement plan bonds	72,945.12	42,301.20	49,925.09	19,795.85	54,647.27	528,222.72	283,678.87
U.S. savings bonds:							
Matured:							
Issue price	92,329,287.50	215,273,090.00	142,694,214.25	112,484,700.50	109,562,894.00	1,532,459,787.50	1,334,160,084.00
Accrued discount	39,819,074.38	125,696,177.80	56,166,909.23	54,365,847.61	59,170,834.98	748,098,936.59	720,719,372.87
Series H	10,274,000.00	14,001,000.00	22,336,000.00	14,785,000.00	12,757,500.00	190,882,500.00	197,951,500.00
Unmatured:							
Issue price	177,364,789.56	400,911,142.46	242,844,163.14	251,719,422.00	256,174,451.07	3,169,890,279.84	3,107,585,892.32
Accrued discount	7,664,690.83	24,572,833.63	13,968,924.84	16,835,697.13	13,518,655.73	176,600,298.72	187,124,622.73
Exchanges:							
Series E, F, and J, for series H:							
Issue price	6,321,252.44	20,901,154.04	11,246,988.61	10,097,697.50	10,532,221.68	138,705,249.66	132,256,047.43
Accrued discount	3,844,679.51	12,656,872.24	6,741,590.99	5,883,966.80	6,340,400.58	82,144,561.55	75,259,404.94
Unclassified: [1]							
Cash	144,321,639.68	−262,526,646.45	−25,507,398.56	33,619,164.48	46,243,711.16	99,325,258.80	171,505,010.05
Exchanges:							
Series E, F, and J, for series H	8,517,068.05	−12,907,026.28	−1,340,079.60	1,557,335.70	275,377.74	−12,311.21	9,873,547.63
U.S. savings stamps	1,464,158.65	1,880,978.35	1,453,038.50	2,048,090.20	2,433,625.82	18,052,672.05	17,924,557.02
Subtotal	554,394,487.24	583,479,398.84	603,643,854.16	619,625,763.18	641,136,565.73	9,486,250,180.97	11,742,826,968.05
Exchanges:							
Treasury bonds, investment series	1,700,000.00	7,775,000.00	46,654,000.00	1,983,000.00	4,133,000.00	101,014,000.00	183,586,000.00
Total nonmarketable issues	556,094,487.24	591,254,398.84	650,297,854.16	621,608,763.18	645,269,565.73	9,587,264,180.97	11,926,412,968.05
Total public issues	18,287,885,155.74	15,523,437,920.34	12,693,412,877.91	24,879,864,319.18	19,582,138,118.98	189,111,778,470.47	186,861,133,726.55

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Expenditures (retirements)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Special issues:							
Civil service retirement fund	$153,527,000.00	$189,633,000.00	$208,039,000.00	$227,043,000.00	$172,598,000.00	$216,908,000.00	$293,397,000.00
Exchange Stabilization Fund	1,156,999,151.66	688,097,751.84	1,007,196,836.26	902,679,904.71	1,167,637,281.15	1,271,139,995.75	898,137,264.87
Export-Import Bank of Washington							
Federal Deposit Insurance Corp		69,791,000.00				34,105,000.00	
Federal disability insurance trust fund	158,889,000.00	183,958,000.00	215,890,000.00	232,746,000.00	175,457,000.00	160,810,000.00	180,550,000.00
Federal home loan banks	1,718,500,000.00	729,000,000.00	705,500,000.00	951,000,000.00	1,196,500,000.00	1,069,500,000.00	1,253,500,000.00
Federal hospital insurance trust fund	8,808,000.00	112,282,000.00	138,687,000.00	230,652,000.00	230,848,000.00	276,212,000.00	250,508,000.00
Federal Housing Administration funds							
Federal old-age and survivors insurance trust fund	1,588,633,000.00	1,601,217,000.00	1,689,221,000.00	1,693,394,000.00	1,656,924,000.00	1,739,392,000.00	1,992,515,000.00
Federal Savings and Loan Insurance Corp		99,745,000.00	5,000,000.00	8,000,000.00		63,343,000.00	52,369,000.00
Federal supplementary medical insurance trust fund	5,000.00	15,374,000.00	16,853,000.00	36,022,000.00	45,333,000.00	79,398,000.00	65,187,000.00
Foreign service retirement fund	807,000.00	718,000.00	976,000.00	867,000.00	868,000.00	855,000.00	833,000.00
Government life insurance fund	4,844,000.00	4,973,000.00	88,550,000.00	4,942,000.00	4,929,000.00	4,915,000.00	5,880,000.00
Highway trust fund	345,620,000.00	523,255,000.00	395,008,000.00	530,653,000.00	380,434,000.00	278,786,000.00	315,891,000.00
National service life insurance fund	1,846,000.00	9,036,000.00	15,673,000.00	105,388,000.00	54,906,000.00	74,280,000.00	145,549,000.00
Railroad retirement account	100,590,000.00	147,399,000.00	152,815,000.00	176,861,000.00	117,385,000.00	164,752,000.00	182,789,000.00
Railroad retirement holding account							
Railroad retirement supplemental account							
Unemployment trust fund	115,857,000.00	246,424,000.00	191,581,000.00	169,847,000.00	163,088,000.00	250,785,000.00	363,386,000.00
Veterans' special term insurance fund							491,000.00
Veterans' reopened insurance fund							
Total special issues	5,354,925,151.66	4,620,902,751.84	4,830,989,836.26	5,270,094,904.71	5,366,907,281.15	5,685,180,995.75	6,000,982,264.87
Other issues:							
Federal Reserve banks						169,000,000.00	
International Monetary Fund notes	44,000,000.00	38,000,000.00		25,000,000.00	261,000,000.00	337,000,000.00	326,000,000.00
International Development Association notes	19,000,000.00			20,000,000.00			20,000,000.00
Inter-American Development Bank notes	5,000,000.00	5,000,000.00		121,500,000.00			

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Expenditures (retirements)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Special issues:							
Civil service retirement fund	$335,234,000.00	$173,511,000.00	$221,537,000.00	$347,279,000.00	$1,443,456,000.00	$3,982,162,000.00	$3,666,225,000.00
Exchange Stabilization Fund	1,935,048,553.19	661,800,273.00	1,507,517,185.56	1,359,748,600.21	1,956,911,861.74	14,512,914,659.94	8,598,910,863.54
Export-Import Bank of Washington	87,300,000.00	360,500,000.00	177,500,000.00	455,600,000.00	367,700,000.00	1,448,600,000.00	
Federal Deposit Insurance Corp.	98,717,000.00			6,035,000.00		208,648,000.00	584,049,000.00
Federal disability insurance trust fund	165,520,000.00	174,320,000.00	166,214,000.00	220,330,000.00	496,653,000.00	2,531,337,000.00	2,224,105,000.00
Federal home loan banks	2,380,500,000.00	1,245,500,000.00	829,500,000.00	96,000,000.00	698,000,000.00	12,873,000,000.00	5,987,300,000.00
Federal hospital insurance trust fund	221,567,000.00	398,660,000.00	227,430,000.00	313,264,000.00	549,497,000.00	2,958,415,000.00	834,064,000.00
Federal Housing Administration fund							277,053,000.00
Federal old-age and survivors insurance trust fund	1,644,656,000.00	1,881,635,000.00	1,680,629,000.00	2,229,802,000.00	5,003,503,000.00	24,401,521,000.00	22,271,520,000.00
Federal Savings and Loan Insurance Corp.	56,244,000.00		9,884,000.00	7,400,000.00	99,232,000.00	401,217,000.00	340,721,000.00
Federal supplementary medical insurance trust fund	93,015,000.00	115,842,000.00	95,356,000.00	120,237,000.00	577,212,000.00	1,259,834,000.00	
Foreign service retirement fund	1,052,000.00	835,000.00	864,000.00	820,000.00	41,540,000.00	51,035,000.00	49,311,000.00
Government life insurance fund	4,884,000.00	14,632,000.00	3,886,000.00	4,845,000.00	4,831,000.00	152,111,000.00	99,270,000.00
Highway trust fund	299,489,000.00	249,038,000.00	344,533,000.00	258,485,000.00	929,782,000.00	4,850,974,000.00	4,226,998,000.00
National service life insurance fund	124,773,000.00	53,572,000.00	25,638,000.00	4,924,000.00	67,409,000.00	682,994,000.00	459,316,000.00
Railroad retirement account	108,964,000.00	111,844,000.00	112,797,000.00	111,985,000.00	659,661,000.00	2,147,842,000.00	1,699,457,000.00
Railroad retirement holding account					4,020,000.00	4,020,000.00	
Railroad retirement supplemental account	1,446,000.00	1,245,000.00	1,490,000.00	1,042,000.00	12,806,000.00	18,029,000.00	
Unemployment trust fund	581,912,000.00	328,898,000.00	325,947,000.00	287,271,000.00	8,032,221,000.00	11,057,217,000.00	9,785,912,000.00
Veterans' special term insurance fund	1,149,000.00	516,000.00	224,000.00	365,000.00	186,508,000.00	189,253,000.00	168,114,000.00
Veterans' reopened insurance fund					52,744,000.00	52,744,000.00	24,693,000.00
Total special issues	8,141,470,553.19	5,772,348,273.00	5,730,946,185.56	5,825,432,600.21	21,183,686,861.74	83,783,867,659.94	61,297,018,863.54
Other issues:							
Federal Reserve banks		149,000,000.00			87,000,000.00	405,000,000.00	
International Monetary Fund notes	6,000,000.00			9,000,000.00		1,046,000,000.00	135,000,000.00
International Development Association notes		5,000,000.00				64,000,000.00	74,000,000.00
Inter-American Development Bank notes						131,500,000.00	18,500,000.00

Footnotes at end of table.

TABLE 39.—*Public debt receipts and expenditures by classes, monthly for fiscal year 1967 and totals for 1966 and 1967*—Continued

Expenditures (retirements)	July 1966	August 1966	September 1966	October 1966	November 1966	December 1966	January 1967
Other issues—Continued							
U.N. Special Fund bonds	$10,000,000.00	----------	----------	----------	$10,479,467.00	----------	----------
U.N./FAO World Food Program bonds	----------	----------	----------	----------	----------	----------	----------
Other	179,600.00	$1,969.00	$2,058.00	$5,729.00	704.00	----------	$1,075.00
Total other issues	78,179,600.00	43,001,969.00	2,058.00	166,505,729.00	271,480,171.00	$506,000,000.00	346,001,075.00
Total public debt expenditures	15,810,040,942.40	27,601,940,334.57	18,201,215,047.25	16,828,602,162.00	20,674,214,620.29	18,805,038,737.79	18,765,142,022.26
Excess of receipts, or expenditures (−)	−627,405,580.32	5,140,537,752.23	327,802,918.48	2,140,382,343.54	2,522,892,357.41	−92,048,220.14	−450,044,520.69

Expenditures (retirements)	February 1967	March 1967	April 1967	May 1967	June 1967	Total fiscal year 1967	Total fiscal year 1966
Other issues—Continued							
U.N. Special Fund bonds	----------	$12,398,523.00	----------	----------	----------	$32,877,990.00	$40,061,834.00
U.N./FAO World Food Program bonds	----------	----------	----------	----------	----------	----------	2,361,904.00
Other	$2,957.00	90,100.00	$30,155.00	$199,133.31	$3,838,192.50	4,351,672.81	16,879,458.73
Total other issues	6,002,957.00	166,488,623.00	30,155.00	9,199,133.31	90,838,192.50	1,683,729,662.81	[2] 286,803,196.73
Total public debt expenditures	26,435,358,665.93	21,462,274,816.34	18,424,389,218.47	30,714,496,052.70	40,856,663,173.22	274,579,375,793.22	248,444,955,786.82
Excess of receipts, or expenditures (−)	755,929,593.54	1,321,487,022.84	−3,145,452,884.14	3,087,012,174.88	−4,667,242,958.57	6,313,849,999.06	2,633,188,811.84

[1] Redemptions (all series) not yet classified as between matured and unmatured or as between issue price and accrued discount.

[2] Includes the following amounts determined by the Secretary of the Treasury, pursuant to legislation (31 U.S.C. 915(c)), to have been destroyed or irretrievably lost and so will never be presented for redemption: Federal Reserve bank notes, $63,000; national bank notes, $420,000; U.S. notes, $142,000; Treasury notes of 1890, $31,000; gold certificates prior to Series of 1934, $8,950,000; Federal Reserve notes prior to Series of 1928, $2,450,000; and silver certificates issued before Jan. 30, 1934, $280,000.

TABLE 40.—*Public debt increases and decreases, and balances in the account of the Treasurer of the United States, fiscal years 1916–67*

[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: Excess of expenditures (+), or receipts (−)	Analysis of increase or decrease: Increase (+), or decrease (−), in the balance in Treasurer's account	Analysis of increase or decrease: Decreases due to statutory debt retirements [1]	Balance in Treasurer's account at end of year
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
1963	305,859.6	7,658.8	+6,031.0	+1,685.8	58.0	12,116.2
1964	311,712.9	5,853.3	+6,933.7	−1,080.4	------------	11,035.7
1965	317,273.9	5,561.0	+4,059.6	+1,574.5	73.1	12,610.3
1966	319,907.1	2,633.2	+2,848.4	−202.9	12.3	12,407.4
1967	326,220.9	6,313.8	+10,962.2	−4,648.4	------------	7,759.0
Total	------------	325,029.6	+328,496.7	+7,600.9	11,068.0	------------

*Less than $50,000.

[1] Effective with the fiscal year 1948, statutory debt retirements have been excluded from administrative 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.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*

[On basis of Public Debt accounts, see "Bases of Tables"]

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT					
Public Issues					
Marketable:					
Treasury bills, series maturing: [2]					
Regular weekly:					
July 7, 1966	$2,304,650,000.00		$2,304,627,000.00	$23,000.00	
July 14, 1966	2,300,818,000.00		2,300,818,000.00		
July 21, 1966	2,301,882,000.00		2,301,872,000.00	10,000.00	
July 28, 1966	2,301,287,000.00		2,301,286,000.00	1,000.00	
Regular monthly:					
July 31, 1966	1,000,247,000.00		1,000,237,000.00	10,000.00	
Regular weekly:					
Aug. 4, 1966	2,299,987,000.00		2,299,961,000.00	26,000.00	
Aug. 11, 1966	2,302,555,000.00		2,302,553,000.00	2,000.00	
Aug. 18, 1966	2,301,257,000.00		2,301,257,000.00		
Aug. 25, 1966	2,302,459,000.00		2,302,457,000.00	2,000.00	
Regular monthly:					
Aug. 31, 1966	1,000,277,000.00		1,000,267,000.00	10,000.00	
Regular weekly:					
Sept. 1, 1966	2,301,813,000.00		2,301,813,000.00		
Sept. 8, 1966	2,300,532,000.00		2,300,530,000.00	2,000.00	
Sept. 15, 1966	2,302,482,000.00		2,302,404,000.00	78,000.00	
Sept. 22, 1966	2,301,149,000.00		2,301,093,000.00	56,000.00	
Sept. 29, 1966	2,300,097,000.00		2,300,097,000.00		
Regular monthly:					
Sept. 30, 1966	1,000,499,000.00		1,000,479,000.00	20,000.00	
Regular weekly:					
Oct. 6, 1966	1,001,791,000.00	$1,302,292,000.00	2,304,058,000.00	25,000.00	
Oct. 13, 1966	1,000,253,000.00	1,302,411,000.00	2,302,624,000.00	40,000.00	
Oct. 20, 1966	1,001,924,000.00	1,300,113,000.00	2,302,012,000.00	25,000.00	
Oct. 27, 1966	1,000,395,000.00	1,300,648,000.00	2,301,011,000.00	32,000.00	
Regular monthly:					
Oct. 31, 1966	999,948,000.00		999,898,000.00	50,000.00	
Regular weekly:					
Nov. 3, 1966	990,009,000.00	1,300,044,000.00	2,290,024,000.00	29,000.00	
Nov. 10, 1966	1,001,478,000.00	1,301,454,000.00	2,302,856,000.00	76,000.00	
Nov. 17, 1966	1,000,501,000.00	1,301,313,000.00	2,301,811,000.00	3,000.00	
Nov. 25, 1966	1,000,484,000.00	1,300,195,000.00	2,300,664,000.00	15,000.00	
Regular monthly:					
Nov. 30, 1966	1,000,580,000.00		1,000,551,000.00	29,000.00	

Regular weekly:					
Dec. 1, 1966	1,001,308,000.00	1,300,144,000.00	2,301,417,000.00	35,000.00	----------
Dec. 8, 1966	1,000,517,000.00	1,302,427,000.00	2,302,894,000.00	50,000.00	----------
Dec. 15, 1966	1,001,671,000.00	1,299,963,000.00	2,301,616,000.00	18,000.00	----------
Dec. 22, 1966	1,000,375,000.00	1,300,220,000.00	2,300,589,000.00	6,000.00	----------
Dec. 29, 1966	999,904,000.00	1,302,967,000.00	2,302,869,000.00	2,000.00	----------
Regular monthly:					
Dec. 31, 1966	1,001,028,000.00	----------	1,001,008,000.00	20,000.00	----------
Regular weekly:					
Jan. 5, 1967	----------	2,301,368,000.00	2,301,365,000.00	3,000.00	----------
Jan. 12, 1967	----------	2,301,558,000.00	2,301,336,000.00	222,000.00	----------
Jan. 19, 1967	----------	2,303,293,000.00	2,303,210,000.00	83,000.00	----------
Jan. 26, 1967	----------	2,302,000.000.00	2,301,428,000.00	572,000.00	----------
Regular monthly:					
Jan. 31, 1967	1,001,391,000.00	----------	1,001,240,000.00	151,000.00	----------
Regular weekly:					
Feb. 2, 1967	----------	2,301,243,000.00	2,301,069,000.00	174,000.00	----------
Feb. 9, 1967	----------	2,300,458,000.00	2,300,327,000.00	131,000.00	----------
Feb. 16, 1967	----------	2,301,889,000.00	2,301,857,000.00	32,000.00	----------
Feb. 23, 1967	----------	2,303,191,000.00	2,303,042,000.00	149,000.00	----------
Regular monthly:					
Feb. 28, 1967	1,000,172,000.00	----------	1,000,033,000.00	139,000.00	----------
Regular weekly:					
Mar. 2, 1967	----------	2,301,069,000.00	2,300,910,000.00	159,000.00	----------
Mar. 9, 1967	----------	2,305,029,000.00	2,304,867,000.00	162,000.00	----------
Mar. 16, 1967	----------	2,303,920,000.00	2,303,791,000.00	129,000.00	----------
Tax anticipation:					
Mar. 22, 1967	----------	2,006,066,000.00	2,006,012,000.00	54,000.00	----------
Regular weekly:					
Mar. 23, 1967	----------	2,305,959,000.00	2,305,597,000.00	362,000.00	----------
Mar. 30, 1967	----------	2,304,771,000.00	2,304,278,000.00	493,000.00	----------
Regular monthly:					
Mar. 31–May 31, 1967 (strip issue) [3]	----------	1,202,346,000.00	1,202,346,000.00	----------	----------
Mar. 31, 1967	1,000,026,000.00	(4)	998,670,000.00	1,356,000.00	----------
Regular weekly:					
Apr. 6, 1967	----------	2,300,427,000.00	2,299,748,000.00	679,000.00	----------
Apr. 13, 1967	----------	2,302,903,000.00	2,302,721,000.00	182,000.00	----------
Apr. 20, 1967	----------	2,302,437,000.00	2,302,151,000.00	286,000.00	----------
Tax anticipation:					
Apr. 21, 1967	----------	2,510,118,000.00	2,508,820,000.00	1,298,000.00	----------
Regular weekly:					
Apr. 27, 1967	----------	2,303,803,000.00	2,303,551,000.00	252,000.00	----------
Regular monthly:					
Apr. 30, 1967	1,000,731,000.00	(4)	999,876,000.00	855,000.00	----------
Regular weekly:					
May 4, 1967	----------	2,302,827,000.00	2,302,208,000.00	619,000.00	----------
May 11, 1967	----------	2,300,030,000.00	2,299,683,000.00	347,000.00	----------
May 18, 1967	----------	2,302,320,000.00	2,301,139,000.00	1,181,000.00	----------
May 25, 1967	----------	2,299,870,000.00	2,299,247,000.00	623,000.00	----------
Regular monthly:					
May 31, 1967	1,001,208,000.00	(4)	1,000,344,000.00	864,000.00	----------

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Marketable—Continued					
Treasury bills, series maturing: [2]—Continued					
Regular weekly:					
June 1, 1967		$2,309,175,000.00	$2,308,579,000.00	$596,000.00	
June 8, 1967		2,300,692,000.00	2,298,663,000.00	2,029,000.00	
June 15, 1967		2,302,420,000.00	2,300,926,000.00	1,494,000.00	
Tax anticipation:					
June 22, 1967		5,514,282,000.00	5,475,281,000.00	39,001,000.00	
Regular weekly:					
June 22, 1967		2,306,278,000.00	2,304,888,000.00	1,390,000.00	
June 29, 1967		2,301,646,000.00	2,295,867,000.00	5,779,000.00	
Regular monthly:					
June 30, 1967	$1,001,443,000.00	500,058,000.00	1,481,978,000.00	19,523,000.00	
Regular weekly:					
July 6, 1967		2,302,197,000.00			$2,302,197,000.00
July 13, 1967		2,301,511,000.00			2,301,511,000.00
July 20, 1967		2,301,411,000.00			2,301,411,000.00
July 27, 1967		2,300,800,000.00			2,300,800,000.00
Regular monthly:					
July 31, 1967		1,495,214,000.00			1,495,214,000.00
Regular weekly:					
Aug. 3, 1967		2,303,052,000.00			2,303,052,000.00
Aug. 10, 1967		2,301,130,000.00			2,301,130,000.00
Aug. 17, 1967		2,301,979,000.00			2,301,979,000.00
Aug. 24, 1967		2,300,088,000.00			2,300,088,000.00
Aug. 31, 1967		2,304,875,000.00			2,304,875,000.00
Regular monthly:					
Aug. 31, 1967		1,500,768,000.00			1,500,768,000.00
Regular weekly:					
Sept. 7, 1967		2,300,509,000.00			2,300,509,000.00
Sept. 14, 1967		2,301,559,000.00			2,301,559,000.00
Sept. 21, 1967		2,300,149,000.00			2,300,149,000.00
Sept. 28, 1967		2,300,608,000.00			2,300,608,000.00
Regular monthly:					
Sept. 30, 1967		1,400,163,000.00			1,400,163,000.00
Regular weekly:					
Oct. 5, 1967		1,000,743,000.00			1,000,743,000.00
Oct. 13, 1967		1,000,657,000.00			1,000,657,000.00
Oct. 19, 1967		1,000,713,000.00			1,000,713,000.00
Oct. 26, 1967		1,000,257,000.00			1,000,257,000.00

Regular monthly:					
Oct. 31, 1967		1,405,740,000.00			1,405,740,000.00
Regular weekly:					
Nov. 2, 1967		1,000,332,000.00			1,000,332,000.00
Nov. 9, 1967		1,000,103,000.00			1,000,103,000.00
Nov. 16, 1967		1,000,647,000.00			1,000,647,000.00
Nov. 24, 1967		1,000,329,000.00			1,000,329,000.00
Nov. 30, 1967		1,000,993,000.00			1,000,993,000.00
Regular monthly:					
Nov. 30, 1967		1,400,449,000.00			1,400,449,000.00
Regular weekly:					
Dec. 7, 1967		1,000,625,000.00			1,000,625,000.00
Dec. 14, 1967		1,000,134,000.00			1,000,134,000.00
Dec. 21, 1967		1,000,050,000.00			1,000,050,000.00
Dec. 28, 1967		1,000,439,000.00			1,000,439,000.00
Regular monthly:					
Dec. 31, 1967		1,401,121,000.00			1,401,121,000.00
Jan. 31, 1968		1,401,412,000.00			1,401,412,000.00
Feb. 29, 1968		1,401,069,000.00			1,401,069,000.00
Mar. 31, 1968		1,400,376,000.00			1,400,376,000.00
Apr. 30, 1968		902,021,000.00			902,021,000.00
May 31, 1968		900,146,000.00			900,146,000.00
June 30, 1968		1,000,547,000.00			1,000,547,000.00
Total Treasury bills	54,929,128,000.00	147,052,553,000.00	143,364,701,000.00	82,064,000.00	58,534,916,000.00
Certificates of indebtedness:					
Regular:					
4¾% Series A-1966	1,652,194,000.00		1,652,092,000.00	102,000.00	
5¼% Series A-1967		5,919,382,000.00	309,027,000.00		5,610,355,000.00
Total certificates of indebtedness	1,652,194,000.00	5,919,382,000.00	1,961,119,000.00	102,000.00	5,610,355,000.00
Treasury notes:					
4% Series A-1966	8,435,880,000.00		8,435,059,000.00	821,000.00	
4% Series E-1966	2,253,821,000.00		2,253,361,000.00	460,000.00	
3¾% Series A-1967	2,929,360,000.00		835,259,000.00		2,094,101,000.00
3⅝% Series B-1967	2,357,648,000.00		2,355,926,000.00	1,722,000.00	
4% Series C-1967	5,150,687,000.00		5,150,170,000.00	517,000.00	
4¼% Series D-1967	9,748,216,000.00		9,743,708,000.00	4,508,000.00	
4⅞% Series E-1967	2,117,366,000.00		213,135,000.00		1,904,231,000.00
4⅞% Series F-1967	8,135,075,000.00		10,000.00		8,135,065,000.00
5⅝% Series A-1968		2,634,829,000.00			2,634,829,000.00
4¾% Series B-1968		5,586,842,000.00			5,586,842,000.00
4¼% Series C-1968		6,443,670,000.00			6,443,670,000.00
5% Series A-1970	7,675,487,000.00				7,675,487,000.00
5¼% Series A-1971		4,265,031,000.00			4,265,031,000.00
5⅜% Series B-1971		1,734,117,000.00			1,734,117,000.00
4¾% Series A-1972		2,005,629,000.00			2,005,629,000.00
4¾% Series B-1972		5,309,488,000.00			5,309,488,000.00
1½% Series EO-1966	356,530,000.00		356,330,000.00	200,000.00	

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Marketable—Continued					
Treasury notes—Continued					
1½% Series EA-1967	$270,496,000.00		$269,913,000.00	$583,000.00	
1½% Series EO-1967	457,177,000.00				$457,177,000.00
1½% Series EA-1968	212,127,000.00				212,127,000.00
1½% Series EO-1968	115,331,000.00				115,331,000.00
1½% Series EA-1969	60,545,000.00				60,545,000.00
1½% Series EO-1969	158,926,000.00				158,926,000.00
1½% Series EA-1970	87,529,000.00				87,529,000.00
1½% Series EO-1970	113,131,000.00				113,131,000.00
1½% Series EA-1971	14,255,000.00	$21,180,000.00			35,435,000.00
1½% Series EO-1971		71,827,000.00			71,827,000.00
1½% Series EA-1972		15,798,000.00			15,798,000.00
Total Treasury notes	50,649,587,000.00	28,088,411,000.00	29,612,871,000.00	8,811,000.00	49,116,316,000.00
Treasury bonds:					
2½% of 1962-67	1,429,912,800.00		1,402,237,000.00	27,675,800.00	
2½% of 1963-68	1,790,520,000.00		1,559,500.00		1,788,960,500.00
2½% of 1964-69 (dated Apr. 15, 1943)	2,546,644,500.00		2,448,500.00		2,544,196,000.00
2½% of 1964-69 (dated Sept. 15, 1943)	2,495,206,500.00		3,277,500.00		2,491,929,000.00
2½% of 1965-70	2,313,683,000.00		25,864,000.00		2,287,819,000.00
3% of 1966	700,171,500.00		699,029,500.00	1,142,000.00	
3⅜% of 1966	1,851,408,000.00		1,850,507,000.00	901,000.00	
2½% of 1966-71	1,396,942,500.00		170,647,500.00		1,226,295,000.00
3⅝% of 1967	2,018,541,000.00		1,500.00		2,018,539,500.00
2½% of 1967-72 (dated June 1, 1945)	1,271,271,000.00		10,827,500.00		1,260,443,500.00
2½% of 1967-72 (dated Oct. 20, 1941)	1,951,795,250.00		202,500.00		1,951,592,750.00
2½% of 1967-72 (dated Nov. 15, 1945)	2,668,135,500.00		30,827,500.00		2,637,308,000.00
3⅞% of 1968 (dated June 23, 1960)	2,459,935,000.00		2,000.00		2,459,933,000.00
3⅞% of 1968 (dated Sept. 15, 1963)	1,591,434,000.00				1,591,434,000.00
3¾% of 1968	3,747,358,500.00				3,747,358,500.00
4% of 1969 (dated Oct. 1, 1957)	6,257,512,500.00		4,985,000.00		6,252,527,500.00
4% of 1969 (dated Aug. 15, 1962)	3,727,990,500.00				3,727,990,500.00
4% of 1970 (dated June 20, 1963)	4,129,239,000.00				4,129,239,000.00
4% of 1970 (dated Jan. 15, 1965)	4,381,420,000.00				4,381,420,000.00
4% of 1971	2,805,626,500.00				2,805,626,500.00
3⅞% of 1971	2,760,420,000.00		2,500.00		2,760,417,500.00
4% of 1972 (dated Sept. 15, 1962)	2,578,547,000.00				2,578,547,000.00
4% of 1972 (dated Nov. 15, 1962)	2,343,511,000.00				2,343,511,000.00
4% of 1973	3,893,834,000.00				3,893,834,000.00

4⅛% of 1973	4,356,346,000.00		1,982,500.00		4,354,363,500.00
4⅛% of 1974	3,130,261,500.00		505,000.00		3,129,756,500.00
4¼% of 1974	3,592,922,500.00		2,607,000.00		3,590,315,500.00
3⅞% of 1974	2,242,663,500.00		678,000.00		2,241,985,500.00
4¼% of 1975–85	1,217,368,000.00		606,500.00		1,216,761,500.00
3¼% of 1978–83	1,579,476,500.00		5,922,000.00		1,573,554,500.00
4% of 1980	2,606,425,000.00		2,656,000.00		2,603,769,000.00
3½% of 1980	1,911,286,500.00		1,556,500.00		1,909,730,000.00
3¼% of 1985	1,124,776,000.00		3,634,500.00		1,121,141,500.00
4¼% of 1987–92	3,817,695,500.00		492,000.00		3,817,203,500.00
4% of 1988–93	249,731,000.00		185,500.00		249,545,500.00
4⅛% of 1989–94	1,560,094,500.00		411,500.00		1,559,683,000.00
3½% of 1990	4,896,967,000.00		6,854,500.00		4,890,112,500.00
3% of 1995	2,090,240,000.00		193,910,000.00		1,896,330,000.00
3½% of 1998	4,404,097,000.00		22,399,500.00		4,381,697,500.00
Total Treasury bonds	101,891,410,050.00		4,446,820,000.00	29,718,800.00	97,414,871,250.00
Total marketable issues	209,122,319,050.00	181,060,346,000.00	179,385,511,000.00	120,695,800.00	210,676,458,250.00
Nonmarketable:					
Certificates of indebtedness:					
3.50% foreign series		225,000,000.00			225,000,000.00
3.85% foreign series		50,000,000.00			50,000,000.00
4.45% foreign series	50,000,000.00		50,000,000.00		
4.50% foreign series	50,000,000.00		50,000,000.00		
4.575% foreign series	105,000,000.00		105,000,000.00		
4.65% foreign series	100,000,000.00		100,000,000.00		
4.75% foreign series		200,000,000.00	200,000,000.00		
4.82% foreign series		95,000,000.00	95,000,000.00		
4.85% foreign series		155,000,000.00	155,000,000.00		
4.95% foreign series		5 ,000,000.00	50,000,000.00		
5.00% foreign series		185,000,000.00	185,000,000.00		
5.05% foreign series		40,000,000.00	40,000,000.00		
5.10% foreign series		150,000,000.00	150,000,000.00		
5.20% foreign series		45,000,000.00	45,000,000.00		
5.25% foreign series		25,000,000.00	25,000,000.00		
5.45% foreign series		30,000,000.00	30,000,000.00		
5.47% foreign series		40,000,000.00	40,000,000.00		
5.50% foreign series		117,600,000.00	117,600,000.00		
Total foreign series	305,000,000.00	1,407,600,000.00	1,437,600,000.00		275,000,000.00
Treasury notes:					
3.97% foreign series	125,000,000.00		125,000,000.00		
4.26% foreign series	25,000,000.00				25,000,000.00
4.30% foreign series	63,035,176.22		8,024,288.95		55,010,887.27
4.66% foreign series	85,000,000.00				85,000,000.00
4.86% foreign series	40,000,000.00				40,000,000.00
Total foreign series	338,035,176.22		133,024,288.95		205,010,887.27

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Nonmarketable—Continued					
Treasury bonds:					
4.125% foreign series	$30,000,000.00		$30,000,000.00		
4.25% foreign series	143,929,534.25				$143,929,534.25
Total foreign series	173,929,534.25		30,000,000.00		143,929,534.25
Certificates of indebtedness:					
3.875% foreign currency series		$23,173,359.91			23,173,359.91
4.00% foreign currency series		129,734,738.79			129,734,738.79
4.30% foreign currency series	22,466,705.27		22,466,705.27		
4.33% foreign currency series	49,981,257.02		49,981,257.02		
4.38% foreign currency series	49,996,250.28		49,996,250.28		
4.74% foreign currency series		92,391,555.41	92,391,555.41		
4.80% foreign currency series	92,635,479.39		92,635,479.39		
4.84% foreign currency series	23,087,756.56		23,087,756.56		
4.85% foreign currency series	30,100,953.96		30,100,953.96		
4.87% foreign currency series	49,767,337.70		49,767,337.70		
4.90% foreign currency series	49,930,097.86		49,930,097.86		
4.99% foreign currency series		25,490,105.20	25,490,105.20		
5.00% foreign currency series		92,631,188.92	92,631,188.92		
5.20% foreign currency series		50,115,265.11			50,115,265.11
5.48% foreign currency series		50,271,465.92			50,271,465.92
5.54% foreign currency series		51,888,750.52			51,888,750.52
5.56% foreign currency series		27,725,151.33	27,725,151.33		
5.60% foreign currency series		75,328,333.89			75,328,333.89
5.75% foreign currency series		50,142,907.29			50,142,907.29
Total foreign currency series	367,965,838.04	668,892,822.29	606,203,838.90		430,654,821.43
Treasury notes:					
4.27% foreign currency series		50,332,192.47			50,332,192.47
4.57% foreign currency series		124,750,099.96			124,750,099.96
4.65% foreign currency series		30,016,162.55			30,016,162.55
4.83% foreign currency series		25,484,199.80			25,484,199.80
4.87% foreign currency series		50,285,369.47			50,285,369.47
4.93% foreign currency series		22,412,199.63			22,412,199.63
5.39% foreign currency series		23,128,339.15			23,128,339.15
5.42% foreign currency series		30,066,840.90			30,066,840.90
5.44% foreign currency series		50,337,259.64			50,337,259.64

5.47% foreign currency series	-----	25,131,456.85	-----	-----	25,131,456.85
5.58% foreign currency series	-----	27,793,862.19	-----	-----	27,793,862.19
Total foreign currency series	-----	459,737,982.61	-----	-----	459,737,982.61
Treasury bonds:					
3.93% foreign currency series	50,263,885.38	-----	50,263,885.38	-----	-----
3.97% foreign currency series	49,875,311.72	-----	49,875,311.72	-----	-----
3.98% foreign currency series	27,714,906.00	-----	27,714,906.00	-----	-----
3.99% foreign currency series	25,491,877.36	-----	25,491,877.36	-----	-----
4.02% foreign currency series	23,025,558.37	-----	23,025,558.37	-----	-----
4.03% foreign currency series	124,849,939.98	-----	124,849,939.98	-----	-----
4.04% foreign currency series	75,415,354.73	-----	75,415,354.73	-----	-----
4.07% foreign currency series	49,838,026.41	-----	49,838,026.41	-----	-----
4.08% foreign currency series	20,150,118.38	-----	20,150,118.38	-----	-----
4.09% foreign currency series	35,229,350.44	-----	35,229,350.44	-----	-----
4.10% foreign currency series	52,112,284.60	-----	52,112,284.60	-----	-----
4.11% foreign currency series	25,164,537.36	-----	25,164,537.36	-----	-----
4.23% foreign currency series	30,099,560.08	-----	30,099,560.08	-----	-----
Total foreign currency series	589,230,710.81	-----	589,230,710.81	-----	-----
4.555% Treasury certificates, maturing July 1, 1966	6,203,700.00	-----	6,203,700.00	-----	-----
4.630% Treasury certificates, maturing July 31, 1966	1,038,105.40	-----	1,038,105.40	-----	-----
4.24% Treasury certificates, maturing July 31, 1966	64,422,517.18	-----	64,422,517.18	-----	-----
4.03% Treasury certificates, maturing Aug. 31, 1966	-----	31,533,668.71	31,533,668.71	-----	-----
4.435% Treasury certificates, maturing Sept. 30, 1966	19,013,582.09	-----	19,013,582.09	-----	-----
4.30% Treasury certificates, maturing Sept. 30, 1966	-----	31,636,203.67	31,636,203.67	-----	-----
4.435% Treasury certificates, maturing Oct. 1, 1966	-----	6,274,336.20	6,274,336.20	-----	-----
4.818% Treasury certificates, maturing Oct. 31, 1966	-----	1,050,209.02	1,050,209.02	-----	-----
4.29% Treasury certificates, maturing Oct. 31, 1966	-----	31,742,423.30	31,742,423.30	-----	-----
4.86% Treasury certificates, maturing Nov. 30, 1966	-----	31,852,296.01	31,852,296.01	-----	-----
1% Treasury certificates, maturing Dec. 15, 1966	2,220,150.53	-----	2,220,150.53	-----	-----
5.503% Treasury certificates, maturing Dec. 31, 1966	-----	19,224,395.18	19,224,395.18	-----	-----
4.58% Treasury certificates, maturing Dec. 31, 1966	-----	31,973,168.93	31,973,168.93	-----	-----
5.503% Treasury certificates, maturing Jan. 1, 1967	-----	6,343,902.90	6,343,902.90	-----	-----
5.246% Treasury certificates, maturing Jan. 31, 1967	-----	1,062,858.79	1,062,858.79	-----	-----
4.19% Treasury certificates, maturing Jan. 31, 1967	-----	32,091,321.62	32,091,321.62	-----	-----
4.23% Treasury certificates, maturing Feb. 28, 1967	-----	32,199,812.70	32,199,812.70	-----	-----
4.74% Treasury certificates, maturing Mar. 31, 1967	-----	14,315,991.39	14,315,991.39	-----	-----
4.24% Treasury certificates, maturing Mar. 31, 1967	-----	32,299,074.58	32,299,074.58	-----	-----
4.822% Treasury certificates, maturing Apr. 1, 1967	-----	6,431,200.23	6,431,200.23	-----	-----
4.486% Treasury certificates, maturing Apr. 30, 1967	-----	1,076,798.18	1,076,798.18	-----	-----
4.07% Treasury certificates, maturing Apr. 30, 1967	-----	32,409,269.14	32,409,269.14	-----	-----
3.82% Treasury certificates, maturing May 31, 1967	-----	32,511,982.62	32,511,982.62	-----	-----
1% Treasury certificates, maturing June 15, 1967	-----	2,281,432.80	2,281,432.80	-----	-----
4.150% Treasury certificates, maturing June 30, 1967	-----	8,210,120.69	8,210,120.69	-----	-----
3.37% Treasury certificates, maturing June 30, 1967	-----	32,611,916.10	32,611,916.10	-----	-----
4.150% Treasury certificates, maturing July 1, 1967	-----	6,508,728.35	3,731,656.10	-----	2,777,072.25
4.150% Treasury certificates, maturing July 3, 1967	-----	1,419,000.00	-----	-----	1,419,000.00
3.715% Treasury certificates, maturing July 31, 1967	-----	1,088,874.47	-----	-----	1,088,874.47

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Nonmarketable—Continued					
3.10% Treasury certificates, maturing July 31, 1967		$32,697,495.65			$32,697,495.65
3.462% Treasury certificates, maturing Sept. 30, 1967		8,148,540.12			8,148,540.12
1% Treasury certificates, maturing Dec. 15, 1967		2,364,554.45			2,364,554.45
Total Treasury certificates	$92,898,055.20	471,359,575.80	$515,762,094.06		48,495,536.94
4% Treasury bonds, maturing June 30, 1967	4,387,282.02		4,387,282.02		
U.S. savings bonds: [5]					
Series E-1941	247,374,155.61	9,181,006.00	20,136,054.63		236,419,106.98
Series E-1942	1,065,152,146.20	39,602,489.91	84,553,455.70		1,020,201,180.41
Series E-1943	1,684,238,510.70	62,405,460.03	136,287,544.35		1,610,356,426.38
Series E-1944	2,075,068,282.06	76,713,422.64	170,736,569.70		1,981,045,135.00
Series E-1945	1,832,830,523.02	68,318,357.57	152,370,243.03		1,748,778,637.56
Series E-1946	1,036,434,713.76	42,690,480.09	97,090,874.03		982,034,319.82
Series E-1947	1,149,535,087.77	48,991,506.79	97,328,136.96		1,101,198,457.60
Series E-1948	1,277,674,092.59	50,797,922.26	95,599,383.84		1,232,872,631.01
Series E-1949	1,339,518,584.53	51,029,697.75	101,470,728.80		1,289,077,553.48
Series E-1950	1,231,710,149.28	47,293,219.40	94,708,400.91		1,184,294,967.77
Series E-1951	1,067,934,494.90	40,020,704.12	82,905,888.89		1,025,049,310.13
Series E-1952 (January to April)	369,630,780.05	13,744,906.31	28,826,709.49		354,548,976.87
Series E-1952 (May to December)	781,350,371.49	28,829,335.58	62,484,902.27		747,694,804.80
Series E-1953	1,423,732,893.98	51,835,779.25	114,897,689.02		1,360,670,984.21
Series E-1954	1,547,476,480.64	55,430,481.39	130,730,674.21		1,472,176,287.82
Series E-1955	1,710,388,706.05	60,204,782.86	157,255,156.87		1,613,338,332.04
Series E-1956	1,747,607,284.85	66,390,202.10	197,538,682.54		1,616,458,804.41
Series E-1957 (January)	153,121,596.40	9,713,866.35	17,996,964.33		144,838,498.42
Series E-1957 (February to December)	1,567,766,411.62	64,339,847.71	147,859,398.17		1,484,246,861.16
Series E-1958	1,805,639,115.31	86,396,668.50	150,594,644.39		1,741,441,139.42
Series E-1959 (January to May)	731,751,813.44	31,119,029.30	50,326,163.39		712,544,679.35
Series E-1959 (June to December)	985,893,739.96	45,465,166.98	67,696,829.39		963,662,077.55
Series E-1960	1,828,118,981.30	76,397,675.81	116,882,066.31		1,787,634,590.80
Series E-1961	1,988,635,635.46	82,254,501.64	139,362,090.41		1,931,528,046.69
Series E-1962	1,981,396,602.87	82,018,714.34	139,646,684.24		1,923,768,632.97
Series E-1963	2,431,881,310.05	95,542,551.17	196,649,005.63		2,330,774,855.59
Series E-1964	2,463,064,033.59	93,610,706.31	229,553,010.18		2,327,121,729.72
Series E-1965 (January to November)	2,402,816,429.29	79,428,973.73	334,029,937.41		2,148,215,465.61
Series E-1965 (December)	278,831,296.32	9,400,671.86	52,727,727.18		235,504,241.00

Series E-1966	1,595,564,193.75	2,712,187,234.72	1,333,170,485.11		2,974,580,943.36
Series E-1967		1,938,864,093.75	299,856,262.50		1,639,007,831.25
Unclassified sales and redemptions	25,834,337.92	4,471,002.66	185,980.25		30,119,360.33
Total Series E	41,827,972,754.76	6,224,690,458.88	5,101,458,344.13		42,951,204,869.51
Series H-1952	70,473,000.00		6,835,500.00		63,637,500.00
Series H-1953	194,938,000.00		18,250,500.00		176,687,500.00
Series H-1954	377,549,500.00		35,833,500.00		341,716,000.00
Series H-1955	532,199,000.00		53,804,000.00		478,395,000.00
Series H-1956	477,864,000.00		55,961,000.00		421,903,000.00
Series H-1957 (January)	40,706,000.00		5,621,500.00		35,084,500.00
Series H-1957 (February to December)	371,706,000.00		36,243,500.00		335,462,500.00
Series H-1958	593,400,500.00		40,257,500.00		553,143,000.00
Series H-1959 (January to May)	256,955,500.00	1,000.00	16,290,000.00		240,666,500.00
Series H-1959 (June to December)	269,762,000.00		18,071,500.00		251,690,500.00
Series H-1960	805,040,000.00		52,098,500.00		752,941,500.00
Series H-1961	866,619,500.00		55,077,500.00		811,542,000.00
Series H-1962	747,349,500.00		44,568,500.00		702,781,000.00
Series H-1963	696,633,500.00		37,669,000.00		658,964,500.00
Series H-1964	630,163,500.00	20,000.00	30,048,000.00		600,135,500.00
Series H-1965 (January to November)	523,843,500.00	52,500.00	24,719,500.00		499,176,500.00
Series H-1965 (December)	45,287,500.00	1,000.00	2,274,000.00		43,014,500.00
Series H-1966	321,486,500.00	313,451,500.00	19,924,500.00		615,013,500.00
Series H-1967		269,947,500.00	479,500.00		269,468,000.00
Unclassified sales and redemptions	12,216,000.00	−322,500.00	1,149,000.00		10,744,500.00
Total Series H	7,834,193,000.00	583,151,000.00	555,176,500.00		7,862,167,500.00
Series J-1954	59,815,269.00	965,189.60	55,693,658.60	$5,086,800.00	
Series J-1955	107,702,685.00	3,441,004.40	54,102,126.60	14,038,475.00	43,003,087.80
Series J-1956	85,943,219.87	2,807,883.83	8,828,434.90		79,922,668.80
Series J-1957	19,451,072.55	629,132.06	2,258,671.01		17,821,533.60
Unclassified redemptions	[6] −14,025.00		469,757.20		[6] −483,782.20
Total Series J	272,898,221.42	7,843,209.89	121,352,648.31	19,125,275.00	140,263,508.00
Series K-1954	143,542,500.00		139,683,000.00	3,859,500.00	
Series K-1955	232,353,000.00		146,257,500.00	13,512,000.00	72,583,500.00
Series K-1956	150,063,000.00		19,680,500.00		130,382,500.00
Series K-1957	30,593,000.00		4,015,000.00		26,578,000.00
Unclassified redemptions	[6] −22,500.00		386,500.00		[6] −409,000.00
Total Series K	556,529,000.00		310,022,500.00	17,371,500.00	229,135,000.00
Total U.S. savings bonds	50,491,592,976.18	6,815,684,668.77	6,088,009,992.44	36,496,775.00	51,182,770,877.51
U.S. savings notes:					
Series S-1967		1,537,764.75	141.75		1,537,623.00
Unclassified		334,773.00			334,773.00
Total U.S. savings notes		1,872,537.75	141.75		1,872,396.00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Public Issues—Continued					
Nonmarketable—Continued					
U.S. retirement plan bonds:					
3.75%	$15,258,944.86	$1,159,475.80	$502,658.85		$15,915,761.81
4.15%	592,500.00	4,656,406.48	37,859.47		5,211,047.01
Unclassified	55,566.21	3,900.00	−4,266.38		63,732.59
Total U.S. retirement plan bonds	15,907,011.07	5,819,782.28	536,251.94		21,190,541.41
Depositary bonds:					
First Series	43,656,000.00	8,888,500.00	7,119,000.00		45,425,500.00
Treasury bonds, REA Series	23,345,000.00	4,254,000.00	1,669,000.00		25,930,000.00
Treasury bonds, investment series:					
2¾% Series B-1975-80	2,691,412,000.00		110,581,000.00		2,580,831,000.00
Total nonmarketable	55,137,359,583.79	9,844,109,869.50	9,524,123,600.87	$36,496,775.00	55,420,849,077.42
Total public issues	264,259,678,633.79	190,904,455,869.50	188,909,634,600.87	157,192,575.00	266,097,307,327.42
Special Issues					
Civil service retirement fund:					
5⅜% certificates		279,199,000.00	279,199,000.00		
5⅛% certificates		405,471,000.00	405,471,000.00		
5% certificates		618,856,000.00	618,856,000.00		
4⅞% certificates	40,692,000.00		40,692,000.00		
4¾% certificates		670,913,000.00	670,913,000.00		
4⅝% certificates		229,582,000.00	229,582,000.00		
4½% certificates		206,208,000.00	206,208,000.00		
4⅜% certificates		193,221,000.00	193,221,000.00		
4⅞% notes	1,907,732,000.00				1,907,732,000.00
4¾% notes		1,758,171,000.00			1,758,171,000.00
4⅛% notes	497,121,000.00		142,474,000.00		354,447,000.00
3⅞% notes	160,454,000.00		80,227,000.00		80,227,000.00
3¾% notes	60,976,000.00		60,976,000.00		
4⅛% bonds	3,888,607,000.00				3,888,607,000.00
3⅞% bonds	2,024,661,000.00				2,024,661,000.00
3¾% bonds	1,295,200,000.00				1,295,200,000.00
2⅞% bonds	1,009,576,000.00		140,562,000.00		869,014,000.00
2⅝% bonds	3,677,140,000.00		528,781,000.00		3,148,359,000.00

2½% bonds	585,000,000.00		385,000,000.00		200,000,000.00
Exchange Stabilization Fund:					
5.80% certificates		20,000,000.00	20,000,000.00		
5.57% certificates		20,000,000.00	20,000,000.00		
5.51% certificates		20,000,000.00	20,000,000.00		
5.503 % certificates		186,500,000.00	186,500,000.00		
5.34% certificates		50,000,000.00	50,000,000.00		
5.25% certificates		987,269,789.68	987,269,789.68		
5.00% certificates		2,066,327,774.24	2,066,327,774.24		
4.99% certificates		200,000,000.00			200,000,000.00
4.92% certificates		20,000,000.00	20,000,000.00		
4.91% certificates		50,000,000.00	50,000,000.00		
4.85% certificates		1,048,069,018.46	1,048,069,018.46		
4.83% certificates	20,000,000.00		20,000,000.00		
4.822% certificates		76,000,000.00	76,000,000.00		
4.61% certificates		20,000,000.00	20,000,000.00		
4.60% certificates		2,187,691,070.99	2,187,691,070.99		
4.555% certificates	4,000,000.00		4,000,000.00		
4.53% certificates		50,000,000.00	50,000,000.00		
4.46% certificates		50,000,000.00	50,000,000.00		
4.435% certificates		52,500,000.00	52,500,000.00		
4.40% certificates	536,384,666.28		536,384,666.28		
4.30% certificates		1,401,113,474.73	1,401,113,474.73		
4.25% certificates		1,212,743,959.91	1,212,743,959.91		
4.20% certificates		976,736,746.26	976,736,746.26		
4.150% certificates		39,138,729.02	39,128,411.07		10,317.95
4.07% certificates		50,000,000.00	50,000,000.00		
3.95% certificates		10,000,000.00			10,000,000.00
3.90% certificates		1,337,291,218.62	1,337,291,218.62		
3.77% certificates		50,000,000.00	50,000,000.00		
3.73% certificates		50,000,000.00			50,000,000.00
3.50% certificates		1,281,681,863.07	1,281,681,863.07		
3.25% certificates		1,272,171,301.54	699,476,666.63		572,694,634.91
Export-Import Bank of Washington:					
4.30% certificates		253,000,000.00	253,000,000.00		
4.25% certificates		324,700,000.00	324,700,000.00		
3.90% certificates		165,500,000.00	165,500,000.00		
3.50% certificates		528,400,000.00	528,400,000.00		
3.25% certificates		258,500,000.00	177,000,000.00		81,500,000.00
Federal Deposit Insurance Corporation:					
2% notes	57,120,000.00	236,840,000.00	208,648,000.00		85,312,000.00
Federal disability insurance trust fund:					
5⅜% certificates		197,898,000.00	197,898,000.00		
5⅛% certificates		360,643,000.00	360,643,000.00		
5% certificates		545,114,000.00	545,114,000.00		
4¾% certificates		769,423,000.00	769,423,000.00		
4⅝% certificates		129,867,000.00	129,867,000.00		
4½% certificates		221,614,000.00	221,614,000.00		
4⅜% certificates		223,478,000.00	223,478,000.00		
4⅞% notes	158,195,000.00		83,300,000.00		74,895,000.00
4¾% notes		309,178,000.00			309,178,000.00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Special Issues—Continued					
Federal disability insurance trust fund—Continued					
4⅛% bonds	$279,238,000.00				$279,238,000.00
3⅞% bonds	153,632,000.00				153,632,000.00
3¾% bonds	348,740,000.00				348,740,000.00
2⅝% bonds	209,900,000.00				209,900,000.00
Federal home loan banks:					
5.25% certificates		$1,073,000,000.00	$1,073,000,000.00		
5.00% certificates		1,274,000,000.00	1,274,000,000.00		
4.95% certificates		1,132,000,000.00	1,132,000,000.00		
4.85% certificates		802,500,000.00	802,500,000.00		
4.60% certificates		2,348,000,000.00	2,348,000,000.00		
4.40% certificates	924,500,000.00		924,500,000.00		
4.30% certificates		1,063,500,000.00	1,063,500,000.00		
4.25% certificates		1,725,500,000.00	1,725,500,000.00		
4.20% certificates		1,239,500,000.00	1,239,500,000.00		
3.90% certificates		581,500,000.00	581,500,000.00		
3.50% certificates		151,500,000.00	151,500,000.00		
3.25% certificates		609,500,000.00	557,500,000.00		52,000,000.00
Federal hospital insurance trust fund:					
5⅜% certificates		177,866,000.00	177,866,000.00		
5⅛% certificates		359,304,000.00	359,304,000.00		
5% certificates		529,740,000.00	529,740,000.00		
4⅞% certificates	52,383,000.00		52,383,000.00		
4¾% certificates		1,026,899,000.00	1,011,181,000.00		15,718,000.00
4⅝% certificates		164,872,000.00	164,872,000.00		
4½% certificates		272,394,000.00	272,394,000.00		
4⅜% certificates		279,657,000.00	279,657,000.00		
4⅞% notes	733,375,000.00		111,018,000.00		622,357,000.00
4¾% notes		553,572,000.00			553,572,000.00
Federal old age and survivors insurance trust fund:					
5⅜% certificates		1,511,831,000.00	1,511,831,000.00		
5⅛% certificates		3,986,651,000.00	3,986,651,000.00		
5% certificates		5,165,577,000.00	5,165,577,000.00		
4¾% certificates		8,620,187,000.00	7,679,794,000.00		940,393,000.00
4⅝% certificates		1,131,154,000.00	1,131,154,000.00		
4½% certificates		2,755,547,000.00	2,755,547,000.00		
4⅜% certificates		1,947,378,000.00	1,947,378,000.00		
4⅞% notes	2,819,755,000.00		223,589,000.00		2,596,166,000.00
4¾% notes		2,720,279,000.00			2,720,279,000.00
4⅛% bonds	2,581,589,000.00				2,581,589,000.00
3⅞% bonds	1,738,455,000.00				1,738,455,000.00

3¾% bonds	1,240,088,000.00				1,240,088,000.00
2⅝% bonds	6,023,463,000.00				6,023,463,000.00
Federal savings and loan insurance corporation:					
2% notes	222,701,000.00	181,784,000.00	401,217,000.00		3,268,000.00
Federal supplementary medical insurance trust fund:					
5⅜% certificates		61,210,000.00	61,210,000.00		
5⅛% certificates		104,665,000.00	104,665,000.00		
5% certificates		145,966,000.00	145,966,000.00		
4¾% certificates		386,303,000.00	354,380,000.00		31,923,000.00
4⅝% certificates		424,476,000.00	424,476,000.00		
4½% certificates		110,218,000.00	110,218,000.00		
4⅜% certificates		58,919,000.00	58,919,000.00		
4¾% notes		446,926,000.00			446,926,000.00
Foreign service retirement fund:					
4% certificates	40,463,000.00	50,436,000.00	49,879,000.00		41,020,000.00
3% certificates	1,125,000.00	1,156,000.00	1,156,000.00		1,125,000.00
Government life insurance fund:					
4⅜% notes	77,986,000.00				77,986,000.00
4¼% bonds		28,468,000.00			28,468,000.00
3¾% bonds	79,130,000.00		1,340,000.00		77,790,000.00
3⅝% bonds	77,992,000.00				77,992,000.00
3½% bonds	702,562,000.00		150,771,000.00		551,791,000.00
Highway trust fund:					
4⅜% certificates		1,625,404,000.00	1,625,404,000.00		
4¼% certificates		1,753,500,000.00	1,753,500,000.00		
4⅛% certificates	237,763,000.00	1,956,017,000.00	1,472,070,000.00		721,710,000.00
National service life insurance fund:					
4⅝% certificates		16,653,000.00	16,653,000.00		
4⅜% certificates	13,696,000.00		13,696,000.00		
4¼% certificates		2,772,000.00	2,772,000.00		
4⅛% certificates		42,528,000.00	42,528,000.00		
3⅞% certificates		27,166,000.00	27,166,000.00		
4⅜% notes	585,568,000.00				585,568,000.00
3⅝% notes	27,784,000.00		6,946,000.00		20,838,000.00
4¼% bonds		225,452,000.00			225,452,000.00
3¾% bonds	449,857,000.00		7,873,000.00		441,984,000.00
3⅝% bonds	932,386,000.00				932,386,000.00
3⅜% bonds	298,259,000.00				298,259,000.00
3¼% bonds	430,031,000.00				430,031,000.00
3⅛% bonds	343,149,000.00				343,149,000.00
3% bonds	3,032,000,000.00		565,360,000.00		2,466,640,000.00
Railroad retirement account:					
5½% certificates		100,083,000.00	100,083,000.00		
5⅛% certificates		349,990,000.00	349,990,000.00		
5% certificates		16,357,000.00	16,357,000.00		
4⅞% certificates	218,458,000.00		218,458,000.00		
4¾% certificates		321,112,000.00	253,998,000.00		67,114,000.00
4⅝% certificates		677,642,000.00	677,642,000.00		
4½% certificates		97,539,000.00	97,539,000.00		
4⅜% certificates		30,473,000.00	30,473,000.00		

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1967 [1]
INTEREST-BEARING DEBT—Continued					
Special Issues—Continued					
Railroad retirement account—Continued					
4⅞% notes	$357,553,000.00		$15,995,000.00		$341,558,000.00
4¾% notes		$601,246,000.00			601,246,000.00
4⅛% notes	56,518,000.00		23,110,000.00		33,408,000.00
4% notes	179,353,000.00		179,353,000.00		
4⅛% bonds	614,094,000.00				614,094,000.00
4% bonds	1,850,910,000.00		184,844,000.00		1,666,066,000.00
Railroad retirement holding account:					
5⅛% certificates		372,000.00	372,000.00		
4¾% certificates		5,803,000.00	1,736,000.00		4,067,000.00
4⅝% certificates		1,070,000.00	1,070,000.00		
4½% certificates		800,000.00	800,000.00		
4⅜% certificates		42,000.00	42,000.00		
Railroad retirement supplemental account:					
5⅛% certificates		1,671,000.00	1,671,000.00		
4¾% certificates		18,753,000.00	7,776,000.00		10,977,000.00
4⅝% certificates		4,808,000.00	4,808,000.00		
4½% certificates		3,595,000.00	3,595,000.00		
4⅜% certificates		179,000.00	179,000.00		
Unemployment trust fund:					
4⅛% certificates		1,924,363,000.00	1,924,363,000.00		
4% certificates		8,940,534,000.00	1,155,921,000.00		7,784,613,000.00
3⅞% certificates	7,074,789,000.00	902,144,000.00	7,976,933,000.00		
Veterans' special term insurance fund:					
3⅝% certificates	169,618,000.00	209,017,000.00	189,253,000.00		189,382,000.00
Veterans' reopened insurance fund:					
5⅜% certificates		2,394,000.00	2,394,000.00		
5⅛% certificates		5,114,000.00	5,114,000.00		
5% certificates		9,123,000.00	9,123,000.00		
4⅞% certificates	18,772,000.00		18,772,000.00		
4¾% certificates		62,130,000.00	9,577,000.00		52,553,000.00
4⅝% certificates		2,360,000.00	2,360,000.00		
4½% certificates		2,611,000.00	2,611,000.00		
4⅜% certificates		2,793,000.00	2,793,000.00		
Total special issues	51,120,493,666.28	88,818,555,946.52	83,783,867,659.94		56,155,181,952.86
Total interest-bearing debt	315,380,172,300.07	279,723,011,816.02	272,693,502,260.81	$157,192,575.00	322,252,489,280.28

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED					
Old debt—issued prior to Apr. 1, 1917:					
6% Five-twenties of 1865	[7] $19,650.00				$19,650.00
6% compound interest notes 1864–66	155,960.00				155,960.00
3% loan of 1908–18	98,020.00				98,020.00
2½% postal savings bonds	230,020.00			$38,320.00	191,700.00
2% consols of 1930	9,800.00				9,800.00
4% funded loan of 1907	342,850.00				342,850.00
3% Panama Canal loan 1961	122,200.00			1,000.00	121,200.00
All others [8]	[r] 743,930.26				743,930.26
Total old debt-issued prior to Apr. 1, 1917	1,722,430.26			39,320.00	1,683,110.26
Liberty loan bonds:					
First Liberty loan:					
First 3½'s	265,800.00			3,400.00	262,400.00
First 4's	86,950.00			550.00	86,400.00
First 4¼'s	189,950.00			3,750.00	186,200.00
First—Second 4¼'s	2,050.00				2,050.00
Total	544,750.00			7,700.00	537,050.00
Second Liberty loan:					
Second 4's	334,250.00			2,950.00	331,300.00
Second 4¼'s	347,300.00			15,650.00	331,650.00
Total	681,550.00			18,600.00	662,950.00
Third Liberty loan 4¼'s	1,191,200.00			4,900.00	1,186,300.00
Fourth Liberty loan 4¼'s	2,157,400.00			46,450.00	2,110,950.00
Total Liberty loan bonds	4,574,900.00			77,650.00	4,497,250.00
Victory notes:					
Victory 3¾'s	700.00				700.00
Victory 4¾'s	392,300.00			1,600.00	390,700.00
Total Victory notes	393,000.00			1,600.00	391,400.00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury bonds:					
3⅜% of 1940–43	$10,250.00			$1,250.00	$9,000.00
3⅜% of 1941–43	28,200.00				28,200.00
3¼% of 1941	9,150.00			1,000.00	8,150.00
3⅜% of 1943–47	49,400.00			1,000.00	48,400.00
3¼% of 1943–45	116,500.00			9,500.00	107,000.00
3¼% of 1944–46	215,950.00			11,100.00	204,850.00
4% of 1944–54	176,300.00			9,700.00	166,600.00
2¾% of 1945–47	110,600.00			9,100.00	101,500.00
2½% of 1945	2,500.00				2,500.00
3¾% of 1946–56	61,600.00			200.00	61,400.00
3% of 1946–48	48,250.00			2,100.00	46,150.00
3⅛% of 1946–49	252,600.00			10,700.00	241,900.00
4¼% of 1947–52	212,200.00			14,200.00	198,000.00
2% of 1947	350.00				350.00
2% of 1948–50 (dated Mar. 15, 1941)	2,300.00			300.00	2,000.00
2¾% of 1948–51	6,200.00				6,200.00
1¾% of 1948	52,500.00			1,000.00	51,500.00
2½% of 1948	4,050.00				4,050.00
2% of 1948–50 (dated Dec. 8, 1939)	2,600.00				2,600.00
2% of 1949–51 (dated Jan. 15, 1942)	150.00				150.00
2% of 1949–51 (dated May 15, 1942)	14,000.00				14,000.00
2% of 1949–51 (dated July 15, 1942)	2,500.00				2,500.00
3⅛% of 1949–52	19,200.00			2,000.00	17,200.00
2½% of 1949–53	66,550.00			1,200.00	65,350.00
1½% of 1950	428,500.00			36,500.00	392,000.00
2% of 1950–52 (dated Oct. 19, 1942)	18,300.00				18,300.00
2½% of 1950–52	61,000.00			50.00	60,950.00
2% of 1950–52 (dated Apr. 15, 1943)	243,000.00			14,500.00	228,500.00
2¼% of 1951–53	51,400.00			1,600.00	49,800.00
2% of 1951–53	557,500.00			57,000.00	500,500.00
2¾% of 1951–54	93,100.00			5,500.00	87,600.00
2% of 1951–55	27,000.00			11,200.00	15,800.00
3% of 1951–55	534,150.00			25,800.00	508,350.00
2½% of 1952–54	18,050.00			12,000.00	6,050.00
2% of 1952–54 (dated June 26, 1944)	674,000.00			115,000.00	559,000.00
2% of 1952–54 (dated Dec. 1, 1944)	1,237,000.00			118,500.00	1,118,500.00
2¼% of 1952–55	20,200.00			200.00	20,000.00
2% of 1953–55	61,350.00			500.00	60,850.00
2¼% of 1954–56	80,150.00			30,600.00	49,550.00
2⅞% of 1955–60	1,443,300.00			105,400.00	1,337,900.00
2½% of 1956–58	105,350.00			22,150.00	83,200.00

2¾% of 1956–59	140,950.00			21,550.00	119,400.00
2½% of 1956–59	1,028,500.00			142,500.00	886,000.00
2⅜% of 1957–59	41,000.00				41,000.00
2½% of 1958	94,000.00			22,000.00	72,000.00
2⅜% of 1958	74,000.00			15,500.00	58,500.00
2¾% of 1958–63	189,600.00			129,350.00	60,250.00
2⅛% of 1960	99,000 00			57,000.00	42,000.00
2¾% of 1961	387,500.00			108,000.00	279,500.00
2½% of 1961	996,000.00			145,500.00	850,500.00
2¼% of 1959–62 (dated June 1, 1945)	2,670,500.00			616,500.00	2,054,000.00
2¼% of 1959–62 (dated Nov. 15, 1945)	3,094,500.00			835,500.00	2,259,000.00
2¾% of 1960–65	603,250.00			141,500.00	461,750.00
2½% of 1962–67			$27,675,800.00		27,675,800.00
2½% of 1963	1,030,500.00			305,500.00	725,000.00
3% of 1964	791,000.00			387,000.00	404,000.00
2⅝% of 1965	1,501,500.00			832,500.00	669,000.00
3¾% of 1966	9,315,000.00			8,402,500.00	912,500.00
3⅜% of 1966			901,000.00		901,000.00
3% of 1966			1,142,000.00		1,142,000.00
Total Treasury bonds	29,174,050.00		29,718,800.00	12,793,250.00	46,099,600.00
3% Adjusted service bonds of 1945	1,231,750.00			86,700.00	1,145,050.00
Treasury bonds, investment series:					
2½% A–1965	70,000.00			70,000.00	
U.S. savings bonds:					
Series A–1935	265,050.00			28,825.00	236,225.00
Series B–1936	518,325.00			49,525.00	468,800.00
Series C–1937	531,700.00			65,750.00	465,950.00
Series C–1938	867,350.00			75,000.00	792,350.00
Series D–1939	1,322,275.00			154,475.00	1,167,800.00
Series D–1940	2,700,475.00			315,150.00	2,385,325.00
Series D–1941	2,989,775.00			372,825.00	2,616,950.00
Series F–1941	528,150.00			99,550.00	428,600.00
Series F–1942	1,983,150.00			343,375.00	1,639,775.00
Series F–1943	2,648,400.00			365,200.00	2,283,200.00
Series F–1944	2,381,550.00			398,900.00	1,982,650.00
Series F–1945	1,730,200.00			247,075.00	1,483,125.00
Series F–1946	943,875.00			127,675.00	816,200.00
Series F–1947	874,700.00			144,225.00	730,475.00
Series F–1948	590,650.00			136,250.00	454,400.00
Series F–1949	845,850.00			133,950.00	711,900.00
Series F–1950	887,425.00			207,225.00	680,200.00
Series F–1951	761,825.00			208,550.00	553,275.00
Series F–1952	507,525.00			280,175.00	227,350.00
Series F Unclassified				12,825.00	[6] −12,825.00
Series G–1941	409,000.00			35,900.00	373,100.00
Series G–1942	1,988,200.00			254,700.00	1,733,500.00
Series G–1943	3,877,000.00			499,500.00	3,377,500.00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
U.S. savings bonds—Continued					
Series G-1944	$4,948,800.00			$730,500.00	$4,218,300.00
Series G-1945	4,649,800.00			719,100.00	3,930,700.00
Series G-1946	4,386,400.00			771,600.00	3,614,800.00
Series G-1947	5,536,800.00			928,400.00	4,608,400.00
Series G-1948	5,230,300.00			962,900.00	4,267,400.00
Series G-1949	6,181,100.00			1,310,500.00	4,870,600.00
Series G-1950	6,981,100.00			1,638,300.00	5,342,800.00
Series G-1951	6,285,000.00			1,637,100.00	4,647,900.00
Series G-1952	2,529,400.00			729,900.00	1,799,500.00
Series G Unclassified	[6] −1,400.00			25,600.00	[6] −27,000.00
Series J-1952	1,688,725.00			648,200.00	1,040,525.00
Series J-1953	6,235,500.00			2,959,450.00	3,276,050.00
Series J-1954	14,654,375.00		$5,086,800.00	10,974,950.00	8,766,225.00
Series J-1955			14,038,475.00		14,038,475.00
Series K-1952	3,404,500.00			1,218,000.00	2,186,500.00
Series K-1953	4,784,000.00			2,505,500.00	2,278,500.00
Series K-1954	12,075,000.00		3,859,500.00	9,937,500.00	5,997,000.00
Series K-1955			13,512,000.00		13,512,000.00
Total U.S. savings bonds	119,721,850.00		36,496,775.00	42,254,125.00	113,964,500.00
Armed Forces leave bonds:					
Series 1943:					
Apr. 1, 1943	17,675.00			1,375.00	16,300.00
July 1, 1943	27,225.00			2,250.00	24,975.00
Oct. 1, 1943	45,625.00			2,475.00	43,150.00
Series 1944:					
Jan. 1, 1944	46,125.00			2,275.00	43,850.00
Apr. 1, 1944	34,225.00			1,475.00	32,750.00
July 1, 1944	36,975.00			3,325.00	33,650.00
Oct. 1, 1944	39,950.00			1,925.00	38,025.00
Series 1945:					
Jan. 1, 1945	81,975.00			4,375.00	77,600.00
Apr. 1, 1945	68,650.00			5,350.00	63,300.00
July 1, 1945	163,425.00			11,250.00	152,175.00
Oct. 1, 1945	637,675.00			48,575.00	589,100.00
Series 1946:					
Jan. 1, 1946	2,552,875.00			186,825.00	2,366,050.00
Apr. 1, 1946	1,328,125.00			91,700.00	1,236,425.00
July 1, 1946	494,425.00			32,825.00	461,600.00
Oct. 1, 1946	554,475.00			33,350.00	521,125.00
Total Armed Forces leave bonds	6,129,425.00			429,350.00	5,700,075.00

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	79, 900. 00				79, 900. 00
3½% B-1930-32	9, 600. 00			100. 00	9, 500. 00
3½% C-1930-32	6, 550. 00				6, 550. 00
3% A-1935	3, 000. 00				3, 000. 00
2⅞% C-1936	5, 500. 00				5, 500. 00
3¼% A-1937	11, 600. 00				11, 600. 00
3% B-1937	25, 500. 00				25, 500. 00
2⅞% B-1938	5, 000. 00				5, 000. 00
2½% D-1938	1, 400. 00				1, 400. 00
2⅛% A-1939	10, 200. 00				10, 200. 00
1⅜% B-1939	100. 00				100. 00
1½% C-1939	1, 100. 00			1, 100. 00	
1⅝% A-1940	150. 00				150. 00
2% B-1942	2, 000. 00				2, 000. 00
1⅛% A-1943	3, 000. 00				3, 000. 00
1% C-1943	300. 00				300. 00
¾% A-1945	100. 00				100. 00
1¼% B-1947	14, 000. 00			6, 000. 00	8, 000. 00
1¼% C-1947	38, 000. 00				38, 000. 00
1½% A-1948	8, 000. 00				8, 000. 00
1⅜% A-1950	10, 000. 00			10, 000. 00	
1¼% G-1951	4, 000. 00				4, 000. 00
1⅜% A-1954	35, 000. 00			33, 000. 00	2, 000. 00
1⅞% B-1954	1, 000. 00				1, 000. 00
1½% A-1955	15, 000. 00				15, 000. 00
1¾% B-1955	5, 000. 00				5, 000. 00
2% B-1956	5, 000. 00				5, 000. 00
2⅞% A-1957	32, 000. 00			1, 000. 00	31, 000. 00
2⅞% A-1958	49, 000. 00			20, 000. 00	29, 000. 00
1⅞% A-1959	30, 000. 00			25, 000. 00	5, 000. 00
3½% B-1959	6, 000. 00				6, 000. 00
3½% A-1960	167, 000. 00			108, 000. 00	59, 000. 00
3¼% B-1960	2, 000. 00				2, 000. 00
4¾% C-1960	65, 000. 00			21, 000. 00	44, 000. 00
4% A-1961	241, 000. 00			41, 000. 00	200, 000. 00
3⅝% B-1961	55, 000. 00				55, 000. 00
3⅝% A-1962	42, 000. 00			10, 000. 00	32, 000. 00
4% B-1962	225, 000. 00			60, 000. 00	165, 000. 00
3¾% C-1962	121, 000. 00			21, 000. 00	100, 000. 00
4% D-1962	96, 000. 00			37, 000. 00	59, 000. 00
4% E-1962	82, 000. 00			20, 000. 00	62, 000. 00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury notes—Continued					
Regular series—Continued					
3¼% F-1962	$116,000.00			$110,000.00	$6,000.00
3¼% G-1962	8,000.00				8,000.00
3¼% H-1962	15,000.00			2,000.00	13,000.00
2⅝% A-1963	103,000.00			33,000.00	70,000.00
4% B-1963	491,000.00			155,000.00	336,000.00
4⅞% C-1963	958,000.00			362,000.00	596,000.00
3¼% D-1963	63,000.00			2,000.00	61,000.00
3¼% E-1963	17,000.00			1,000.00	16,000.00
4¾% A-1964	3,222,000.00			1,021,000.00	2,201,000.00
5% B-1964	5,144,000.00			1,879,000.00	3,265,000.00
4⅞% C-1964	933,000.00			403,000.00	530,000.00
3¾% D-1964	243,000.00			110,000.00	133,000.00
3¾% E-1964	224,000.00			132,000.00	92,000.00
3¾% F-1964	33,000.00			27,000.00	6,000.00
4⅝% A-1965	1,126,000.00			425,000.00	701,000.00
3½% B-1965	316,000.00			179,000.00	137,000.00
3⅞% C-1965	200,000.00			153,000.00	47,000.00
3⅞% D-1965 (dated Feb. 15, 1964)	15,000.00			15,000.00	
3⅞% D-1965 (dated Apr. 8, 1964)	247,000.00			158,000.00	89,000.00
4% E-1965	841,000.00			556,000.00	285,000.00
4% A-1966			$821,000.00		821,000.00
3⅝% B-1966	1,071,000.00			904,000.00	167,000.00
3⅞% C-1966	311,000.00			262,000.00	49,000.00
4% D-1966	2,762,000.00			2,301,000.00	461,000.00
4% E-1966			460,000.00		460,000.00
3⅝% B-1967			1,722,000.00		1,722,000.00
4% C-1967			517,000.00		517,000.00
4¼% D-1967			4,508,000.00		4,508,000.00
1½% EA-1956	1,000.00				1,000.00
1½% EO-1957	10,000.00			10,000.00	
1½% EA-1958	10,000.00			10,000.00	
1½% EO-1958	1,000.00				1,000.00
1½% EA-1961	10,000.00				10,000.00
1½% EO-1961	8,000.00			7,000.00	1,000.00
1½% EA-1962	29,000.00				29,000.00
1½% EO-1962	5,000.00				5,000.00
1½% EA-1963	20,000.00				20,000.00
1½% EO-1963	1,000.00				1,000.00
1½% EA-1964	211,000.00			3,000.00	208,000.00
1½% EO-1964	230,000.00			13,000.00	217,000.00

1½% EA-1965	196,000.00			1,000.00	195,000.00
1½% EO-1965	211,000.00			11,000.00	200,000.00
1½% EA-1966	526,000.00			68,000.00	458,000.00
1½% EO-1966			200,000.00		200,000.00
1½% EA-1967			583,000.00		583,000.00
Tax series:					
A-1943	5,900.00			725.00	5,175.00
B-1943	1,600.00			1,000.00	600.00
A-1944	7,750.00			300.00	7,450.00
B-1944	2,000.00				2,000.00
A-1945	77,275.00			4,950.00	72,325.00
Savings series:					
C-1946	50,300.00			11,000.00	39,300.00
C-1947	122,800.00			13,400.00	109,400.00
C-1948	85,900.00			15,000.00	70,900.00
C-1949	11,000.00			1,400.00	9,600.00
C-1950	7,100.00			100.00	7,000.00
C-1951	900.00			200.00	700.00
D-1951	5,200.00			3,700.00	1,500.00
D-1952	15,800.00				15,800.00
D-1953	74,600.00			35,000.00	39,600.00
A-1954	25,400.00			700.00	24,700.00
A-1955	47,000.00			1,200.00	45,800.00
A-1956	400.00			200.00	200.00
B-1955	4,500.00			1,300.00	3,200.00
Total Treasury notes	22,021,825.00		8,811,000.00	9,817,375.00	21,015,450.00
Certificates of indebtedness:					
Tax 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
5⅛% TM-1930	2,000.00				2,000.00
1⅛% TS-1932	3,500.00				3,500.00
3¾% TM-1933	12,500.00				12,500.00
2% First-Matured Mar. 15, 1933	4,100.00				4,100.00
4¼% TD-2-1933	1,000.00				1,000.00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Certificates of indebtedness—Continued					
Regular:					
4½% IV A-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	11,000.00				11,000.00
⅞% E-1944	16,000.00				16,000.00
⅞% A-1945	60,000.00			$4,000.00	56,000.00
⅞% C-1945	3,000.00				3,000.00
⅞% E-1946	11,000.00			1,000.00	10,000.00
⅞% K-1946	9,000.00			3,000.00	6,000.00
⅞% E-1947	51,000.00				51,000.00
⅞% F-1947	1,000.00				1,000.00
⅞% C-1948	2,000.00				2,000.00
1¼% A-1950	3,000.00				3,000.00
1⅞% C-1952	1,000.00				1,000.00
2⅝% B-1954	17,000.00				17,000.00
2⅝% E-1954	2,000.00				2,000.00
3⅜% A-1958	15,000.00				15,000.00
4% C-1958	6,000.00			3,000.00	3,000.00
3¾% A-1960	2,000.00				2,000.00
4¾% C-1960	86,000.00			81,000.00	5,000.00
4⅞% A-1961	39,000.00			1,000.00	38,000.00
4⅜% B-1961	10,000.00				10,000.00
3⅛% C-1961	3,000.00			3,000.00	
3% A-1962	1,000.00				1,000.00
3¼% B-1963	9,000.00				9,000.00
3½% C-1963	34,000.00			34,000.00	
3⅛% D-1963	20,000.00			3,000.00	17,000.00
3¼% A-1964	5,000.00			5,000.00	
3¼% B-1964	5,000.00				5,000.00
4¾% A-1966			$102,000.00		102,000.00
Total certificates of indebtedness	463,200.00		102,000.00	138,000.00	427,200.00
Treasury bills, maturity date:					
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
July 29, 1954	5,000.00				5,000.00
May 19, 1955	1,000.00				1,000.00

Apr. 24, 1958	15,000.00	--------	--------	--------	15,000.00
May 15, 1959	1,000.00	--------	--------	--------	1,000.00
Sept. 3, 1959	20,000.00	--------	--------	--------	20,000.00
Jan. 14, 1960	1,000.00	--------	--------	--------	1,000.00
Apr. 15, 1960	44,000.00	--------	--------	--------	44,000.00
June 22, 1960	7,000.00	--------	--------	--------	7,000.00
July 15, 1960	36,000.00	--------	--------	25,000.00	11,000.00
July 21, 1960	5,000.00	--------	--------	--------	5,000.00
July 28, 1960	6,000.00	--------	--------	--------	6,000.00
Aug. 4, 1960	12,000.00	--------	--------	--------	12,000.00
Aug. 11, 1960	3,000.00	--------	--------	--------	3,000.00
Sept. 29, 1960	20,000.00	--------	--------	--------	20,000.00
Oct. 17, 1960	3,000.00	--------	--------	2,000.00	1,000.00
Jan. 15, 1961	90,000.00	--------	--------	27,000.00	63,000.00
Jan. 26, 1961	1,000.00	--------	--------	--------	1,000.00
July 27, 1961	10,000.00	--------	--------	--------	10,000.00
Oct. 5, 1961	100,000.00	--------	--------	--------	100,000.00
Feb. 1, 1962	1,000.00	--------	--------	--------	1,000.00
Mar. 1, 1962	7,000.00	--------	--------	--------	7,000.00
Mar. 23, 1962	25,000.00	--------	--------	25,000.00	--------
July 15, 1962	12,000.00	--------	--------	--------	12,000.00
May 9, 1963	10,000.00	--------	--------	--------	10,000.00
Nov. 21, 1963	22,000.00	--------	--------	--------	22,000.00
Jan. 2, 1964	3,000.00	--------	--------	--------	3,000.00
Jan. 15, 1964	33,000.00	--------	--------	--------	33,000.00
Apr. 15, 1964	37,000.00	--------	--------	--------	37,000.00
June 11, 1964	5,000.00	--------	--------	--------	5,000.00
July 15, 1964	58,000.00	--------	--------	58,000.00	--------
Aug. 6, 1964	25,000.00	--------	--------	25,000.00	--------
Oct. 8, 1964	1,000.00	--------	--------	1,000.00	--------
Jan. 7, 1965	15,000.00	--------	--------	5,000.00	10,000.00
Jan. 14, 1965	10,000.00	--------	--------	10,000.00	--------
Jan. 31, 1965	5,000.00	--------	--------	--------	5,000.00
Feb. 4, 1965	10,000.00	--------	--------	10,000.00	--------
Feb. 28, 1965	10,000.00	--------	--------	10,000.00	--------
Mar. 4, 1965	12,000.00	--------	--------	--------	12,000.00
Mar. 11, 1965	25,000.00	--------	--------	--------	25,000.00
Apr. 1, 1965	5,000.00	--------	--------	5,000.00	--------
Apr. 8, 1965	12,000.00	--------	--------	2,000.00	10,000.00
Apr. 30, 1965	2,000.00	--------	--------	--------	2,000.00
May 27, 1965	20,000.00	--------	--------	20,000.00	--------
May 31, 1965	75,000.00	--------	--------	75,000.00	--------
June 10, 1965	10,000.00	--------	--------	5,000.00	5,000.00
June 22, 1965	100,000.00	--------	--------	100,000.00	--------
June 30, 1965	63,000.00	--------	--------	63,000.00	--------
July 8, 1965	110,000.00	--------	--------	50,000.00	60,000.00
July 22, 1965	52,000.00	--------	--------	12,000.00	40,000.00
July 31, 1965	3,000.00	--------	--------	3,000.00	--------
Aug. 5, 1965	13,000.00	--------	--------	13,000.00	--------
Aug. 19, 1965	16,000.00	--------	--------	6,000.00	10,000.00
Aug. 26, 1965	26,000.00	--------	--------	26,000.00	--------

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury bills, maturity date—Continued					
Aug. 31, 1965	$75,000.00				$75,000.00
Sept. 16, 1965	19,000.00				19,000.00
Sept. 30, 1950	78,000.00				78,000.00
Oct. 7, 1965	6,000.00			$6,000.00	
Oct. 21, 1965	10,000.00				10,000.00
Oct. 28, 1965	2,000.00			2,000.00	
Oct. 31, 1965	34,000.00			34,000.00	
Nov. 4, 1965	1,000.00			1,000.00	
Nov. 18, 1965	9,000.00			9,000.00	
Nov. 30, 1965	41,000.00			35,000.00	6,000.00
Dec. 16, 1965	7,000.00			7,000.00	
Dec. 30, 1965	73,000.00			73,000.00	
Dec. 31, 1965	46,000.00			36,000.00	10,000.00
Jan. 6, 1966	20,000.00			20,000.00	
Jan. 13, 1966	9,000.00			9,000.00	
Jan. 20, 1966	200,000.00			190,000.00	10,000.00
Jan. 27, 1966	20,000.00				20,000.00
Jan. 31, 1966	49,000.00			49,000.00	
Feb. 3, 1966	17,000.00			17,000.00	
Feb. 10, 1966	46,000.00			46,000.00	
Feb. 17, 1966	95,000.00			95,000.00	
Feb. 24, 1966	43,000.00			43,000.00	
Feb. 28, 1966	83,000.00			81,000.00	2,000.00
Mar. 3, 1966	18,000.00			18,000.00	
Mar. 10, 1966	36,000.00			11,000.00	25,000.00
Mar. 17, 1966	165,000.00			135,000.00	30,000.00
Mar. 22, 1966	125,000.00			125,000.00	
Mar. 24, 1966	45,000.00			35,000.00	10,000.00
Mar. 31, 1966	145,000.00			136,000.00	9,000.00
Apr. 7, 1966	78,000.00			78,000.00	
Apr. 14, 1966	33,000.00			33,000.00	
Apr. 21, 1966	1,112,000.00			1,112,000.00	
Apr. 28, 1966	170,000.00			134,000.00	36,000.00
Apr. 30, 1966	440,000.00			440,000.00	
May 5, 1966	542,000.00			517,000.00	25,000.00
May 12, 1966	162,000.00			162,000.00	
May 19, 1966	295,000.00			284,000.00	11,000.00
May 26, 1966	405,000.00			355,000.00	50,000.00
May 31, 1966	515,000.00			515,000.00	
June 2, 1966	654,000.00			629,000.00	25,000.00
June 9, 1966	673,000.00			673,000.00	

June 16, 1966	1,601,000.00			1,599,000.00	2,000.00
June 22, 1966	80,840,000.00			80,741,000.00	99,000.00
June 23, 1966	2,689,000.00			2,678,000.00	11,000.00
June 30, 1966	24,532,000.00			24,522,000.00	10,000.00
July 7, 1966			$23,000.00		23,000.00
July 21, 1966			10,000.00		10,000.00
July 28, 1966			1,000.00		1,000.00
July 31, 1966			10,000.00		10,000.00
Aug. 4, 1966			26,000.00		26,000.00
Aug. 11, 1966			2,000.00		2,000.00
Aug. 25, 1966			2,000.00		2,000.00
Aug. 31, 1966			10,000.00		10,000.00
Sept. 8, 1966			2,000.00		2,000.00
Sept. 15, 1966			78,000.00		78,000.00
Sept. 22, 1966			56,000.00		56,000.00
Sept. 30, 1966			20,000.00		20,000.00
Oct. 6, 1966			25,000.00		25,000.00
Oct. 13, 1966			40,000.00		40,000.00
Oct. 20, 1966			25,000.00		25,000.00
Oct. 27, 1966			32,000.00		32,000.00
Oct. 31, 1966			50,000.00		50,000.00
Nov. 3, 1966			29,000.00		29,000.00
Nov. 10, 1966			76,000.00		76,000.00
Nov. 17, 1966			3,000.00		3,000.00
Nov. 25, 1966			15,000.00		15,000.00
Nov. 30, 1966			29,000.00		29,000.00
Dec. 1, 1966			35,000.00		35,000.00
Dec. 8, 1966			50,000.00		50,000.00
Dec. 15, 1966			18,000.00		18,000.00
Dec. 22, 1966			6,000.00		6,000.00
Dec. 29, 1966			2,000.00		2,000.00
Dec. 31, 1966			20,000.00		20,000.00
Jan. 5, 1967			3,000.00		3,000.00
Jan. 12, 1967			222,000.00		222,000.00
Jan. 19, 1967			83,000.00		83,000.00
Jan. 26, 1967			572,000.00		572,000.00
Jan. 31, 1967			151,000.00		151,000.00
Feb. 2, 1967			174,000.00		174,000.00
Feb. 9, 1967			131,000.00		131,000.00
Feb. 16, 1967			32,000.00		32,000.00
Feb. 23, 1967			149,000.00		149,000.00
Feb. 28, 1967			139,000.00		139,000.00
Mar. 2, 1967			159,000.00		159,000.00
Mar. 9, 1967			162,000.00		162,000.00
Mar. 16, 1967			129,000.00		129,000.00
Mar. 22, 1967			54,000.00		54,000.00
Mar. 23, 1967			362,000.00		362,000.00
Mar. 30, 1967			493,000.00		493,000.00
Mar. 31, 1967			1,356,000.00		1,356,000.00
Apr. 6, 1967			679,000.00		679,000.00
Apr. 13, 1967			182,000.00		182,000.00

Footnotes at end of table.

TABLE 41.—*Changes in public debt issues, fiscal year 1967*—Continued

Issues	Outstanding June 30, 1966	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1967 [1]
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury bills, maturity date—Continued					
Apr. 20, 1967			$286,000.00		$286,000.00
Apr. 21, 1967			1,298,000.00		1,298,000.00
Apr. 27, 1967			252,000.00		252,000.00
Apr. 30, 1967			855,000.00		855,000.00
May 4, 1967			619,000.00		619,000.00
May 11, 1967			347,000.00		347,000.00
May 18, 1967			1,181,000.00		1,181,000.00
May 25, 1967			623,000.00		623,000.00
May 31, 1967			864,000.00		864,000.00
June 1, 1967			596,000.00		596,000.00
June 8, 1967			2,029,000.00		2,029,000.00
June 15, 1967			1,494,000.00		1,494,000.00
June 22, 1967			1,390,000.00		1,390,000.00
June 22, 1967			39,001,000.00		39,001,000.00
June 29, 1967			5,779,000.00		5,779,000.00
June 30, 1967			19,523,000.00		19,523,000.00
Total Treasury bills	$117,506,000.00		82,064,000.00	$116,263,000.00	83,307,000.00
Treasury savings certificates:					
Issued Dec. 15, 1921	7,900.00				7,900.00
Issued Sept. 30, 1922	47,450.00			2,175.00	45,275.00
Issued Dec. 1, 1923	15,275.00			50.00	15,225.00
Total Treasury savings certificates	70,625.00			2,225.00	68,400.00
Total matured debt on which interest has ceased	303,079,055.26		157,192,575.00	181,972,595.00	278,299,035.26
DEBT BEARING NO INTEREST					
U.S. savings stamps	55,901,064.96	$19,147,271.95		17,929,101.30	57,119,235.61
Excess profits tax refund bonds:					
First Series	355,630.66			874.62	354,756.04
Second Series	267,588.39			7,163.94	260,424.45
Special notes of the United States:					
International Monetary Fund, various issue dates	3,614,000,000.00	760,000,000.00		1,046,000,000.00	3,328,000,000.00
International Development Association, various issue dates	64,000,000.00			64,000,000.00	
Inter-American Development Bank, various issue dates	131,500,000.00			131,500,000.00	

Special bonds of the United States:					
U.N. Special Fund Series	37,877,990.00			32,877,990.00	5,000,000.00
U.S. notes (less gold reserves)	166,499,585.07				166,499,585.07
Old demand notes	52,917.50				52,917.50
National and Federal Reserve bank notes	86,261,920.00			4,112,760.50	82,149,159.50
Fractional currency	1,965,154.45			16.31	1,965,138.14
Old series currency	5,597,115.00			238,896.00	5,358,219.00
Thrift and Treasury savings stamps	3,699,621.50			644.50	3,698,977.00
Total debt bearing no interest	4,167,978,587.53	779,147,271.95		1,296,667,447.17	3,650,458,412.31
Total gross public debt [9]	319,851,229,942.86	280,502,159,087.97		274,172,142,302.98	326,181,246,727.85

[r] Revised.

[1] Reconciliation by classes to the basis of the daily Treasury statement is shown in summary table 33.

[2] Treasury bills are shown at maturity value.

[3] Consists of a strip issued Nov. 25, 1966, of additional amounts of 3 series of outstanding Treasury bills dated Mar. 31, Apr. 30, and May 31, 1961, and maturing Mar. 31, Apr. 30, and May 31, 1967, respectively.

[4] Excludes $400,782,000 issued Nov. 25, 1966 (see footnote 3).

[5] Amounts issued and retired for Series E and J include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series H and K are stated at par value.

[6] Excess of unclassified redemptions over unclassified sales.

[7] A $100 redemption of this issue was not identified in the 1966 annual report, page 714.

[8] 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.

[9] Includes public debt incurred to finance expenditures of wholly owned Government corporations and other business-type activities in exchange for which their securities were issued to the Treasury (see table 111).

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*

[On basis of daily Treasury statements, supplemented by special statements by the Bureau of the Public Debt on public debt transactions]

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
July 1	Treasury certificates, maturing:	*Percent*		
	July 1, 1966	4.555		$6,203,700.00
	July 31, 1966	4.24		32,996,358.65
	Oct. 1, 1966	4.435	$6,274,336.20	
1	Treasury bonds, foreign currency series, maturing:			
	July 1, 1966	3.93		50,263,885.38
	July 1, 1966	3.99		25,491,877.36
1	Certificates of indebtedness, foreign currency series, maturing June 30, 1967	4.99	25,490,105.20	
	Treasury bills:			
	Regular weekly:			
7	Dated Jan. 6, 1966	[4] 4.612		
	Redeemed in exchange for series issued July 7, 1966, due Oct. 6, 1966			201,163,000.00
	Redeemed in exchange for series dated July 7, 1966, due Jan. 5, 1967			152,929,000.00
	Redeemable for cash			1,950,558,000.00
7	Maturing Oct. 6, 1966	4.731		
	Issued in exchange for series dated Jan. 6, 1966		201,163,000.00	
	Issued for cash		1,101,129,000.00	
7	Maturing Jan. 5, 1967	4.915		
	Issued in exchange for series dated Jan. 6, 1966		152,929,000.00	
	Issued for cash		848,302,000.00	
7	Certificates of indebtedness, foreign series, maturing:			
	Sept. 16, 1966	4.575		40,000,000.00
	Sept. 16, 1966	4.575		65,000,000.00
	Treasury bills:			
	Regular weekly:			
14	Dated Jan. 13, 1966	[4] 4.669		
	Redeemed in exchange for series issued July 14, 1966, due Oct. 13, 1966			128,262,000.00
	Redeemed in exchange for series dated July 14, 1966, due Jan. 12, 1967			104,670,000.00
	Redeemable for cash			2,067,886,000.00
14	Maturing Oct. 13, 1966	4.875		
	Issued in exchange for series dated Jan. 13, 1966		128,262,000.00	
	Issued for cash		1,174,149,000.00	
14	Maturing Jan. 12, 1967	4.999		
	Issued in exchange for series dated Jan. 13, 1966		104,670,000.00	
	Issued for cash		896,323,000.00	
20	Treasury bonds, foreign currency series, maturing July 20, 1966	4.02		23,025,558.37
20	Certificates of indebtedness, foreign series, maturing:			
	July 29, 1966	4.65		50,000,000.00
	Aug. 31, 1966	4.65		50,000,000.00
	Sept. 30, 1966	4.45		50,000,000.00
	Oct. 20, 1966	5.00	125,000,000.00	
21	Oct. 21, 1966	5.00	10,000,000.00	
	Treasury bills:			
	Regular weekly:			
21	Dated Jan. 20, 1966	[4] 4.710		
	Redeemed in exchange for series issued July 21, 1966, due Oct. 20, 1966			257,533,000.00
	Redeemed in exchange for series dated July 21, 1966, due Jan. 19, 1967			178,665,000.00
	Redeemable for cash			1,865,684,000.00
21	Maturing Oct. 20, 1966	4.998		
	Issued in exchange for series dated Jan. 20, 1966		257,533,000.00	
	Issued for cash		1,042,580,000.00	
21	Maturing Jan. 19, 1967	5.096		
	Issued in exchange for series dated Jan. 20, 1966		178,665,000.00	
	Issued for cash		822,711,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
July 22	Certificates of indebtedness, foreign series, maturing:	*Percent*		
	Oct. 21, 1966	5.00	$30,000,000.00	
	Oct. 21, 1966	5.00	20,000,000.00	
26	Certificates of indebtedness, foreign currency series, maturing:			
	Oct. 26, 1966	4.80		$92,635,479.39
	Jan. 26, 1967	5.00	92,631,188.92	
	Treasury bills:			
	Regular weekly:			
28	Dated Jan. 27, 1966	[4] 4.660		
	Redeemed in exchange for series issued July 28, 1966, due Oct. 27, 1966			245,322,000.00
	Redeemed in exchange for series dated July 28, 1966, due Jan. 26, 1967			174,093,000.00
	Redeemable for cash			1,881,872,000.00
28	Maturing Oct. 27, 1966	4.819		
	Issued in exchange for series dated Jan. 27, 1966		245,322,000.00	
	Issued for cash		1,055,326,000.00	
28	Maturing Jan. 26, 1967	4.919		
	Issued in exchange for series dated Jan. 27, 1966		174,093,000.00	
	Issued for cash		827,688,000.00	
31	Treasury certificates, maturing:			
	July 31, 1966	4.24		31,426,158.53
	July 31, 1966	4.630		1,038,105.40
	Aug. 31, 1966	4.03	31,533,668.71	
	Oct. 31, 1966	4.818	1,050,209.02	
31	U.S. savings bonds: [5]			
	Series E-1941	[6] 3.297	552,023.02	1,565,262.40
	Series E-1942	[6] 3.339	4,335,238.70	6,456,533.81
	Series E-1943	[6] 3.377	4,742,843.53	10,566,283.19
	Series E-1944	[6] 3.409	9,161,578.68	13,305,879.24
	Series E-1945	[6] 3.438	4,795,417.05	12,724,727.51
	Series E-1946	[6] 3.468	4,450,703.32	7,559,269.26
	Series E-1947	[6] 3.497	5,253,028.98	6,610,473.80
	Series E-1948	[6] 3.528	5,383,372.04	7,291,470.28
	Series E-1949	[6] 3.464	5,352,823.84	7,164,175.81
	Series E-1950	[6] 3.433	5,310,424.04	7,359,125.49
	Series E-1951	[6] 3.485	4,070,351.16	6,397,256.01
	Series E-1952 (January to April)	3.520	2,267,861.23	2,141,462.87
	Series E-1952 (May to December)	[6] 3.575	3,320,013.25	5,042,293.37
	Series E-1953	[6] 3.608	3,904,810.42	9,093,626.84
	Series E-1954	[6] 3.657	4,199,911.59	11,151,352.22
	Series E-1955	[6] 3.702	4,612,784.33	12,998,083.11
	Series E-1956	[6] 3.745	5,326,090.34	15,405,276.32
	Series E-1957 (January)	3.780	3,485,717.10	794,918.55
	Series E-1957 (February to December)	[6] 3.915	3,587,790.83	9,904,119.42
	Series E-1958	[6] 3.959	7,783,300.88	9,410,667.54
	Series E-1959 (January to May)	3.990	4,031,691.15	3,619,040.88
	Series E-1959 (June to December)	[6] 3.815	2,976,814.67	4,858,732.39
	Series E-1960	[6] 3.859	7,330,585.06	10,063,653.69
	Series E-1961	[6] 3.904	8,175,450.72	10,424,576.81
	Series E-1962	[6] 3.955	8,061,290.62	12,568,034.11
	Series E-1963	[6] 4.009	9,811,661.87	15,685,262.66
	Series E-1964	[6] 4.059	9,548,383.47	22,066,366.16
	Series E-1965 (January to November)	[6] 4.107	8,079,586.59	44,307,522.01
	Series E-1965 (December)	4.150	97,931.25	9,833,381.43
	Series E-1966	4.150	316,356,277.59	79,881,825.00
	Unclassified sales and redemptions		59,055,432.57	52,254,398.44
	Series H-1952	[6] 3.485		488,500.00
	Series H-1953	[6] 3.519		1,664,000.09
	Series H-1954	[6] 3.566		2,724,500.00
	Series H-1955	[6] 3.610		4,164,000.00
	Series H-1956	[6] 3.659		5,448,500.00
	Series H-1957 (January)	3.700		97,000.00
	Series H-1957 (February to December)	[6] 3.671		2,103,500.00
	Series H-1958	[6] 3.762		2,949,000.00
	Series H-1959 (January to May)	3.830		820,500.00
	Series H-1959 (June to December)	[6] 3.874		1,450,500.00
	Series H-1960	[6] 3.901		3,451,500.00
	Series H-1961	[6] 3.943		3,825,000.00
	Series H-1962	[6] 3.982		2,779,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
July 31	U.S. savings bonds [5]—Continued	*Percent*		
	Series H-1963	[6] 4.023	$10,500.00	$2,520,000.00
	Series H-1964	[6] 4.072		1,882,500.00
	Series H-1965 (January to November)	[6] 4.110	49,000.00	2,087,000.00
	Series H-1965 (December)	4.150	2,500.00	245,000.00
	Series H-1966	4.150	38,573,000.00	38,500.00
	Unclassified sales and redemptions		22,616,500.00	3,371,000.00
	Series J-1954	2.76	164,530.80	8,585,209.80
	Series J-1955	2.76	364,501.60	1,353,359.80
	Series J-1956	2.76	326,930.17	1,022,833.66
	Series J-1957	2.76	98,301.75	232,547.55
	Unclassified redemptions			411,128.66
	Series K-1954	2.76		22,280,500.00
	Series K-1955	2.76		2,757,500.00
	Series K-1956	2.76		1,386,000.00
	Series K-1957	2.76		207,500.00
	Unclassified redemptions			10,389,500.00
31	Treasury notes, Series F-1967	4⅞		
	Adjustments of issues [7]		−10,000.00	
31	U.S. retirement plan bonds	3.76	144,653.56	32,469.24
31	Depositary bonds, First Series	2.00	447,500.00	327,500.00
31	Treasury bonds, REA Series	2.00	550,000.00	170,000.00
31	Treasury bonds, Investment Series B-1975–80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EA-1971			793,000.00
31	Treasury notes, Series EA-1971	1½	793,000.00	
31	Miscellaneous			22,135,000.00
	Total July		10,142,381,615.82	10,269,416,722.41
	Treasury bills:			
	Regular monthly:			
Aug. 1 [8]	Dated July 31, 1965	3.875		
	Redeemed in exchange for series dated July 31, 1966, due July 31, 1967			245,474,000.00
	Redeemable for cash			754,773,000.00
1	Maturing July 31, 1967	4.964		
	Issued in exchange for series dated July 31, 1965		245,474,000.00	
	Issued for cash		749,370,000.00	
1	Certificates of indebtedness, foreign currency series, maturing Aug. 1, 1967	5.20	50,115,265.11	
1	Treasury bonds, foreign currency series, maturing Aug. 1, 1966	4.04		50,238,633.51
1	Certificates of indebtedness, foreign series, maturing:			
	Nov. 1, 1966	4.82	95,000,000.00	
	Nov. 2, 1966	4.75	22,500,000.00	
2	Nov. 1, 1966	4.82		50,000,000.00
	Nov. 2, 1966	4.85	100,000,000.00	
3	Oct. 21, 1966	5.00		20,000,000.00
	Nov. 1, 1966	4.82		45,000,000.00
	Treasury bills:			
	Regular weekly:			
4	Dated Feb. 3, 1966	[4] 4.702		
	Redeemed in exchange for series issued Aug. 4, 1966, due Nov. 3, 1966			299,029,000.00
	Redeemed in exchange for series dated Aug. 4, 1966, due Feb. 2, 1967			178,531,000.00
	Redeemable for cash			1,822,427,000.00
4	Maturing Nov. 3, 1966	4.833		
	Issued in exchange for series dated Feb. 3, 1966		299,029,000.00	
	Issued for cash		1,001,015,000.00	
4	Maturing Feb. 2, 1967	4.969		
	Issued in exchange for series dated Feb. 3, 1966		178,531,000.00	
	Issued for cash		822,153,000.00	
8	Certificates of indebtedness, foreign series, maturing Nov. 7, 1966	4.85	25,000,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1966	Regular weekly:	*Percent*		
Aug. 11	Dated Feb. 10, 1966	[4] 4.693		
	Redeemed in exchange for series issued Aug. 11, 1966, due Nov. 10, 1966			$190,141,000.00
	Redeemed in exchange for series dated Aug. 11, 1966, due Feb. 9, 1967			122,238,000.00
	Redeemable for cash			1,990,176,000.00
11	Maturing Nov. 10, 1966	4.825		
	Issued in exchange for series dated Feb. 10, 1966		$190,141,000.00	
	Issued for cash		1,111,313,000.00	
11	Maturing Feb. 9, 1967	5.050		
	Issued in exchange for series dated Feb. 10, 1966		122,238,000.00	
	Issued for cash		877,592,000.00	
15	Treasury notes, Series A-1966	4.00		
	Redeemed in exchange for:			
	5¼% Treasury notes, Series A-1971			2,309,873,000.00
	5¼% certificates of indebtedness, Series A-1967			5,602,360,000.00
	Redeemable for cash			523,647,000.00
15	Treasury bonds of 1966	3.00		
	Redeemed in exchange for:			
	5¼% Treasury notes, Series A-1971			271,112,500.00
	5¼% certificates of indebtedness, Series A-1967			268,444,000.00
	Redeemable for cash			160,615,000.00
15	Certificates of indebtedness, Series A-1966	4¾		
	Redeemed in exchange for:			
	5¼% Treasury notes, Series A-1971			517,445,000.00
15	Treasury notes, Series E-1966	4.00		
	Redeemed in exchange for:			
	5¼% Treasury notes, Series A-1971			586,258,000.00
15	Treasury bonds of 1966	3⅜		
	Redeemed in exchange for:			
	5¼% Treasury notes, Series A-1971			582,341,500.00
15	Treasury notes, Series A-1971	5¼		
	Issued in exchange for:			
	4% Treasury notes, Series A-1966		2,309,873,000.00	
	3% Treasury bonds of 1966		271,112,500.00	
	4¾% certificates of indebtedness, Series A-1966		517,445,000.00	
	4% Treasury notes, Series E-1966		586,258,000.00	
	3⅜% Treasury bonds of 1966		582,341,500.00	
15	Certificates of indebtedness, Series A-1967	5¼		
	Issued in exchange for:			
	4% Treasury notes, Series A-1966		5,602,360,000.00	
	3% Treasury bonds of 1966		268,444,000.00	
16	Certificates of indebtedness, foreign series, maturing Nov. 16, 1966	4.75	7,500,000.00	
	Treasury bills:			
	Regular weekly:			
18	Dated Feb. 17, 1966	[4] 4.734		
	Redeemed in exchange for series issued Aug. 18, 1966, due Nov. 17, 1966			283,749,000.00
	Redeemed in exchange for series dated Aug. 18, 1966, due Feb. 16, 1967			183,347,000.00
	Redeemable for cash			1,834,161,000.00
18	Maturing Nov. 17, 1966	5.048		
	Issued in exchange for series dated Feb. 17, 1966		283,749,000.00	
	Issued for cash		1,017,564,000.00	
18	Maturing Feb. 16, 1967	5.315		
	Issued in exchange for series dated Feb. 17, 1966		183,347,000.00	
	Issued for cash		817,957,000.00	
22	Certificates of indebtedness, foreign series, maturing:			
	Oct. 20, 1966	5.00		125,000,000.00
	Nov. 2, 1966	4.85		100,000,000.00
23	Treasury bonds, foreign currency series, maturing Aug. 23, 1966	4.09		25,154,798.76
23	Certificates of indebtedness, foreign currency series, maturing Aug. 23, 1967	5.60	25,187,940.79	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
Aug. 25	Certificates of indebtedness, foreign series, maturing Nov. 2, 1966	*Percent* 4.75		$5,000,000.00
	Treasury bills:			
	Regular weekly:			
25	Dated Feb. 24, 1966	[4] 4.748		
	Redeemed in exchange for series issued Aug. 25, 1966, due Nov. 25, 1966			258,241,000.00
	Redeemed in exchange for series dated Aug. 25, 1966, due Feb. 23, 1967			191,257,000.00
	Redeemable for cash			1,852,961,000.00
25	Maturing Nov. 25, 1966	5.022		
	Issued in exchange for series dated Feb. 24, 1966		$258,241,000.00	
	Issued for cash		1,041,954,000.00	
25	Maturing Feb. 23, 1967	5.410		
	Issued in exchange for series dated Feb. 24, 1966		191,257,000.00	
	Issued for cash		811,263,000.00	
	Tax anticipation:			
26	Maturing Mar. 22, 1967	5.338		
	Issued for cash		2,006,066,000.00	
26	Maturing Apr. 21, 1967	5.433		
	Issued for cash		1,003,265,000.00	
30	Certificates of indebtedness, foreign series, maturing Nov. 2, 1966	4.75		5,000,000.00
	Treasury bills:			
	Regular monthly:			
31	Dated Aug. 31, 1965	4.006		
	Redeemed in exchange for series dated Aug. 31, 1966, due Aug. 31, 1967			229,237,000.00
	Redeemable for cash			771,040,000.00
31	Maturing Aug. 31, 1967	5.844		
	Issued in exchange for series dated Aug. 31, 1965		229,237,000.00	
	Issued for cash		770,814,000.00	
31	Certificates of indebtedness, foreign series, maturing Nov. 30, 1966	5.10	50,000,000.00	
31	Treasury certificates, maturing:			
	Aug. 31, 1966	4.03		31,533,668.71
	Sept. 30, 1966	4.30	31,636,203.67	
31	U.S. savings bonds: [5]			
	Series E-1941	[6] 3.297	368,642.14	1,667,669.67
	Series E-1942	[6] 3.339	2,636,620.47	6,563,070.79
	Series E-1943	[6] 3.377	3,682,551.55	10,215,195.77
	Series E-1944	[6] 3.409	6,738,603.55	13,712,576.20
	Series E-1945	[6] 3.438	3,419,771.45	12,473,945.85
	Series E-1946	[6] 3.468	3,433,054.16	8,059,658.59
	Series E-1947	[6] 3.497	3,669,577.62	6,829,712.20
	Series E-1948	[6] 3.528	3,925,048.38	7,826,752.10
	Series E-1949	[6] 3.464	4,036,964.69	8,390,272.02
	Series E-1950	[6] 3.433	3,862,461.81	7,567,034.19
	Series E-1951	[6] 3.485	3,195,914.99	6,701,334.57
	Series E-1952 (January to April)	3.520	1,676,971.11	2,130,790.66
	Series E-1952 (May to December)	[6] 3.575	4,195,395.01	5,025,109.89
	Series E-1953	[6] 3.608	4,751,126.27	9,190,088.09
	Series E-1954	[6] 3.657	5,103,249.36	10,770,250.75
	Series E-1955	[6] 3.702	5,565,724.00	13,272,554.92
	Series E-1956	[6] 3.745	7,017,064.81	16,321,385.18
	Series E-1957 (January)	3.780	2.04	872,334.89
	Series E-1957 (February to December)	[6] 3.915	5,123,546.04	10,032,118.85
	Series E-1958	[6] 3.959	6,117,810.43	9,418,670.45
	Series E-1959 (January to May)	3.990	3,089,232.05	3,652,287.76
	Series E-1959 (June to December)	[6] 3.815	2,443,713.61	5,003,820.73
	Series E-1960	[6] 3.859	5,990,872.47	9,587,635.20
	Series E-1961	[6] 3.904	6,530,809.23	10,474,940.55
	Series E-1962	[6] 3.955	6,240,171.85	12,346,218.59
	Series E-1963	[6] 4.009	7,440,621.03	15,530,993.20
	Series E-1964	[6] 4.059	7,614,931.94	21,687,904.65
	Series E-1965 (January to November)	[6] 4.107	6,542,792.87	40,450,675.11
	Series E-1965 (December)	4.150	−248,476.83	8,385,358.02
	Series E-1966	4.150	314,260,425.39	85,007,729.40
	Unclassified sales and redemptions		43,691,161.94	33,658,315.72
	Series H-1952	[6] 3.485		362,000.00
	Series H-1953	[6] 3.519		1,446,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
Aug. 31	U.S. savings bonds [5]—Continued	*Percent*		
	Series H-1954	[6] 3.566		$2,768,000.00
	Series H-1955	[6] 3.610		3,957,500.00
	Series H-1956	[6] 3.659		6,504,500.00
	Series H-1957 (January)	3.700		288,500.00
	Series H-1957 (February to December)	[6] 3.671		1,847,000.00
	Series H-1958	[6] 3.762		3,378,500.00
	Series H-1959 (January to May)	3.830		1,399,000.00
	Series H-1959 (June to December)	[6] 3.874		1,266,000.00
	Series H-1960	[6] 3.901		4,101,500.00
	Series H-1961	[6] 3.943		4,450,500.00
	Series H-1962	[6] 3.982		3,346,500.00
	Series H-1963	[6] 4.023		3,454,000.00
	Series H-1964	[6] 4.072		2,496,000.00
	Series H-1965 (January to November)	[6] 4.110	$11,500.00	2,318,000.00
	Series H-1965 (December)	4.150		117,500.00
	Series H-1966	4.150	72,593,500.00	331,000.00
	Unclassified sales and redemptions		[9] −22,032,000.00	[9] −2,049,500.00
	Series J-1954	2.76	165,063.60	10,863,730.20
	Series J-1955	2.76	250,249.20	1,005,580.80
	Series J-1956	2.76	296,201.08	1,155,917.74
	Series J-1957	2.76	75,647.63	87,216.90
	Unclassified redemptions			[9] −1,747,250.08
	Series K-1954	2.76		33,661,500.00
	Series K-1955	2.76		3,883,000.00
	Series K-1956	2.76		2,194,000.00
	Series K-1957	2.76		516,000.00
	Unclassified redemptions			[9] −13,385,500.00
31	U.S. retirement plan bonds	3.76	102,640.35	50,756.46
31	Depositary bonds, First Series	2.00	2,711,000.00	1,666,000.00
31	Treasury bonds, REA Series	2.00	150,000.00	446,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EA-1971			6,853,000.00
31	Treasury notes, Series EA-1971	1½	6,853,000.00	
31	Miscellaneous			33,877,500.00
	Total August		25,299,636,566.86	23,021,541,457.56
	Treasury bills:			
	Regular weekly:			
Sept. 1	Dated Mar. 3, 1966	[4] 4.737		
	Redeemed in exchange for series issued Sept. 1, 1966, due Dec. 1, 1966			378,448,000.00
	Redeemed in exchange for series dated Sept. 1, 1966, due Mar. 2, 1967			152,653,000.00
	Redeemable for cash			1,770,712,000.00
1	Maturing Dec. 1, 1966	5.087		
	Issued in exchange for series dated Mar. 3, 1966		378,448,000.00	
	Issued for cash		921,696,000.00	
1	Maturing Mar. 2, 1967	5.567		
	Issued in exchange for series dated Mar. 3, 1966		152,653,000.00	
	Issued for cash		847,531,000.00	
1	Treasury bonds, foreign currency series, maturing Sept. 1, 1966	3.97		49,875,311.72
1	Certificates of indebtedness, foreign currency series, maturing Sept. 1, 1967	5.75	50,142,907.29	
2	Certificates of indebtedness, foreign series, maturing Dec. 2, 1966	5.10	100,000,000.00	
6	Treasury bonds, foreign currency series, maturing Sept. 6, 1966	4.11		25,164,537.36
	Treasury bills:			
	Regular weekly:			
8	Dated Mar. 10, 1966	[4] 4.679		
	Redeemed in exchange for series issued Sept. 8, 1966, due Dec. 8, 1966			294,169,000.00
	Redeemed in exchange for series dated Sept. 8, 1966, due Mar. 9, 1967			133,647,000.00
	Redeemable for cash			1,872,716,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1966	Regular weekly—Continued	*Percent*		
Sept. 8	Maturing Dec. 8, 1966	5.156		
	Issued in exchange for series dated Mar. 10, 1966		$294,169,000.00	
	Issued for cash		1,008,258,000.00	
8	Maturing Mar. 9, 1967	5.657		
	Issued in exchange for series dated Mar. 10, 1966		133,647,000.00	
	Issued for cash		870,035,000.00	
12	Certificates of indebtedness, foreign series, maturing:			
	Nov. 2, 1966	4.75		$10,000,000.00
13	Nov. 30, 1966	5.10		28,000,000.00
	Treasury bills:			
	Regular weekly:			
15	Dated Mar. 17, 1966	[4] 4.723		
	Redeemed in exchange for series issued Sept. 15, 1966, due Dec. 15, 1966			198,395,000.00
	Redeemed in exchange for series dated Sept. 15, 1966, due Mar. 16, 1967			55,675,000.00
	Redeemable for cash			2,048,412,000.00
15	Maturing Dec. 15, 1966	5.447		
	Issued in exchange for series dated Mar. 17, 1966		198,395,000.00	
	Issued for cash		1,101,568,000.00	
15	Maturing Mar. 16, 1967	5.927		
	Issued in exchange for series dated Mar. 17, 1966		55,675,000.00	
	Issued for cash		944,681,000.00	
16	Certificates of indebtedness, foreign series, maturing:			
	Nov. 30, 1966	5.10		4,000,000.00
	Oct. 21, 1966	5.00		10,000,000.00
21	Nov. 2, 1966	4.75		2,500,000.00
	Nov. 16, 1966	4.75		2,500,000.00
	Nov. 30, 1966	5.10		18,000,000.00
	Treasury bills:			
	Regular weekly:			
22	Dated Mar. 24, 1966	[4] 4.603		
	Redeemed in exchange for series issued Sept. 22, 1966, due Dec. 22, 1966			290,917,000.00
	Redeemed in exchange for series dated Sept. 22, 1966, due Mar. 23, 1967			206,185,000.00
	Redeemable for cash			1,804,047,000.00
22	Maturing Dec. 22, 1966	5.586		
	Issued in exchange for series, dated Mar. 24, 1966		290,917,000.00	
	Issued for cash		1,009,303,000.00	
22	Maturing Mar. 23, 1967	6.040		
	Issued in exchange for series dated Mar. 24, 1966		206,185,000.00	
	Issued for cash		794,297,000.00	
26	Treasury bonds, maturing June 30, 1967	4.00		23,838.97
28	Certificates of indebtedness, foreign series, maturing:			
	Dec. 28, 1966	5.50	17,600,000.00	
29	Dec. 29, 1966	5.50	100,000,000.00	
	Treasury bills:			
	Regular weekly:			
29	Dated Mar. 31, 1966	[4] 4.574		
	Redeemed in exchange for series issued Sept. 29, 1966, due Dec. 29, 1966			284,686,000.00
	Redeemed in exchange for series dated Sept. 29, 1966, due Mar. 30, 1967			153,344,000.00
	Redeemable for cash			1,862,067,000.00
29	Maturing Dec. 29, 1966	5.502		
	Issued in exchange for series dated Mar. 31, 1966		284,686,000.00	
	Issued for cash		1,018,281,000.00	
29	Maturing Mar. 30, 1967	5.803		
	Issued in exchange for series dated Mar. 31, 1966		153,344,000.00	
	Issued for cash		847,356,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1966	Regular monthly:	*Percent*		
Sept. 30	Dated Sept. 30, 1965	4.236		
	Redeemed in exchange for series issued Sept. 30, 1966, due June 30, 1967			$50,431,000.00
	Redeemed in exchange for series dated Sept. 30, 1966, due Sept. 30, 1967			168,105,000.00
	Redeemable for cash			781,963,000.00
30	Maturing June 30, 1967	5.808		
	Issued in exchange for series dated Sept. 30, 1965		$50,431,000.00	
	Issued for cash		449,627,000.00	
30	Maturing Sept. 30, 1967	5.806		
	Issued in exchange for series dated Sept. 30, 1965		168,105,000.00	
	Issued for cash		732,008,000.00	
30	Certificates of indebtedness, foreign series, maturing:			
	Nov. 16, 1966	4.75		5,000,000.00
	Dec. 30, 1966	5.47	40,000,000.00	
30	Treasury certificates, maturing:			
	Sept. 30, 1966	4.30		31,636,203.67
	Sept. 30, 1966	4.435		19,013,582.09
	Oct. 31, 1966	4.818	31,742,423.30	
	Dec. 31, 1966	5.503	19,224,395.18	
30	U.S. savings bonds: [5]			
	Series E-1941	[6] 3.297	375,712.11	1,691,238.44
	Series E-1942	[6] 3.339	2,822,352.98	7,357,546.70
	Series E-1943	[6] 3.377	8,772,661.50	11,662,249.08
	Series E-1944	[6] 3.409	3,208,613.03	15,240,086.47
	Series E-1945	[6] 3.438	3,176,415.94	13,535,492.29
	Series E-1946	[6] 3.468	3,187,303.98	8,923,261.27
	Series E-1947	[6] 3.497	3,601,864.29	7,503,268.80
	Series E-1948	[6] 3.528	3,603,226.93	8,316,822.71
	Series E-1949	[6] 3.464	3,802,954.63	8,606,783.29
	Series E-1950	[6] 3.433	3,709,227.83	8,375,262.73
	Series E-1951	[6] 3.485	3,095,601.89	7,058,434.36
	Series E-1952 (January to April)	3.520	1,567,319.27	2,427,516.35
	Series E-1952 (May to December)	[6] 3.575	1,849,695.31	5,537,252.63
	Series E-1953	[6] 3.608	5,254,011.17	10,063,520.94
	Series E-1954	[6] 3.657	5,589,932.92	11,572,069.13
	Series E-1955	[6] 3.702	6,068,870.49	14,146,296.91
	Series E-1956	[6] 3.745	4,014,295.69	18,680,793.97
	Series E-1957 (January)	3.780	6,665,106.21	1,104,983.76
	Series E-1957 (February to December)	[6] 3.915	7,653,670.98	10,976,534.58
	Series E-1958	[6] 3.959	5,996,495.61	11,087,406.85
	Series E-1959 (January to May)	3.990	2,877,446.21	4,070,355.63
	Series E-1959 (June to December)	[6] 3.815	2,599,466.37	5,732,641.98
	Series E-1960	[6] 3.859	5,851,615.93	10,830,293.09
	Series E-1961	[6] 3.904	6,468,199.34	11,727,302.35
	Series E-1962	[6] 3.955	6,336,444.86	13,268,890.33
	Series E-1963	[6] 4.009	7,276,840.96	17,015,685.43
	Series E-1964	[6] 4.059	7,376,644.67	22,988,880.63
	Series E-1965 (January to November)	[6] 4.107	6,677,259.16	40,439,857.33
	Series E-1965 (December)	4.150	46,464.36	7,560,719.16
	Series E-1966	4.150	385,536,581.95	99,606,793.12
	Unclassified sales and redemptions		[9] −10,685,303.81	38,732,195.61
	Series H-1952	[6] 3.485		769,000.00
	Series H-1953	[6] 3.519		1,253,500.00
	Series H-1954	[6] 3.566		2,666,500.00
	Series H-1955	[6] 3.610		3,936,000.00
	Series H-1956	[6] 3.659		6,122,000.00
	Series H-1957 (January)	3.700		114,000.00
	Series H-1957 (February to December)	[6] 3.671		1,751,500.00
	Series H-1958	[6] 3.762		3,233,500.00
	Series H-1959 (January to May)	3.830		1,146,000.00
	Series H-1959 (June to December)	[6] 3.874		1,421,500.00
	Series H-1960	[6] 3.901		5,078,500.00
	Series H-1961	[6] 3.943		4,164,000.00
	Series H-1962	[6] 3.982		3,053,000.00
	Series H-1963	[6] 4.023		2,845,500.00
	Series H-1964	[6] 4.072		2,241,000.00
	Series H-1965 (January to November)	[6] 4.110	13,000.00	1,793,500.00
	Series H-1965 (December)	4.150		309,500.00
	Series H-1966	4.150	55,957,500.00	448,500.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
Sept. 30	U.S. savings bonds [5]—Continued	*Percent*		
	Unclassified sales and redemptions		[9]—$6,919,000.00	$42,382,500.00
	Series J-1954	2.76	112,953.60	10,284,723.80
	Series J-1955	2.76	303,444.80	807,193.80
	Series J-1956	2.76	231,641.69	858,427.82
	Series J-1957	2.76	73,516.88	123,419.37
	Unclassified redemptions			[9]—1,719,545.11
	Series K-1954	2.76		22,937,000.00
	Series K-1955	2.76		3,678,000.00
	Series K-1956	2.76		1,204,000.00
	Series K-1957	2.76		226,500.00
	Unclassified redemptions			5,382,500.00
30	Treasury notes, Series E-1966	4.00		
	Adjustments of redemptions [7]			−4,054,000.00
30	Treasury bonds of 1966	3⅜		
	Adjustments of redemptions [7]			4,521,000.00
30	Certificates of indebtedness, Series A-1966	4¾		
	Adjustments of redemptions [7]			−19,000.00
30	Certificates of indebtedness, Series A-1967	5¼		
	Adjustments of issues [7]		−441,000.00	
30	Treasury notes, Series A-1971	5¼		
	Adjustments of issues [7]		−54,000.00	
30	U.S. retirement plan bonds	3.76	107,171.77	55,210.48
30	Depositary bonds, First Series	2.00	214,000.00	425,000.00
30	Treasury bonds, REA Series	2.00	10,000.00	390,000.00
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EA-1971			5,881,000.00
30	Treasury notes, Series EA-1971	1½	5,881,000.00	
30	Miscellaneous			41,936,200.00
	Total September		13,829,872,947.27	13,345,773,039.89
Oct. 1	Treasury notes, Series EO-1966	1½		
	Redeemable for cash			356,530,000.00
1	Treasury certificates, maturing:			
	Oct. 1, 1966	4.435		6,274,336.20
	Jan. 1, 1967	5.503	6,343,902.90	
3	Treasury bonds, foreign currency series, maturing Oct. 3, 1966	4.07		49,838,026.41
3	Certificates of indebtedness, foreign currency series, maturing Oct. 3, 1967	5.60	50,140,393.10	
6	Treasury notes, foreign series, maturing Oct. 6, 1966	3.97		125,000,000.00
	Treasury bills:			
	Regular weekly:			
6	Dated Apr. 7, 1966	[4] 4.726		
	Redeemed in exchange for series issued Oct. 6, 1966, due Jan. 5, 1967			206,712,000.00
	Redeemed in exchange for series dated Oct. 6, 1966, due Apr. 6, 1967			133,346,000.00
	Redeemable for cash			1,964,025,000.00
6	Maturing Jan. 5, 1967	5.408		
	Issued in exchange for series dated Apr. 7, 1966		206,712,000.00	
	Issued for cash		1,093,425,000.00	
6	Maturing Apr. 6, 1967	5.673		
	Issued in exchange for series dated Apr. 7, 1966		133,346,000.00	
	Issued for cash		866,912,000.00	
7	Treasury bonds, foreign currency series, maturing Oct. 7, 1966	4.10		52,112,284.60
7	Certificates of indebtedness, foreign currency series, maturing Oct. 6, 1967	5.54	51,888,750.52	
11	Treasury notes, foreign series, maturing May 13, 1968	4.30		351,622.73
	Treasury bills:			
	Regular weekly:			
13	Dated Apr. 14, 1966	[4] 4.827		
	Redeemed in exchange for series issued Oct. 13, 1966, due Jan. 12, 1967			10,649,000.00
	Redeemed in exchange for series dated Oct. 13, 1966, due Apr. 13, 1967			4,458,000.00
	Redeemable for cash			2,287,557,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1966	Regular weekly—Continued	*Percent*		
Oct. 13	Maturing Jan. 12, 1967	5.470		
	Issued in exchange for series dated Apr. 14, 1966		$10,649,000.00	
	Issued for cash		1,289,916,000.00	
13	Maturing Apr. 13, 1967	5.750		
	Issued in exchange for series dated Apr. 14, 1966		4,458,000.00	
	Issued for cash		995,486,000.00	
	Tax anticipation:			
18	Maturing Apr. 21, 1967	5.483		
	Issued for cash		1,506,853,000.00	
18	Maturing June 22, 1967	5.586		
	Issued for cash		2,006,632,000.00	
18	Treasury notes, foreign series, maturing May 13, 1968	4.30		$1,452,542.18
	Treasury bills:			
	Regular weekly:			
20	Dated Apr. 21, 1966	[4] 4.892		
	Redeemed in exchange for series issued Oct. 20, 1966, due Jan. 19, 1967			253,687,000.00
	Redeemed in exchange for series dated Oct. 20, 1966, due Apr. 20, 1967			179,717,000.00
	Redeemable for cash			1,868,633,000.00
20	Maturing Jan. 19, 1967	5.423		
	Issued in exchange for series dated Apr. 21, 1966		253,687,000.00	
	Issued for cash		1,048,230,000.00	
20	Maturing Apr. 20, 1967	5.652		
	Issued in exchange for series dated Apr. 21, 1966		179,717,000.00	
	Issued for cash		820,992,000.00	
21	Certificates of indebtedness, foreign series, maturing:			
	Oct. 21, 1966	5.00		30,000,000.00
	Jan. 23, 1967	5.45	30,000,000.00	
25	Treasury notes, foreign series, maturing May 13, 1968	4.30		265,828.60
	Treasury bills:			
	Regular weekly:			
27	Dated Apr. 28, 1966	[4] 4.780		
	Redeemed in exchange for series issued Oct. 27, 1966, due Jan. 26, 1967			250,027,000.00
	Redeemed in exchange for series dated Oct. 27, 1966, due Apr. 27, 1967			192,593,000.00
	Redeemable for cash			1,858,423,000.00
27	Maturing Jan. 26, 1967	5.247		
	Issued in exchange for series dated Apr. 28, 1966		250,027,000.00	
	Issued for cash		1,050,192,000.00	
27	Maturing Apr. 27, 1967	5.536		
	Issued in exchange for series dated Apr. 28, 1966		192,593,000.00	
	Issued for cash		807,886,000.00	
	Regular monthly:			
31	Dated Oct. 31, 1965	4.192		
	Redeemed in exchange for series issued Oct. 31, 1966, due July 31, 1967			90,064,000.00
	Redeemed in exchange for series dated Oct. 31, 1966, due Oct. 31, 1967			68,949,000.00
	Redeemable for cash			840,935,000.00
31	Maturing July 31, 1967	5.567		
	Issued in exchange for series dated Oct. 31, 1965		90,064,000.00	
	Issued for cash		410,306,000.00	
31	Maturing Oct. 31, 1967	5.544		
	Issued in exchange for series dated Oct. 31, 1965		68,949,000.00	
	Issued for cash		835,691,000.00	
31	Treasury certificates, maturing:			
	Oct. 31, 1966	4.818		1,050,209.02
	Oct. 31, 1966	4.29		31,742,423.30
	Nov. 30, 1966	4.86	31,852,296.01	
	Jan. 31, 1967	5.246	1,062,858.79	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
Oct. 31	U.S. savings bonds: [5]	*Percent*		
	Series E-1941	[6] 3.297	$431,958.16	$1,828,198.80
	Series E-1942	[6] 3.340	2,949,888.45	7,665,005.55
	Series E-1943	[6] 3.377	6,823,514.25	12,519,908.90
	Series E-1944	[6] 3.409	2,940,072.90	15,602,242.77
	Series E-1945	[6] 3.438	3,867,625.47	13,803,722.06
	Series E-1946	[6] 3.468	3,315,199.25	9,237,134.54
	Series E-1947	[6] 3.497	3,435,635.77	8,199,250.81
	Series E-1948	[6] 3.528	3,473,163.34	8,855,924.65
	Series E-1949	[6] 3.464	3,548,714.85	9,740,330.81
	Series E-1950	[6] 3.433	3,422,507.01	9,317,277.67
	Series E-1951	[6] 3.485	3,147,291.95	8,271,706.59
	Series E-1952 (January to April)	3.520	1,411,239.43	2,789,734.44
	Series E-1952 (May to December)	[6] 3.575	1,656,307.74	6,572,617.09
	Series E-1953	[6] 3.608	4,081,679.42	11,321,821.71
	Series E-1954	[6] 3.657	4,518,975.33	13,027,884.98
	Series E-1955	[6] 3.702	4,756,891.39	16,188,590.35
	Series E-1956	[6] 3.746	1,824,466.70	20,622,200.84
	Series E-1957 (January)	3.780	−54.56	1,544,190.69
	Series E-1957 (February to December)	[6] 3.915	5,680,030.96	12,760,323.99
	Series E-1958	[6] 3.959	6,057,106.87	12,683,938.31
	Series E-1959 (January to May)	3.990	2,788,747.72	4,652,529.98
	Series E-1959 (June to December)	[6] 3.815	3,133,026.83	6,411,252.82
	Series E-1960	[6] 3.859	5,970,692.78	11,911,721.82
	Series E-1961	[6] 3.904	6,658,962.18	13,069,218.29
	Series E-1962	[6] 3.955	6,691,414.42	15,430,979.22
	Series E-1963	[6] 4.008	8,160,687.86	19,526,473.53
	Series E-1964	[6] 4.059	7,960,950.94	25,879,474.61
	Series E-1965 (January to November)	[6] 4.106	6,928,355.76	42,932,652.78
	Series E-1965 (December)	4.150	25,932.60	7,486,427.85
	Series E-1966	4.150	395,810,822.58	131,205,195.66
	Unclassified sales and redemptions	--------	[9] −15,971,857.91	[9] −86,028,813.06
	Series H-1952	[6] 3.485	----------------	1,049,500.00
	Series H-1953	[6] 3.519	----------------	2,517,000.00
	Series H-1954	[6] 3.566	----------------	5,744,000.00
	Series H-1955	[6] 3.610	----------------	8,048,500.00
	Series H-1956	[6] 3.659	----------------	8,019,000.00
	Series H-1957 (January)	3.700	----------------	1,654,000.00
	Series H-1957 (February to December)	[6] 3.671	----------------	3,120,500.00
	Series H-1958	[6] 3.762	----------------	5,070,500.00
	Series H-1959 (January to May)	3.830	----------------	2,253,500.00
	Series H-1959 (June to December)	[6] 3.874	----------------	2,197,500.00
	Series H-1960	[6] 3.901	----------------	7,122,000.00
	Series H-1961	[6] 3.943	----------------	6,913,000.00
	Series H-1962	[6] 3.982	----------------	5,632,500.00
	Series H-1963	[6] 4.023	----------------	4,950,000.00
	Series H-1964	[6] 4.072	20,000.00	3,731,000.00
	Series H-1965 (January to November)	[6] 4.110	4,500.00	3,275,500.00
	Series H-1965 (December)	4.150	----------------	236,000.00
	Series H-1966	4.150	38,807,500.00	1,412,500.00
	Unclassified sales and redemptions	--------	7,649,500.00	[9] −24,363,000.00
	Series J-1954	2.76	136,131.20	5,965,354.20
	Series J-1955	2.76	308,916.80	1,392,723.40
	Series J-1956	2.76	175,016.18	1,192,939.32
	Series J-1957	2.76	73,913.51	100,566.86
	Unclassified redemptions	--------	----------------	1,382,987.16
	Series K-1954	2.76	----------------	21,181,500.00
	Series K-1955	2.76	----------------	4,619,500.00
	Series K-1956	2.76	----------------	3,265,000.00
	Series K-1957	2.76	----------------	743,000.00
	Unclassified redemptions	--------	----------------	[9] −3,747,000.00
31	Treasury notes, Series E-1966	4.00	----------------	----------------
	Adjustments of redemptions [7]	--------	----------------	−107,000.00
31	Treasury bonds of 1966	3⅜	----------------	----------------
	Adjustments of redemptions [7]	--------	----------------	68,000.00
31	Treasury notes, Series A-1971	5¼	----------------	----------------
	Adjustments of issues [7]	--------	−32,000.00	----------------
31	U.S. retirement plan bonds	3.76	229,397.66	34,943.78
31	Depositary bonds, First Series	2.00	73,000.00	158,000.00
31	Treasury bonds, REA Series	2.00	----------------	715,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾	----------------	----------------
	Redeemed in exchange for:			
	1½% Treasury notes, Series EA-1971	-------	----------------	7,785,000.00
	1½% Treasury notes, Series EO-1971	-------	----------------	1,967,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966		*Percent*		
Oct. 31	Treasury notes, Series EA-1971	1½	$7,785,000.00	
31	Treasury notes, Series EO-1971	1½	1,967,000.00	
31	Miscellaneous			$24,236,100.00
	Total October		14,846,709,027.11	11,378,958,506.27
Nov. 1	Treasury bonds, foreign series, maturing Nov. 1, 1966	4.125		30,000,000.00
1	Certificates of indebtedness, foreign currency series, maturing:			
	Nov. 1, 1966	4.33		49,981,257.02
	Nov. 1, 1967	5.48	50,271,465.92	
1	Certificates of indebtedness, foreign series, maturing:			
	Dec. 28, 1966	5.50		17,600,000.00
2	Dec. 28, 1966	5.10		10,000,000.00
2	Treasury certificates, maturing Dec. 31, 1966	5.503		4,306,013.87
	Treasury bills:			
	Regular weekly:			
3	Dated May 5, 1966	[4] 4.811		
	Redeemed in exchange for series issued Nov. 3, 1966, due Feb. 2, 1967			320,082,000.00
	Redeemed in exchange for series dated Nov. 3, 1966, due May 4, 1967			182,216,000.00
	Redeemable for cash			1,787,755,000.00
3	Maturing Feb. 2, 1967	5.235		
	Issued in exchange for series dated May 5, 1966		320,082,000.00	
	Issued for cash		980,477,000.00	
3	Maturing May 4, 1967	5.513		
	Issued in exchange for series dated May 5, 1966		182,216,000.00	
	Issued for cash		818,575,000.00	
7	Certificates of indebtedness, foreign series, maturing:			
	Nov. 7, 1966	4.85		25,000,000.00
	Dec. 2, 1966	5.10		10,000,000.00
	Feb. 2, 1967	5.25	25,000,000.00	
9	Certificates of indebtedness, foreign currency series, maturing Nov. 9, 1967	5.56	27,725,151.33	
9	Treasury bonds, foreign currency series, maturing Nov. 9, 1966	3.98		27,714,906.00
	Treasury bills:			
	Regular weekly:			
10	Dated May 12, 1966	[4] 4.822		
	Redeemed in exchange for series issued Nov. 10, 1966, due Feb. 9, 1967			265,004,000.00
	Redeemed in exchange for series dated Nov. 10, 1966, due May 11, 1967			192,809,000.00
	Redeemable for cash			1,845,119,000.00
10	Maturing Feb. 9, 1967	5.432		
	Issued in exchange for series dated May 12, 1966		265,004,000.00	
	Issued for cash		1,035,624,000.00	
10	Maturing May 11, 1967	5.705		
	Issued in exchange for series dated May 12, 1966		192,809,000.00	
	Issued for cash		807,326,000.00	
14	Certificates of indebtedness, foreign series, maturing Dec. 2, 1966	5.10		5,000,000.00
15	Certificates of indebtedness, Series A-1966	4¾		
	Redeemed in exchange for:			
	5⅝% Treasury notes, Series A-1968			44,353,000.00
	5⅜% Treasury notes, Series B-1971			19,463,000.00
	Redeemable for cash			1,070,952,000.00
15	Treasury notes, Series E-1966	4.00		
	Redeemed in exchange for:			
	5⅝% Treasury notes, Series A-1968			609,027,000.00
	5⅜% Treasury notes, Series B-1971			27,971,000.00
	Redeemable for cash			1,034,726,000.00
15	Treasury bonds of 1966	3⅜		
	Redeemed in exchange for:			
	5⅝% Treasury notes, Series A-1968			279,119,000.00
	5⅜% Treasury notes, Series B-1971			18,904,000.00
	Redeemable for cash			967,244,500.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966		*Percent*		
Nov. 15	Treasury notes, Series A-1968	5⅝		
	Issued in exchange for:			
	4¾% certificates of indebtedness, Series A-1966		$44,353,000.00	
	4% Treasury notes, Series E-1966		609,027,000.00	
	3⅜% Treasury bonds of 1966		279,119,000.00	
	Issued for cash		1,702,689,000.00	
15	Treasury notes, Series B-1971	5⅜		
	Issued in exchange for:			
	4¾% certificates of indebtedness, Series A-1966		19,463,000.00	
	4% Treasury notes, Series E-1966		27,971,000.00	
	3⅜% Treasury bonds of 1966		18,904,000.00	
	Issued for cash		1,667,754,000.00	
16	Certificates of indebtedness, foreign series, maturing Dec. 2, 1966	5.10		$5,000,000.00
16	Certificates of indebtedness, foreign currency series, maturing Nov. 9, 1967	5.56		27,725,151.33
16	Treasury notes, foreign currency series, maturing Nov. 16, 1967	5.58	27,793,862.19	
	Treasury bills:			
	Regular weekly:			
17	Dated May 19, 1966	[4] 4.950		
	Redeemed in exchange for series issued Nov. 17, 1966, due Feb. 16, 1967			134,694,000.00
	Redeemed in exchange for series dated Nov. 17, 1966, due May 18, 1967			79,154,000.00
	Redeemable for cash			2,087,966,000.00
17	Maturing Feb. 16, 1967	5.458		
	Issued in exchange for series dated May 19, 1966		134,694,000.00	
	Issued for cash		1,165,891,000.00	
17	Maturing May 18, 1967	5.695		
	Issued in exchange for series dated May 19, 1966		79,154,000.00	
	Issued for cash		920,863,000.00	
25	Dated May 26, 1966	[4] 4.941		
	Redeemed in exchange for series issued Nov. 25, 1966, due Feb. 23, 1967			225,112,000.00
	Redeemed in exchange for series dated Nov. 25, 1966, due May 25, 1967			163,336,000.00
	Redeemable for cash			1,912,231,000.00
25	Maturing Feb. 23, 1967	5.252		
	Issued in exchange for series dated May 26, 1966		225,112,000.00	
	Issued for cash		1,075,559,000.00	
25	Maturing May 25, 1967	5.502		
	Issued in exchange for series dated May 26, 1966		163,336,000.00	
	Issued for cash		836,283,000.00	
	Regular monthly:			
25	Maturing Mar. 31, 1967–May 31, 1967 [10]	5.318		
	Issued in exchange for series dated Nov. 30, 1965		50,000.00	
	Issued for cash		1,202,296,000.00	
25	Certificates of indebtedness, foreign series, maturing:			
	Dec. 2, 1966	5.10		10,000,000.00
29	Dec. 2, 1966	5.10		10,000,000.00
30	Dec. 2, 1966	5.10		5,000,000.00
	Treasury bills:			
	Regular monthly:			
30	Dated Nov. 30, 1965	4.277		
	Redeemed in exchange for series issued Nov. 30, 1966, due Aug. 31, 1967			70,080,000.00
	Redeemed in exchange for series dated Nov. 30, 1966, due Nov. 30, 1967			161,596,000.00
	Redeemable for cash			768,904,000.00
30	Maturing Aug. 31, 1967	5.552		
	Issued in exchange for series dated Nov. 30, 1965		70,080,000.00	
	Issued for cash		430,637,000.00	
30	Maturing Nov. 30, 1967	5.519		
	Issued in exchange for series dated Nov. 30, 1965		161,596,000.00	
	Issued for cash		738,897,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
Nov. 30	Treasury certificates, maturing:	*Percent*		
	Nov. 30, 1966	4.86		$31,852,296.01
	Dec. 31, 1966	4.58	$31,973,168.93	
30	U.S. savings bonds: [5]			
	Series E-1941	[6] 3.297	783,452.06	989,622.49
	Series E-1942	[6] 3.340	3,100,350.78	4,119,853.23
	Series E-1943	[6] 3.377	3,593,677.30	6,895,284.79
	Series E-1944	[6] 3.409	4,993,701.99	8,039,129.60
	Series E-1945	[6] 3.438	9,296,849.78	7,158,896.01
	Series E-1946	[6] 3.468	3,313,007.22	4,706,244.78
	Series E-1947	[6] 3.497	3,142,070.74	4,403,861.03
	Series E-1948	[6] 3.528	3,470,367.84	4,744,201.30
	Series E-1949	[6] 3.464	3,476,028.91	5,377,527.72
	Series E-1950	[6] 3.433	3,311,906.50	5,057,883.88
	Series E-1951	[6] 3.485	2,947,941.46	4,291,714.22
	Series E-1952 (January to April)	3.520	−21,824.75	1,549,252.28
	Series E-1952 (May to December)	[6] 3.575	1,679,687.18	3,465,040.69
	Series E-1953	[6] 3.608	4,058,023.75	6,033,253.21
	Series E-1954	[6] 3.657	4,359,104.12	7,136,671.95
	Series E-1955	[6] 3.702	4,729,345.33	8,655,146.38
	Series E-1956	[6] 3.746	5,000,981.44	10,932,644.50
	Series E-1957 (January)	3.780	−3,497,173.25	1,017,970.83
	Series E-1957 (February to December)	[6] 3.915	7,182,966.98	6,708,469.06
	Series E-1958	[6] 3.959	5,663,585.89	6,785,665.27
	Series E-1959 (January to May)	3.990	2,605,777.47	2,575,874.80
	Series E-1959 (June to December)	[6] 3.815	2,878,410.59	3,393,323.31
	Series E-1960	[6] 3.859	5,494,158.82	6,400,905.25
	Series E-1961	[6] 3.904	6,313,243.34	6,733,979.53
	Series E-1962	[6] 3.955	6,404,283.54	8,345,212.67
	Series E-1963	[6] 4.008	7,069,934.64	11,032,444.12
	Series E-1964	[6] 4.059	7,386,513.49	13,434,561.20
	Series E-1965 (January to November)	[6] 4.106	6,376,599.28	21,556,431.87
	Series E-1965 (December)	4.150	4,197.36	3,469,474.08
	Series E-1966	4.150	235,883,820.46	71,865,436.92
	Unclassified sales and redemptions		111,992,175.25	91,507,937.34
	Series H-1952	[6] 3.485		698,500.00
	Series H-1953	[6] 3.519		1,822,500.00
	Series H-1954	[6] 3.566		3,269,000.00
	Series H-1955	[6] 3.610		5,388,500.00
	Series H-1956	[6] 3.659		5,826,500.00
	Series H-1957 (January)	3.700		616,000.00
	Series H-1957 (February to December)	[6] 3.671		2,173,000.00
	Series H-1958	[6] 3.762		3,697,000.00
	Series H-1959 (January to May)	3.830		1,415,000.00
	Series H-1959 (June to December)	[6] 3.874		1,326,500.00
	Series H-1960	[6] 3.901		4,110,000.00
	Series H-1961	[6] 3.943		4,814,500.00
	Series H-1962	[6] 3.982		4,184,000.00
	Series H-1963	[6] 4.023		3,063,500.00
	Series H-1964	[6] 4.072		2,638,000.00
	Series H-1965 (January to November)	[6] 4.110	5,000.00	2,406,500.00
	Series H-1965 (December)	4.150		111,500.00
	Series H-1966	4.150	41,712,000.00	1,325,000.00
	Unclassified sales and redemptions		[9] −4,305,000.00	[9] −9,485,000.00
	Series J-1954	2.76	145,987.20	7,168,653.80
	Series J-1955	2.76	261,301.60	1,024,585.60
	Series J-1956	2.76	181,836.41	470,969.90
	Series J-1957	2.76	−275.47	194,007.77
	Unclassified redemptions			986,522.67
	Series K-1954	2.76		19,633,500.00
	Series K-1955	2.76		3,497,000.00
	Series K-1956	2.76		1,670,000.00
	Series K-1957	2.76		388,000.00
	Unclassified redemptions			[9] −2,323,500.00
30	Treasury bonds of 1966	3⅜		
	Adjustments of redemptions [7]			−790,000.00
30	Certificates of indebtedness, Series A-1967	5¼		
	Adjustments of issues [7]		49,019,000.00	
30	Treasury notes, Series A-1971	5¼		
	Adjustments of issues [7]		−1,913,000.00	
30	U.S. retirement plan bonds	3.77	365,116.19	12,701.21
30	Depositary bonds, First Series	2.00	625,500.00	341,500.00
30	Treasury bonds, REA Series	2.00	35,000.00	180,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966		*Percent*		
Nov. 30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EO-1971			$5,740,000.00
30	Treasury notes, Series EO-1971	1½	$5,740,000.00	
30	Miscellaneous			35,737,500.00
	Total November		16,893,470,279.81	14,998,712,979.49
	Treasury bills:			
	Regular weekly:			
Dec. 1	Dated June 2, 1966	[4] 4.974		
	Redeemed in exchange for series issued Dec. 1, 1966, due Mar. 2, 1967			431,142,000.00
	Redeemed in exchange for series dated Dec. 1, 1966, due June 1, 1967			183,344,000.00
	Redeemable for cash			1,686,966,000.00
1	Maturing Mar. 2, 1967	5.202		
	Issued in exchange for series dated June 2, 1966		431,142,000.00	
	Issued for cash		869,743,000.00	
1	Maturing June 1, 1967	5.337		
	Issued in exchange for series dated June 2, 1966		183,344,000.00	
	Issued for cash		821,150,000.00	
1	Certificates of indebtedness, foreign currency series, maturing Dec. 1, 1966	4.38		49,996,250.28
1	Treasury notes, foreign currency series, maturing Dec. 2, 1968	5.44	50,337,259.64	
2	Certificates of indebtedness, foreign series, maturing:			
	Dec. 2, 1966	5.10		45,000,000.00
	Mar. 2, 1967	5.20	45,000,000.00	
5	Mar. 2, 1967	5.20		5,000,000.00
6	Mar. 2, 1967	5.20		5,000,000.00
7	Treasury notes, foreign series, maturing May 13, 1968	4.30		1,943,723.19
	Treasury bills:			
	Regular weekly:			
8	Dated June 9, 1966	[4] 4.977		
	Redeemed in exchange for series issued Dec. 8, 1966, due Mar. 9, 1967			180,187,000.00
	Redeemed in exchange for series dated Dec. 8, 1966, due June 8, 1967			143,676,000.00
	Redeemable for cash			1,979,081,000.00
8	Maturing Mar. 9, 1967	5.197		
	Issued in exchange for series dated June 9, 1966		180,187,000.00	
	Issued for cash		1,121,160,000.00	
8	Maturing June 8, 1967	5.281		
	Issued in exchange for series dated June 9, 1966		143,676,000.00	
	Issued for cash		856,923,000.00	
9	Certificates of indebtedness, foreign currency series, maturing:			
	Jan. 13, 1967	4.85		30,100,953.96
	Feb. 3, 1967	4.84		23,087,756.56
9	Treasury notes, foreign currency series, maturing:			
	Dec. 11, 1967	5.39	23,128,339.15	
	Jan. 9, 1968	5.42	30,066,840.90	
9	Treasury certificates, maturing Dec. 31, 1966	5.503		63,657.65
9	Certificates of indebtedness, foreign series, maturing:			
	Mar. 2, 1967	5.20		5,000,000.00
12	Mar. 2, 1967	5.20		5,000,000.00
	Treasury bills:			
	Tax anticipation:			
12	Maturing June 22, 1967	5.245		
	Issued for cash		800,885,000.00	
12	Treasury bonds, foreign currency series, maturing Dec. 12, 1966	4.04		25,176,721.22
12	Treasury notes, foreign currency series, maturing June 12, 1968	5.47	25,131,456.85	
15	Treasury certificates, maturing:			
	Dec. 15, 1966	1.00		2,220,150.53
	June 15, 1967	1.00	2,281,432.80	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1966	Regular weekly:	*Percent*		
Dec. 15	Dated June 16, 1966	[4] 5.125		
	Redeemed in exchange for series issued Dec. 15, 1966, due Mar. 16, 1967			$141,607,000.00
	Redeemed in exchange for series dated Dec. 15, 1966, due June 15, 1967			77,968,000.00
	Redeemable for cash			2,082,059,000.00
15	Maturing Mar. 16, 1967	5.047		
	Issued in exchange for series dated June 16, 1966		$141,607,000.00	
	Issued for cash		1,161,957,000.00	
15	Maturing June 15, 1967	5.130		
	Issued in exchange for series dated June 16, 1966		77,968,000.00	
	Issued for cash		922,900,000.00	
19	Certificates of indebtedness, foreign series, maturing:			
	Mar. 20, 1967	5.05	40,000,000.00	
21	Mar. 21, 1967	4.85	15,000,000.00	
21	Treasury certificates, maturing Dec. 31, 1966	5.503		733,011.72
22	Certificates of indebtedness, foreign series, maturing:			
	Dec. 22, 1966	4.50		50,000,000.00
	Mar. 2, 1967	5.20		5,000,000.00
	June 22, 1967	4.95	50,000,000.00	
	Treasury bills:			
	Regular weekly:			
22	Dated June 23, 1966	[4] 5.153		
	Redeemed in exchange for series issued Dec. 22, 1966, due Mar. 23, 1967			322,082,000.00
	Redeemed in exchange for series dated Dec. 22, 1966, due June 22, 1967			172,470,000.00
	Redeemable for cash			1,806,043,000.00
22	Maturing March 23, 1967	4.844		
	Issued in exchange for series dated June 23, 1966		322,082,000.00	
	Issued for cash		983,395,000.00	
22	Maturing June 22, 1967	4.940		
	Issued in exchange for series dated June 23, 1966		172,470,000.00	
	Issued for cash		833,585,000.00	
23	Certificates of indebtedness, foreign series, maturing:			
	Mar. 23, 1967	4.85	15,000,000.00	
27	Mar. 28, 1967	4.75	70,000,000.00	
29	Dec. 29, 1966	5.50		100,000,000.00
	Mar. 29, 1967	4.75	100,000,000.00	
	Treasury bills:			
	Regular weekly:			
29	Dated June 30, 1966	[4] 5.115		
	Redeemed in exchange for series issued Dec. 29, 1966, due Mar. 30, 1967			233,998,000.00
	Redeemed in exchange for series dated Dec. 29, 1966, due June 29, 1967			145,090,000.00
	Redeemable for cash			1,923,783,000.00
29	Maturing Mar. 30, 1967	4.747		
	Issued in exchange for series dated June 30, 1966		233,998,000.00	
	Issued for cash		1,070,073,000.00	
29	Maturing June 29, 1967	4.856		
	Issued in exchange for series dated June 30, 1966		145,090,000.00	
	Issued for cash		856,202,000.00	
29	Treasury bonds, maturing June 30, 1967	4.00		4,363,443.05
30	Certificates of indebtedness, foreign series, maturing:			
	Dec. 30, 1966	5.47		40,000,000.00
	Jan. 23, 1967	5.45		20,000,000.00
	Mar. 2, 1967	5.20		5,000,000.00
	Mar. 29, 1967	4.75		100,000,000.00
31	Treasury certificates, maturing:			
	Dec. 31, 1966	4.58		31,973,168.93
	Dec. 31, 1966	5.503		14,121,711.94
	Jan. 31, 1967	4.19	32,091,321.62	
	Mar. 31, 1967	4.747	14,315,991.39	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1966				
Dec. 31	U.S. savings bonds: [5]	*Percent*		
	Series E-1941	[6] 3.297	$2,107,345.16	$2,244,042.78
	Series E-1942	[6] 3.340	3,981,002.08	8,788,389.02
	Series E-1943	[6] 3.377	3,973,079.39	15,259,663.40
	Series E-1944	[6] 3.409	11,553,354.01	17,748,014.25
	Series E-1945	[6] 3.438	9,821,415.15	15,964,730.71
	Series E-1946	[6] 3.468	4,504,716.27	11,207,248.49
	Series E-1947	[6] 3.497	4,272,587.17	9,491,811.51
	Series E-1948	[6] 3.528	4,789,194.55	10,142,166.72
	Series E-1949	[6] 3.464	4,928,298.29	10,527,250.73
	Series E-1950	[6] 3.433	4,004,426.07	10,089,873.45
	Series E-1951	[6] 3.485	3,554,692.42	8,880,254.82
	Series E-1952 (January to April)	3.520	−21,532.97	3,109,401.27
	Series E-1952 (May to December)	[6] 3.575	1,775,084.97	6,835,609.85
	Series E-1953	[6] 3.608	4,104,105.13	12,288,286.61
	Series E-1954	[6] 3.657	4,141,596.55	14,261,902.46
	Series E-1955	[6] 3.702	4,585,410.16	17,154,221.32
	Series E-1956	[6] 3.746	5,374,834.40	22,796,028.83
	Series E-1957 (January)	3.780	−115.20	1,538,097.56
	Series E-1957 (February to December)	[6] 3.915	4,256,338.29	15,474,418.99
	Series E-1958	[6] 3.959	11,478,668.56	14,158,483.97
	Series E-1959 (January to May)	3.990	−34,312.47	5,099,539.77
	Series E-1959 (June to December)	[6] 3.815	6,704,064.36	7,199,502.21
	Series E-1960	[6] 3.859	6,578,718.97	13,192,182.73
	Series E-1961	[6] 3.904	6,989,828.35	14,092,342.75
	Series E-1962	[6] 3.955	7,373,731.74	15,950,088.51
	Series E-1963	[6] 4.008	7,485,484.15	21,311,982.79
	Series E-1964	[6] 4.059	8,223,933.45	26,836,797.62
	Series E-1965 (January to November)	[6] 4.106	3,287,716.31	41,496,959.96
	Series E-1965 (December)	4.150	4,897,870.17	6,344,758.65
	Series E-1966	4.150	537,772,190.12	173,960,601.47
	Unclassified sales and redemptions		[9] −187,163,264.13	[9] −173,436,473.28
	Series H-1952	[6] 3.485		556,500.00
	Series H-1953	[6] 3.519		1,470,500.00
	Series H-1954	[6] 3.566		2,793,500.00
	Series H-1955	[6] 3.610		4,210,500.00
	Series H-1956	[6] 3.659		4,171,500.00
	Series H-1957 (January)	3.700		158,500.00
	Series H-1957 (February to December)	[6] 3.671		2,329,500.00
	Series H-1958	[6] 3.762		2,900,000.00
	Series H-1959 (January to May)	3.830		1,070,500.00
	Series H-1959 (June to December)	[6] 3.874		1,157,500.00
	Series H-1960	[6] 3.901		3,356,000.00
	Series H-1961	[6] 3.943		4,298,000.00
	Series H-1962	[6] 3.982		3,319,500.00
	Series H-1963	[6] 4.023		2,756,500.00
	Series H-1964	[6] 4.072		2,116,500.00
	Series H-1965 (January to November)	[6] 4.110	9,000.00	1,802,500.00
	Series H-1965 (December)	4.150		40,500.00
	Series H-1966	4.150	41,118,000.00	1,106,000.00
	Unclassified sales and redemptions		[9] −1,907,500.00	2,087,500.00
	Series J-1955	2.76	273,846.80	1,001,917.20
	Series J-1956	2.76	216,224.11	868,646.96
	Series J-1957	2.76	−252.27	174,552.40
	Unclassified redemptions			3,047,900.44
	Series K-1955	2.76		2,053,000.00
	Series K-1956	2.76		1,402,000.00
	Series K-1957	2.76		222,000.00
	Unclassified redemptions			5,687,000.00
31	Treasury notes, Series A-1968	5⅝		
	Adjustments of issues [7]		−309,000.00	
31	Treasury notes, Series B-1971	5⅜		
	Adjustments of issues [7]		25,000.00	
31	U.S. retirement plan bonds	3.80	1,445,042.29	35,487.61
31	Depositary bonds, First Series	2.00	927,000.00	576,000.00
31	Treasury bonds, REA Series	2.00	240,000.00	80,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EO-1971			4,405,000.00
31	Treasury notes, Series EO-1971	1½	4,405,000.00	
31	Miscellaneous			37,908,700.00
	Total December		13,383,632,464.75	12,557,448,433.56

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
Jan. 1	Treasury certificates, maturing:	*Percent*		
	Jan. 1, 1967	5.503		$6,343,902.90
	Apr. 1, 1967	4.822	$6,431,200.23	
	Treasury bills:			
	Regular monthly:			
3 [8]	Dated Dec. 31, 1965	4.731		
	Redeemed in exchange for series issued Dec. 31, 1966, due Sept. 30, 1967			88,000.00
	Redeemed in exchange for series dated Dec. 31, 1966, due Dec. 31, 1967			199,000,000.00
	Redeemable for cash			801,940,000.00
3	Maturing Sept. 30, 1967	4.920		
	Issued in exchange for series dated Dec. 31, 1965		88,000.00	
	Issued for cash		499,962,000.00	
3	Maturing Dec. 31, 1967	4.820		
	Issued in exchange for series dated Dec. 31, 1965		199,000,000.00	
	Issued for cash		702,030,000.00	
3	Certificates of indebtedness, foreign currency series, maturing:			
	Jan. 3, 1967	4.90		49,930,097.86
	Jan. 3, 1967	4.30		22,466,705.27
	Apr. 3, 1968	4.93	22,412,199.63	
	Nov. 1, 1968	4.87	50,285,369.47	
3	Certificates of indebtedness, foreign series, maturing:			
	Mar. 2, 1967	5.20		5,000,000.00
5	Mar. 2, 1967	5.20		5,000,000.00
	Mar. 20, 1967	5.05		20,000,000.00
	Treasury bills:			
	Regular weekly:			
5	Dated July 7, 1966	[4] 5.194		
	Redeemed in exchange for series issued Jan. 5, 1967, due Apr. 6, 1967			240,497,000.00
	Redeemed in exchange for series dated Jan. 5, 1967, due July 6, 1967			142,557,000.00
	Redeemable for cash			1,918,314,000.00
5	Maturing Apr. 6, 1967	4.821		
	Issued in exchange for series dated July 7, 1966		240,497,000.00	
	Issued for cash		1,059,672,000.00	
5	Maturing July 6, 1967	4.912		
	Issued in exchange for series dated July 7, 1966		142,557,000.00	
	Issued for cash		858,600,000.00	
9	Certificates of indebtedness, foreign series, maturing:			
	Mar. 2, 1967	5.20		5,000,000.00
10	Mar. 20, 1967	5.05		20,000,000.00
	Mar. 21, 1967	4.85		10,000,000.00
11	Mar. 21, 1967	4.85		5,000,000.00
	Treasury bills:			
	Regular weekly:			
12	Dated July 14, 1966	[4] 5.265		
	Redeemed in exchange for series issued Jan. 12, 1967, due Apr. 13, 1967			9,101,000.00
	Redeemed in exchange for series dated Jan. 12, 1967, due July 13, 1967			3,524,000.00
	Redeemable for cash			2,288,933,000.00
12	Maturing Apr. 13, 1967	4.817		
	Issued in exchange for series dated July 14, 1966		9,101,000.00	
	Issued for cash		1,293,858,000.00	
12	Maturing July 13, 1967	4.889		
	Issued in exchange for series dated July 14, 1966		3,524,000.00	
	Issued for cash		996,681,000.00	
16	Treasury certificates, maturing Mar. 31, 1967	4.747		211,158.50
16	Certificates of indebtedness, foreign series, maturing:			
	Mar. 23, 1967	4.85		10,000,000.00
19	Mar. 23, 1967	4.85		5,000,000.00
	Mar. 28, 1967	4.75		35,000,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1967	Regular weekly:	*Percent*		
Jan. 19	Dated July 21, 1966	[4] 5.281		
	Redeemed in exchange for series issued Jan. 19, 1967, due Apr. 20, 1967			$169,362,000.00
	Redeemed in exchange for series dated Jan. 19, 1967, due July 20, 1967			121,797,000.00
	Redeemable for cash			2,012,134,000.00
19	Maturing Apr. 20, 1967	4.716		
	Issued in exchange for series dated July 21, 1966		$169,362,000.00	
	Issued for cash		1,132,366,000.00	
19	Maturing July 20, 1967	4.687		
	Issued in exchange for series dated July 21, 1966		121,797,000.00	
	Issued for cash		879,109,000.00	
20	Certificates of indebtedness, foreign series, maturing:			
	Jan. 23, 1967	5.45		10,000,000.00
25	Mar. 28, 1967	4.75		5,000,000.00
26	Certificates of indebtedness, foreign currency series, maturing:			
	Jan. 26, 1967	5.00		92,631,188.92
	Apr. 26, 1967	4.74	92,391,555.41	
	Treasury bills:			
	Regular weekly:			
26	Dated July 28, 1966	[4] 5.104		
	Redeemed in exchange for series issued Jan. 26, 1967, due Apr. 27, 1967			233,961,000.00
	Redeemed in exchange for series dated Jan. 26, 1967, due July 27, 1967			192,398,000.00
	Redeemable for cash			1,875,641,000.00
26	Maturing Apr. 27, 1967	4.679		
	Issued in exchange for series dated July 28, 1966		233,961,000.00	
	Issued for cash		1,069,363,000.00	
26	Maturing July 27, 1967	4.663		
	Issued in exchange for series dated July 28, 1966		192,398,000.00	
	Issued for cash		807,534,000.00	
27	Treasury certificates, maturing Mar. 31, 1967	4.747		638,731.63
27	Certificates of indebtedness, foreign series, maturing Mar. 28, 1967	4.75		5,000,000.00
27	Treasury notes, foreign currency series, maturing May 27, 1968	4.65	30,016,162.55	
27	Treasury bonds, foreign currency series, maturing:			
	Jan. 27, 1967	4.23		30,099,560.08
30	Jan. 30, 1967	4.03		124,849,939.98
30	Certificates of indebtedness, foreign series, maturing Feb. 7, 1967	5.25		25,000,000.00
30	Treasury notes, foreign currency series, maturing July 30, 1968	4.57	124,750,099.96	
	Treasury bills:			
	Regular monthly:			
31	Dated Jan. 31, 1966	4.699		
	Redeemed in exchange for series issued Jan. 31, 1967, due Oct. 31, 1967			137,265,000.00
	Redeemed in exchange for series dated Jan. 31, 1967, due Jan. 31, 1968			121,961,000.00
	Redeemable for cash			742,165,000.00
31	Maturing Oct. 31, 1967	4.656		
	Issued in exchange for series dated Jan. 31, 1966		137,265,000.00	
	Issued for cash		363,835,000.00	
31	Maturing Jan. 31, 1968	4.577		
	Issued in exchange for series dated Jan. 31, 1966		121,961,000.00	
	Issued for cash		779,006,000.00	
31	Treasury certificates, maturing:			
	Jan. 31, 1967	5.246		1,062,858.79
	Jan. 31, 1967	4.19		32,091,321.62
	Feb. 28, 1967	4.23	32,199,812.70	
	Apr. 30, 1967	4.486	1,076,798.18	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
Jan. 31	U.S. savings bonds: [5]	*Percent*		
	Series E-1941	[6] 3.297	$545,439.02	$1,466,793.63
	Series E-1942	[6] 3.340	4,304,728.87	5,910,077.58
	Series E-1943	[6] 3.377	4,621,537.50	9,514,983.71
	Series E-1944	[6] 3.409	9,049,362.22	11,918,190.58
	Series E-1945	[6] 3.438	4,765,266.98	11,096,852.25
	Series E-1946	[6] 3.468	4,151,941.70	7,597,263.02
	Series E-1947	[6] 3.497	5,854,516.61	5,806,411.33
	Series E-1948	[6] 3.528	5,696,605.29	6,269,819.79
	Series E-1949	[6] 3.464	5,545,909.02	6,847,226.42
	Series E-1950	[6] 3.433	5,308,223.00	6,283,029.63
	Series E-1951	[6] 3.485	4,052,738.73	5,720,871.81
	Series E-1952 (January to April)	3.520	2,261,009.21	1,735,215.94
	Series E-1952 (May to December)	[6] 3.575	3,267,374.81	4,475,002.64
	Series E-1953	[6] 3.608	3,821,939.35	7,977,842.29
	Series E-1954	[6] 3.657	4,061,452.32	9,232,484.13
	Series E-1955	[6] 3.702	4,398,439.45	10,818,322.27
	Series E-1956	[6] 3.746	5,230,827.87	14,368,409.03
	Series E-1957 (January)	3.780	----------------	841,972.08
	Series E-1957 (February to December)	[6] 3.915	2,589,249.72	9,985,361.26
	Series E-1958	[6] 3.959	6,985,675.97	10,007,888.42
	Series E-1959 (January to May)	3.990	4,144,996.19	3,247,611.20
	Series E-1959 (June to December)	[6] 3.815	3,107,179.07	4,392,667.21
	Series E-1960	[6] 3.859	7,731,446.12	7,945,866.42
	Series E-1961	[6] 3.904	8,179,869.10	8,605,103.73
	Series E-1962	[6] 3.955	7,960,743.29	9,646,154.94
	Series E-1963	[6] 4.008	10,054,464.41	12,477,080.82
	Series E-1964	[6] 4.059	9,022,836.29	15,978,974.44
	Series E-1965 (January to November)	[6] 4.106	8,788,060.12	24,616,407.46
	Series E-1965 (December)	4.150	1,095.21	3,777,291.75
	Series E-1966	4.150	349,413,127.82	126,764,214.32
	Unclassified sales and redemptions	--------	110,962,980.38	184,885,729.17
	Series H-1952	[6] 3.485	----------------	535,500.00
	Series H-1953	[6] 3.519	----------------	1,646,000.00
	Series H-1954	[6] 3.566	----------------	3,119,000.00
	Series H-1955	[6] 3.610	----------------	4,770,500.00
	Series H-1956	[6] 3.659	----------------	4,492,000.00
	Series H-1957 (January)	3.700	----------------	219,000.00
	Series H-1957 (February to December)	[6] 3.671	----------------	2,696,500.00
	Series H-1958	[6] 3.762	----------------	3,608,500.00
	Series H-1959 (January to May)	3.830	1,000.00	1,007,000.00
	Series H-1959 (June to December)	[6] 3.874	----------------	2,022,500.00
	Series H-1960	[6] 3.901	----------------	4,304,500.00
	Series H-1961	[6] 3.943	----------------	5,285,500.00
	Series H-1962	[6] 3.982	----------------	4,333,000.00
	Series H-1963	[6] 4.023	----------------	3,275,000.00
	Series H-1964	[6] 4.072	----------------	2,513,000.00
	Series H-1965 (January to November)	[6] 4.110	----------------	1,920,000.00
	Series H-1965 (December)	4.150	----------------	328,000.00
	Series H-1966	4.150	45,372,000.00	1,559,500.00
	Unclassified sales and redemptions	--------	18,139,500.00	1,910,000.00
	Series J-1955	2.76	342,658.40	979,905.40
	Series J-1956	2.76	301,443.85	549,007.40
	Series J-1957	2.76	94,644.27	93,343.32
	Unclassified redemptions	--------	----------------	1,249,930.24
	Series K-1955	2.76	----------------	2,792,500.00
	Series K-1956	2.76	----------------	1,748,000.00
	Series K-1957	2.76	----------------	211,500.00
	Unclassified redemptions	--------	----------------	6,040,000.00
31	U.S. retirement plan bonds	3.84	2,410,435.98	67,039.41
31	Depositary bonds, First Series	2.00	1,030,000.00	1,017,000.00
31	Treasury bonds, REA Series	2.00	1,338,000.00	241,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾	----------------	----------------
	Redeemed in exchange for 1½% Treasury notes, Series EO-1971	--------	----------------	5,345,000.00
31	Treasury notes, Series EO-1971	1½	5,345,000.00	----------------
31	Miscellaneous	--------	----------------	36,909,500.00
	Total January	--------	13,053,343,916.27	12,392,963,310.59

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1967	Regular weekly:	*Percent*		
Feb. 2	Dated Aug. 4, 1966	[4] 5.119		
	Redeemed in exchange for series issued Feb. 2, 1967, due May 4, 1967			$370,495,000.00
	Redeemed in exchange for series dated Feb. 2, 1967, due Aug. 3, 1967			221,821,000.00
	Redeemable for cash			1,708,927,000.00
2	Maturing May 4, 1967	4.485		
	Issued in exchange for series dated Aug. 4, 1966		$370,495,000.00	
	Issued for cash		931,541,000.00	
2	Maturing Aug. 3, 1967	4.460		
	Issued in exchange for series dated Aug. 4, 1966		221,821,000.00	
	Issued for cash		780,282,000.00	
3	Certificates of indebtedness, foreign series, maturing:			
	Mar. 28, 1967	4.75		10,000,000.00
8	Mar. 28, 1967	4.75		5,000,000.00
	Treasury bills:			
	Regular weekly:			
9	Dated Aug. 11, 1966	[4] 5.266		
	Redeemed in exchange for series issued Feb. 9, 1967, due May 11, 1967			264,947,000.00
	Redeemed in exchange for series dated Feb. 9, 1967, due Aug. 10, 1967			212,003,000.00
	Redeemable for cash			1,823,508,000.00
9	Maturing May 11, 1967	4.531		
	Issued in exchange for series dated Aug. 11, 1966		264,947,000.00	
	Issued for cash		1,034,948,000.00	
9	Maturing Aug. 10, 1967	4.524		
	Issued in exchange for series dated Aug. 11, 1966		212,003,000.00	
	Issued for cash		788,113,000.00	
1	Certificates of indebtedness, foreign series, maturing Mar. 28, 1967	4.75		10,000,000.00
15	Treasury notes, Series B-1967	3⅝		
	Redeemed in exchange for:			
	4¾% Treasury notes, Series B-1968			396,331,000.00
	4¾% Treasury notes, Series A-1972			54,080,000.00
	Redeemable for cash			1,907,237,000.00
15	Treasury notes, Series C-1967	4.00		
	Redeemed in exchange for:			
	4¾% Treasury notes, Series B-1968			3,238,999,000.00
	4¾% Treasury notes, Series A-1972			173,634,000.00
	Redeemable for cash			1,738,054,000.00
15	Treasury notes, Series B-1968	4¾		
	Issued in exchange for:			
	3⅝% Treasury notes, Series B-1967		396,331,000.00	
	4% Treasury notes, Series C-1967		3,238,999,000.00	
	Issued for cash		1,950,762,000.00	
15	Treasury notes, Series A-1972	4¾		
	Issued in exchange for:			
	3⅝% Treasury notes, Series B-1967		54,080,000.00	
	4% Treasury notes, Series C-1967		173,634,000.00	
	Issued for cash		1,777,915,000.00	
	Treasury bills:			
	Regular weekly:			
16	Dated Aug. 18, 1966	[4] 5.396		
	Redeemed in exchange for series issued Feb. 16, 1967, due May 18, 1967			132,948,000.00
	Redeemed in exchange for series dated Feb. 16, 1967, due Aug. 17, 1967			82,580,000.00
	Redeemable for cash			2,086,361,000.00
16	Maturing May 18, 1967	4.576		
	Issued in exchange for series dated Aug. 18, 1966		132,948,000.00	
	Issued for cash		1,169,355,000.00	
16	Maturing Aug. 17, 1967	4.581		
	Issued in exchange for series dated Aug. 18, 1966		82,580,000.00	
	Issued for cash		918,834,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
Feb. 17	Treasury certificates, maturing:	*Percent*		
	Mar. 31, 1967	4.747		$187,111.71
23	Mar. 31, 1967	4.747		2,790,132.86
	Treasury bills:			
	Regular weekly:			
23	Dated Aug. 25, 1966	[4] 5.321		
	Redeemed in exchange for series issued Feb. 23, 1967, due May 25, 1967			288,254,000.00
	Redeemed in exchange for series dated Feb. 23, 1967, due Aug. 24, 1967			182,891,000.00
	Redeemable for cash			1,832,046,000.00
23	Maturing May 25, 1967	4.622		
	Issued in exchange for series dated Aug. 25, 1966		$288,254,000.00	
	Issued for cash		1,011,997,000.00	
23	Maturing Aug. 24, 1967	4.694		
	Issued in exchange for series dated Aug. 25, 1966		182,891,000.00	
	Issued for cash		817,228,000.00	
27	Treasury certificates, maturing Mar. 31, 1967	4.747		1,360,594.25
	Treasury bills:			
	Regular monthly:			
28	Dated Feb. 28, 1966	4.945		
	Redeemed in exchange for series issued Feb. 28, 1967, due Nov. 30, 1967			91,499,000.00
	Redeemed in exchange for series dated Feb. 28, 1967, due Feb. 29, 1968			151,046,000.00
	Redeemable for cash			757,627,000.00
28	Maturing Nov. 30, 1967	4.718		
	Issued in exchange for series dated Feb. 28, 1966		91,499,000.00	
	Issued for cash		408,457,000.00	
28	Maturing Feb. 29, 1968	4.696		
	Issued in exchange for series dated Feb. 28, 1966		151,046,000.00	
	Issued for cash		749,983,000.00	
28	Treasury certificates, maturing:			
	Feb. 28, 1967	4.23		32,199,812.70
	Mar. 31, 1967	4.24	32,299,074.58	
28	U.S. savings bonds: [5]			
	Series E-1941	[6] 3.297	366,108.57	1,179,800.13
	Series E-1942	[6] 3.340	2,638,707.94	4,650,976.29
	Series E-1943	[6] 3.377	3,597,120.28	6,983,472.59
	Series E-1944	[6] 3.409	6,687,455.71	8,973,768.71
	Series E-1945	[6] 3.438	3,414,927.85	8,191,458.01
	Series E-1946	[6] 3.468	3,207,258.18	5,578,323.69
	Series E-1947	[6] 3.497	4,082,467.84	4,349,242.86
	Series E-1948	[6] 3.528	4,184,748.08	4,932,268.02
	Series E-1949	[6] 3.464	4,193,160.12	5,157,130.55
	Series E-1950	[6] 3.433	3,875,906.37	4,353,291.24
	Series E-1951	[6] 3.485	3,188,095.73	3,874,981.95
	Series E-1952 (January to April)	3.520	1,671,293.40	1,165,002.24
	Series E-1952 (May to December)	[6] 3.575	4,124,912.28	2,895,460.93
	Series E-1953	[6] 3.608	4,661,112.53	5,461,222.19
	Series E-1954	[6] 3.657	5,091,142.46	5,785,577.03
	Series E-1955	[6] 3.702	5,412,904.76	7,358,131.96
	Series E-1956	[6] 3.746	5,932,770.20	9,701,261.89
	Series E-1957 (January)	3.780	−23.41	558,630.86
	Series E-1957 (February to December)	[6] 3.915	1,456,693.61	6,206,435.59
	Series E-1958	[6] 3.959	6,429,700.61	6,981,439.52
	Series E-1959 (January to May)	3.990	3,165,384.81	2,026,303.67
	Series E-1959 (June to December)	[6] 3.815	2,565,254.56	2,803,006.14
	Series E-1960	[6] 3.859	6,307,666.70	4,855,297.78
	Series E-1961	[6] 3.904	6,537,159.33	5,303,149.36
	Series E-1962	[6] 3.955	6,162,738.90	5,877,124.93
	Series E-1963	[6] 4.008	7,605,596.82	7,629,415.73
	Series E-1964	[6] 4.059	7,171,334.02	9,926,016.40
	Series E-1965 (January to November)	[6] 4.106	7,071,245.68	15,700,611.72
	Series E-1965 (December)	4.150	−175,134.87	2,742,537.72
	Series E-1966	4.150	244,471,201.86	90,806,846.36
	Unclassified sales and redemptions		156,905,190.30	161,224,009.72
	Series H-1952	[6] 3.485		316,500.00
	Series H-1953	[6] 3.519		1,112,000.00
	Series H-1954	[6] 3.566		2,157,500.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
Feb. 28	U.S. saving bonds [5]—Continued	*Percent*		
	Series H-1955	[6] 3.610		$3,134,000.00
	Series H-1956	[6] 3.659		3,255,000.00
	Series H-1957 (January)	3.700		299,000.00
	Series H-1957 (February to December)	[6] 3.671		1,852,000.00
	Series H-1958	[6] 3.762		3,320,500.00
	Series H-1959 (January to May)	3.830		1,303,000.00
	Series H-1959 (June to December)	[6] 3.874		1,272,500.00
	Series H-1960	[6] 3.901		4,167,000.00
	Series H-1961	[6] 3.943		4,271,500.00
	Series H-1962	[6] 3.982		3,387,000.00
	Series H-1963	[6] 4.023		3,005,000.00
	Series H-1964	[6] 4.072		2,228,500.00
	Series H-1965 (January to November)	[6] 4.110	$20,000.00	1,607,000.00
	Series H-1965 (December)	4.150		269,000.00
	Series H-1966	4.150	34,132,000.00	1,715,000.00
	Series H-1967	4.150	3,713,000.00	
	Unclassified sales and redemptions		11,819,500.00	3,310,000.00
	Series J-1955	2.76	241,318.00	6,707,292.80
	Series J-1956	2.76	284,817.17	963,352.80
	Series J-1957	2.76	71,503.01	295,667.56
	Unclassified redemptions			[9] −3,134,873.32
	Series K-1955	2.76		24,443,000.00
	Series K-1956	2.76		1,496,000.00
	Series K-1957	2.76		420,500.00
	Unclassified redemptions			[9] −8,598,000.00
28	Treasury notes, Series A-1968	5⅝		
	Adjustments of issues [7]		−50,000.00	
28	U.S. retirement plan bonds	3.84	211,645.63	72,945.12
28	Depositary bonds, First Series	2.00	514,000.00	478,000.00
28	Treasury bonds, REA Series	2.00	580,000.00	290,000.00
28	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EO-1971			1,700,000.00
28	Treasury notes, Series EO-1971	1½	1,700,000.00	
28	Miscellaneous			38,663,200.00
	Total February		18,808,483,959.61	18,295,836,932.26
	Treasury bills:			
	Regular weekly:			
Mar. 2	Dated Sept. 1, 1966	[4] 5.360		
	Redeemed in exchange for series issued Mar. 2, 1967, due June 1, 1967			227,129,000.00
	Redeemed in exchange for series dated Mar. 2, 1967, due Aug. 31, 1967			130,393,000.00
	Redeemable for cash			1,943,547,000.00
2	Maturing June 1, 1967	4.538		
	Issued in exchange for series dated Sept. 1, 1966		227,129,000.00	
	Issued for cash		1,077,552,000.00	
2	Maturing Aug. 31, 1967	4.534		
	Issued in exchange for series dated Sept. 1, 1966		130,393,000.00	
	Issued for cash		874,092,000.00	
9	Dated Sept. 8, 1966	[4] 5.397		
	Redeemed in exchange for series issued Mar. 9, 1967, due June 8, 1967			132,777,000.00
	Redeemed in exchange for series dated Mar. 9, 1967, due Sept. 7, 1967			77,438,000.00
	Redeemable for cash			2,094,814,000.00
9	Maturing June 8, 1967	4.343		
	Issued in exchange for series dated Sept. 8, 1966		132,777,000.00	
	Issued for cash		1,167,316,000.00	
9	Maturing Sept. 7, 1967	4.340		
	Issued in exchange for series dated Sept. 8, 1966		77,438,000.00	
	Issued for cash		923,050,000.00	
	Tax anticipation:			
13	Maturing June 22, 1967	4.295		
	Issued for cash		2,706,765,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills—Continued			
1967	Regular weekly:	*Percent*		
Mar. 16	Dated Sept. 15, 1966	[4] 5.429		
	Redeemed in exchange for series issued Mar. 16, 1967, due June 15, 1967			$263,782,000.00
	Redeemed in exchange for series dated Mar. 16, 1967, due Sept. 14, 1967			127,042,000.00
	Redeemable for cash			1,913,096,000.00
16	Maturing June 15, 1967	4.308		
	Issued in exchange for series dated Sept. 15, 1966		$263,782,000.00	
	Issued for cash		1,037,770,000.00	
16	Maturing Sept. 14, 1967	4.264		
	Issued in exchange for series dated Sept. 15, 1966		127,042,000.00	
	Issued for cash		874,515,000.00	
20	Treasury notes, foreign series, maturing May 13, 1968	4.30		728,502.42
20	Treasury certificates, maturing Mar. 31, 1967	4.747		1,014,432.63
	Treasury bills:			
	Tax anticipation:			
22	Maturing Mar. 22, 1967	5.338		
	Redeemable for cash			2,006,066,000.00
	Regular weekly:			
23	Dated Sept. 22, 1966	[4] 5.363		
	Redeemed in exchange for series issued Mar. 23, 1967, due June 22, 1967			336,767,000.00
	Redeemed in exchange for series dated Mar. 23, 1967, due Sept. 21, 1967			201,840,000.00
	Redeemable for cash			1,767,352,000.00
23	Maturing June 22, 1967	4.103		
	Issued in exchange for series dated Sept. 22, 1966		336,767,000.00	
	Issued for cash		963,456,000.00	
23	Maturing Sept. 21, 1967	4.006		
	Issued in exchange for series dated Sept. 22, 1966		201,840,000.00	
	Issued for cash		798,351,000.00	
30	Dated Sept. 29, 1966	[4] 5.205		
	Redeemed in exchange for series issued Mar. 30, 1967, due June 29, 1967			254,078,000.00
	Redeemed in exchange for series dated Mar. 30, 1967, due Sept. 28, 1967			201,699,000.00
	Redeemable for cash			1,848,994,000.00
30	Maturing June 29, 1967	4.151		
	Issued in exchange for series dated Sept. 29, 1966		254,078,000.00	
	Issued for cash		1,046,276,000.00	
30	Maturing Sept. 28, 1967	4.073		
	Issued in exchange for series dated Sept. 29, 1966		201,699,000.00	
	Issued for cash		798,703,000.00	
30	Treasury notes, foreign series, maturing May 13, 1968	4.30		176.05
	Treasury bills:			
	Regular monthly:			
31	Dated Mar. 31, 1966	4.739		
	Redeemed in exchange for series issued Mar. 31, 1967, due Dec. 31, 1967			90,238,000.00
	Redeemed in exchange for series dated Mar. 31, 1967, due Mar. 31, 1968			151,771,000.00
	Redeemable for cash			1,158,799,000.00
31	Maturing Dec. 31, 1967	4.077		
	Issued in exchange for series dated Mar. 31, 1966		90,238,000.00	
	Issued for cash		409,853,000.00	
31	Maturing Mar. 31, 1968	4.074		
	Issued in exchange for series dated Mar. 31, 1966		151,771,000.00	
	Issued for cash		748,276,000.00	
31	Treasury certificates, maturing:			
	Mar. 31, 1967	4.24		32,299,074.58
	Mar. 31, 1967	4.747		8,113,829.81
	Apr. 30, 1967	4.07	32,409,269.14	
	June 30, 1967	4.150	8,210,120.69	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
Mar. 31	U.S. savings bonds: [5]	*Percent*		
	Series E-1941	[6] 3.297	$370,055.44	$3,250,659.19
	Series E-1942	[6] 3.340	2,814,239.09	13,666,379.07
	Series E-1943	[6] 3.377	8,535,196.71	21,234,871.43
	Series E-1944	[6] 3.409	3,182,573.77	28,494,007.28
	Series E-1945	[6] 3.438	3,146,575.62	24,870,879.17
	Series E-1946	[6] 3.468	2,989,413.16	16,188,769.33
	Series E-1947	[6] 3.497	4,004,112.71	18,602,196.18
	Series E-1948	[6] 3.528	3,837,485.79	16,315,752.15
	Series E-1949	[6] 3.464	3,940,912.17	17,134,616.06
	Series E-1950	[6] 3.433	3,716,970.42	15,781,780.40
	Series E-1951	[6] 3.485	3,094,374.10	13,654,603.61
	Series E-1952 (January to April)	3.520	1,571,102.37	4,834,714.55
	Series E-1952 (May to December)	[6] 3.575	1,844,222.12	9,816,895.53
	Series E-1953	[6] 3.608	5,148,477.35	18,265,757.42
	Series E-1954	[6] 3.657	5,531,401.13	21,415,813.70
	Series E-1955	[6] 3.702	6,057,725.88	25,050,879.94
	Series E-1956	[6] 3.746	6,318,788.40	32,695,574.52
	Series E-1957 (January)	3.780	3,177,176.93	4,475,541.57
	Series E-1957 (February to December)	[6] 3.915	5,354,412.76	22,011,801.29
	Series E-1958	[6] 3.959	6,105,629.88	24,639,280.60
	Series E-1959 (January to May)	3.990	2,951,697.91	7,493,426.96
	Series E-1959 (June to December)	[6] 3.815	4,254,997.28	9,497,952.27
	Series E-1960	[6] 3.859	6,154,034.28	16,205,564.90
	Series E-1961	[6] 3.904	6,474,266.21	23,145,989.31
	Series E-1962	[6] 3.955	6,243,744.77	18,820,145.99
	Series E-1963	[6] 4.003	7,431,795.24	25,912,957.09
	Series E-1964	[6] 4.059	6,954,498.38	27,929,420.51
	Series E-1965 (January to November)	[6] 4.106	7,282,150.84	36,344,482.38
	Series E-1965 (December)	4.150	3,723.24	5,421,650.61
	Series E-1966	4.150	386,799,183.40	208,145,364.54
	Series E-1967	4.150	244,340,306.25	89,737.50
	Unclassified sales and redemptions		[9] −196,215,713.94	[9] −279,808,817.37
	Series H-1952	[6] 3.485		615,500.00
	Series H-1953	[6] 3.519		1,451,000.00
	Series H-1954	[6] 3.566		2,794,500.00
	Series H-1955	[6] 3.610		4,027,000.00
	Series H-1956	[6] 3.659		3,869,000.00
	Series H-1957 (January)	3.700		247,000.00
	Series H-1957 (February to December)	[6] 3.671		3,141,500.00
	Series H-1958	[6] 3.762		3,038,000.00
	Series H-1959 (January to May)	3.830		1,472,500.00
	Series H-1959 (June to December)	[6] 3.874		1,539,000.00
	Series H-1960	[6] 3.901		4,683,000.00
	Series H-1961	[6] 3.943		4,404,000.00
	Series H-1962	[6] 3.982		3,649,000.00
	Series H-1963	[6] 4.023		3,188,500.00
	Series H-1964	[6] 4.072		2,438,500.00
	Series H-1965 (January to November)	[6] 4.110		2,076,000.00
	Series H-1965 (December)	4.150	1,000.00	185,500.00
	Series H-1966	4.150	7,388,500.00	2,027,000.00
	Series H-1967	4.150	53,620,000.00	17,500.00
	Unclassified sales and redemptions		[9] −8,899,000.00	3,216,000.00
	Series J-1955	2.76	288,380.40	6,062,218.80
	Series J-1956	2.76	226,932.80	592,015.60
	Series J-1957	2.76	70,295.51	69,920.72
	Unclassified redemptions			745,866.34
	Series K-1955	2.76		20,833,500.00
	Series K-1956	2.76		1,525,500.00
	Series K-1957	2.76		334,500.00
	Unclassified redemptions			107,000.00
31	Treasury notes, Series B-1968	4¾		
	Adjustments of issues [7]		750,000.00	
31	U.S. retirement plan bonds	3.84	106,956.65	42,301.20
31	Depositary bonds, First Series	2.00	1,396,000.00	587,500.00
31	Treasury bonds, REA Series	2.00	427,000.00	150,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for 1½% Treasury notes, Series EO-1971			7,775,000.00
31	Treasury notes, Series EO-1971	1½	7,775,000.00	
31	Miscellaneous			33,179,000.00
	Total March		16,288,114,984.85	15,541,460,985.83

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967		*Percent*		
Apr. 1	Treasury notes, Series EA-1967	1½		
	Redeemable for cash			$270,496,000.00
1	Treasury certificates, maturing:			
	Apr. 1, 1967	4.822		6,431,200.23
	July 1, 1967	4.150	$6,508,728.35	
3	July 3, 1967	4.150	1,419,000.00	
	Treasury bills:			
	Regular weekly:			
6	Dated Oct. 6, 1966	[4] 5.192		
	Redeemed in exchange for series issued Apr. 6, 1967, due July 6, 1967			276,775,000.00
	Redeemed in exchange for series dated Apr. 6, 1967, due Oct. 5, 1967			182,725,000.00
	Redeemable for cash			1,840,927,000.00
6	Maturing July 6, 1967	3.975		
	Issued in exchange for series dated Oct. 6, 1966		276,775,000.00	
	Issued for cash		1,024,265,000.00	
6	Maturing Oct. 5, 1967	3.997		
	Issued in exchange for series dated Oct. 6, 1966		182,725,000.00	
	Issued for cash		818,018,000.00	
10	Treasury notes, foreign series, maturing May 13, 1968	4.30		36,899.28
	Treasury bills:			
	Regular weekly:			
13	Dated Oct. 13, 1966	[4] 5.223		
	Redeemed in exchange for series issued Apr. 13, 1967, due July 13, 1967			9,102,000.00
	Redeemed in exchange for series dated Apr. 13, 1967, due Oct. 13, 1967			124,896,000.00
	Redeemable for cash			2,168,905,000.00
13	Maturing July 13, 1967	3.811		
	Issued in exchange for series dated Oct. 13, 1966		9,102,000.00	
	Issued for cash		1,292,204,000.00	
13	Maturing Oct. 13, 1967	3.856		
	Issued in exchange for series dated Oct. 13, 1966		124,896,000.00	
	Issued for cash		875,761,000.00	
20	Dated Oct. 20, 1966	[4] 5.123		
	Redeemed in exchange for series issued Apr. 20, 1967, due July 20, 1967			344,748,000.00
	Redeemed in exchange for series dated Apr. 20, 1967, due Oct. 19, 1967			202,999,000.00
	Redeemable for cash			1,754,690,000.00
20	Maturing July 20, 1967	3.903		
	Issued in exchange for series dated Oct. 20, 1966		344,748,000.00	
	Issued for cash		955,757,000.00	
20	Maturing Oct. 19, 1967	3.950		
	Issued in exchange for series dated Oct. 20, 1966		202,999,000.00	
	Issued for cash		797,714,000.00	
	Tax anticipation:			
21	Maturing Apr. 21, 1967	[4] 5.463		
	Redeemable for cash			2,510,118,000.00
26	Certificates of indebtedness, foreign currency series, maturing:			
	Apr. 26, 1967	4.74		92,391,555.41
	July 26, 1967	4.00	129,734,738.79	
	Treasury bills:			
	Regular weekly:			
27	Dated Oct. 27, 1966	[4] 5.051		
	Redeemed in exchange for series issued Apr. 27, 1967, due July 27, 1967			253,038,000.00
	Redeemed in exchange for series dated Apr. 27, 1967, due Oct. 26, 1967			221,438,000.00
	Redeemable for cash			1,829,327,000.00
27	Maturing July 27, 1967	3.715		
	Issued in exchange for series dated Oct. 27, 1966		253,038,000.00	
	Issued for cash		1,047,830,000.00	
27	Maturing Oct. 26, 1967	3.772		
	Issued in exchange for series dated Oct. 27, 1966		221,438,000.00	
	Issued for cash		778,819,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967		*Percent*		
Apr. 30	Treasury certificates, maturing:			
	Apr. 30, 1967	4.486		$1,076,798.18
	Apr. 30, 1967	4.07		32,409,269.14
	May 31, 1967	3.82	$32,511,982.62	
	July 31, 1967	3.715	1,088,874.47	
30	U.S. savings bonds: [5]			
	Series E-1941	[6] 3.297	421,178.96	1,293,063.42
	Series E-1942	[6] 3.340	2,922,693.99	5,878,375.56
	Series E-1943	[6] 3.377	6,621,575.99	9,587,635.53
	Series E-1944	[6] 3.409	2,888,425.14	12,334,082.87
	Series E-1945	[6] 3.438	3,803,157.05	10,762,799.31
	Series E-1946	[6] 3.468	3,064,689.22	6,285,419.48
	Series E-1947	[6] 3.497	3,771,345.98	7,890,533.26
	Series E-1948	[6] 3.528	3,673,654.02	6,833,196.85
	Series E-1949	[6] 3.464	3,653,542.36	7,131,405.26
	Series E-1950	[6] 3.433	3,412,251.08	6,833,035.13
	Series E-1951	[6] 3.485	3,117,888.36	5,813,962.73
	Series E-1952 (January to April)	3.520	1,403,429.55	2,170,436.22
	Series E-1952 (May to December)	[6] 3.575	1,637,832.71	4,335,351.00
	Series E-1953	[6] 3.608	3,976,902.12	8,481,780.31
	Series E-1954	[6] 3.657	4,430,757.46	9,215,210.88
	Series E-1955	[6] 3.702	4,714,160.97	10,986,269.96
	Series E-1956	[6] 3.746	5,017,403.58	13,151,525.50
	Series E-1957 (January)	3.780		1,559,088.97
	Series E-1957 (February to December)	[6] 3.915	5,543,578.10	11,582,399.52
	Series E-1958	[6] 3.959	6,214,157.16	11,883,341.24
	Series E-1959 (January to May)	3.990	2,854,621.55	4,009,165.47
	Series E-1959 (June to December)	[6] 3.815	4,989,303.43	4,882,583.08
	Series E-1960	[6] 3.859	6,275,406.59	8,227,873.73
	Series E-1961	[6] 3.904	6,633,310.22	12,169,018.99
	Series E-1962	[6] 3.955	3,350,350.70	9,772,018.49
	Series E-1963	[6] 4.008	8,327,429.33	20,260,821.77
	Series E-1964	[6] 4.059	7,523,604.88	17,382,862.37
	Series E-1965 (January to November)	[6] 4.106	7,571,477.39	20,101,534.80
	Series E-1965 (December)	4.150	4,028.28	2,822,855.58
	Series E-1966	4.150	47,965,370.58	119,191,413.42
	Series E-1967	4.150	321,897,750.00	17,962,687.50
	Unclassified sales and redemptions		4,386,028.20	6,715,679.19
	Series H-1952	[6] 3.485		876,000.00
	Series H-1953	[6] 3.519		2,188,000.00
	Series H-1954	[6] 3.566		4,038,000.00
	Series H-1955	[6] 3.610		5,863,500.00
	Series H-1956	[6] 3.659		5,209,000.00
	Series H-1957 (January)	3.700		1,333,000.00
	Series H-1957 (February to December)	[6] 3.671		5,132,500.00
	Series H-1958	[6] 3.762		4,064,500.00
	Series H-1959 (January to May)	3.830		1,762,000.00
	Series H-1959 (June to December)	[6] 3.874		1,554,000.00
	Series H-1960	[6] 3.901		5,113,500.00
	Series H-1961	[6] 3.943		5,278,500.00
	Series H-1962	[6] 3.982		4,265,500.00
	Series H-1963	[6] 4.023		3,703,500.00
	Series H-1964	[6] 4.072		3,031,000.00
	Series H-1965 (January to November)	[6] 4.110		2,587,000.00
	Series H-1965 (December)	4.150		214,000.00
	Series H-1966	4.150	887,000.00	3,360,000.00
	Series H-1967	4.150	71,398,500.00	141,500.00
	Unclassified sales and redemptions		[9] —28,836,500.00	[9] —20,233,000.00
	Series J-1955	2.76	288,569.20	9,427,046.40
	Series J-1956	2.76	178,001.20	1,062,397.00
	Series J-1957	2.76	72,432.74	72,074.46
	Unclassified redemptions			[9] —3,816,200.10
	Series K-1955	2.76		26,235,000.00
	Series K-1956	2.76		1,921,500.00
	Series K-1957	2.76		285,000.00
	Unclassified redemptions			[9] —8,850,500.00
30	U.S. retirement plan bonds	3.85	143,516.59	49,925.09
30	Depositary bonds, First Series	2.00	248,000.00	598,000.00
30	Treasury bonds, REA Series	2.00	415,000.00	
30	Treasury bonds, Investment Series B-1975-80	2¾		
	Redeemed in exchange for:			
	1½% Treasury notes, Series EO-1971			44,890,000.00
	1½% Treasury notes, Series EA-1972			1,764,000.00
30	Treasury notes, Series EO-1971	1½	44,890,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967		*Percent*		
Apr. 30	Treasury notes, Series EA-1972	1½	$1,764,000.00	
30	Miscellaneous			$49,448,100.00
	Total April		9,960,868,148.91	12,682,605,492.48
	Treasury bills:			
	Regular monthly:			
May 1 [8]	Dated Apr. 30, 1966	4.773		
	Redeemed in exchange for series issued Apr. 30, 1967, due Jan. 31, 1968			130,115,000.00
	Redeemed in exchange for series dated Apr. 30, 1967, due Apr. 30, 1968			192,253,000.00
	Redeemable for cash			1,079,145,000.00
1	Maturing Jan. 31, 1968	3.843		
	Issued in exchange for series dated Apr. 30, 1966		130,115,000.00	
	Issued for cash		370,330,000.00	
1	Maturing Apr. 30, 1968	3.833		
	Issued in exchange for series dated Apr. 30, 1966		192,253,000.00	
	Issued for cash		709,768,000.00	
2	Certificates of indebtedness, foreign currency series, maturing May 2, 1967	4.87		49,767,337.70
2	Treasury notes, foreign currency series, maturing Jan. 2, 1969	4.27	50,332,192.47	
	Treasury bills:			
	Regular weekly:			
4	Dated Nov. 3, 1966	[4] 4.931		
	Redeemed in exchange for series issued May 4, 1967, due Aug. 3, 1967			319,228,000.00
	Redeemed in exchange for series dated May 4, 1967 due Nov. 2, 1967			202,626,000.00
	Redeemable for cash			1,780,973,000.00
4	Maturing Aug. 3, 1967	3.770		
	Issued in exchange for series dated Nov. 3, 1966		319,228,000.00	
	Issued for cash		981,721,000.00	
4	Maturing Nov. 2, 1967	3.906		
	Issued in exchange for series dated Nov. 3, 1966		202,626,000.00	
	Issued for cash		797,706,000.00	
9	Treasury notes, foreign series, maturing May 13, 1968	4.30		2,923,481.43
10	Certificates of indebtedness, foreign currency series, maturing July 26, 1967	3.875	23,173,359.91	
	Treasury bills:			
	Regular weekly:			
11	Dated Nov. 10, 1966	[4] 5.041		
	Redeemed in exchange for series issued May 11, 1967, due Aug. 10, 1967			203,755,000.00
	Redeemed in exchange for series dated May 11, 1967, due Nov. 9, 1967			102,427,000.00
	Redeemable for cash			1,993,848,000.00
11	Maturing Aug. 10, 1967	3.672		
	Issued in exchange for series dated Nov. 10, 1966		203,755,000.00	
	Issued for cash		1,097,259,000.00	
11	Maturing Nov. 9, 1967	3.831		
	Issued in exchange for series dated Nov. 10, 1966		102,427,000.00	
	Issued for cash		897,676,000.00	
15	Treasury notes, Series D-1967	4¼		
	Redeemed in exchange for:			
	4¼% Treasury notes, Series C-1968			5,804,224,000.00
	4¾% Treasury notes, Series B-1972			3,506,490,000.00
	Redeemable for cash			437,502,000.00
15	Treasury bonds of 1962-67	2½		
	Redeemed in exchange for:			
	4¼% Treasury notes, Series C-1968			639,451,000.00
	4¾% Treasury notes, Series B-1972			445,560,000.00
15	Certificates of indebtedness, Series A-1967	5¼		
	Redeemed in exchange for:			
	4¾% Treasury notes, Series B-1972			309,005,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967		*Percent*		
May 15	Treasury notes, Series A-1967	3¾		
	Redeemed in exchange for:			
	4¾% Treasury notes, Series B-1972			$835,226,000.00
15	Treasury notes, Series E-1967	4⅞		
	Redeemed in exchange for:			
	4¾% Treasury notes, Series B-1972			213,185,000.00
15	Treasury notes, Series C-1968	4¼		
	Issued in exchange for:			
	4¼% Treasury notes, Series D-1967		$5,804,224,000.00	
	2½% Treasury bonds of 1962-67		639,451,000.00	
15	Treasury notes, Series B-1972	4¾		
	Issued in exchange for:			
	4¼% Treasury notes, Series D-1967		3,506,490,000.00	
	2½% Treasury bonds of 1962-67		445,560,000.00	
	5¼% certificates of indebtedness, Series A-1967		309,005,000.00	
	3¾% Treasury notes, Series A-1967		835,226,000.00	
	4⅞% Treasury notes, Series E-1967		213,185,000.00	
16	Treasury bonds, foreign currency series, maturing May 16, 1967	4.08		20,150,118.38
	Treasury bills:			
	Regular weekly:			
18	Dated Nov. 17, 1966	[4] 5.062		
	Redeemed in exchange for series issued May 18, 1967, due Aug. 17, 1967			243,188,000.00
	Redeemed in exchange for series dated May 18, 1967, due Nov. 16, 1967			141,293,000.00
	Redeemable for cash			1,917,839,000.00
18	Maturing Aug. 17, 1967	3.628		
	Issued in exchange for series dated Nov. 17, 1966		243,188,000.00	
	Issued for cash		1,057,377,000.00	
18	Maturing Nov. 16, 1967	3.803		
	Issued in exchange for series dated Nov. 17, 1966		141,293,000.00	
	Issued for cash		859,354,000.00	
22	Treasury bonds, foreign currency series, maturing May 22, 1967	4.09		10,074,551.68
	Treasury bills:			
	Regular weekly:			
25	Dated Nov. 25, 1966	[4] 5.004		
	Redeemed in exchange for series issued May 25, 1967, due Aug. 24, 1967			280,652,000.00
	Redeemed in exchange for series dated May 25, 1967, due Nov. 24, 1967			152,439,000.00
	Redeemable for cash			1,866,779,000.00
25	Maturing Aug. 24, 1967	3.493		
	Issued in exchange for series dated Nov. 25, 1966		280,652,000.00	
	Issued for cash		1,019,317,000.00	
25	Maturing Nov. 24, 1967	3.692		
	Issued in exchange for series dated Nov. 25, 1966		152,439,000.00	
	Issued for cash		847,890,000.00	
	Regular monthly:			
31	Dated May 31, 1966	4.966		
	Redeemed in exchange for series issued May 31, 1967, due Feb. 29, 1968			111,856,000.00
	Redeemed in exchange for series dated May 31, 1967, due May 31, 1968			220,720,000.00
	Redeemable for cash			1,069,414,000.00
31	Maturing Feb. 29, 1968	3.945		
	Issued in exchange for series dated May 31, 1966		111,856,000.00	
	Issued for cash		388,184,000.00	
31	Maturing May 31, 1968	3.934		
	Issued in exchange for series dated May 31, 1966		220,720,000.00	
	Issued for cash		679,426,000.00	
31	Treasury certificates, maturing:			
	May 31, 1967	3.82		32,511,982.62
	June 30, 1967	3.37	32,611,916.10	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
May 31	U.S. savings bonds: [5]	*Percent*		
	Series E-1941	[6] 3.297	$779,342.49	$1,354,968.77
	Series E-1942	[6] 3.340	3,093,306.34	6,135,681.71
	Series E-1943	[6] 3.377	3,478,708.18	10,306,993.24
	Series E-1944	[6] 3.409	4,912,956.47	12,165,830.71
	Series E-1945	[6] 3.438	9,149,147.98	10,519,510.06
	Series E-1946	[6] 3.468	3,063,073.13	6,194,777.59
	Series E-1947	[6] 3.497	3,454,577.79	7,538,101.30
	Series E-1948	[6] 3.528	3,666,034.39	6,764,889.32
	Series E-1949	[6] 3.464	3,590,003.37	7,059,152.61
	Series E-1950	[6] 3.433	3,311,163.42	6,786,913.19
	Series E-1951	[6] 3.485	2,925,106.80	5,954,278.53
	Series E-1952 (January to April)	3.520	−26,526.66	2,384,404.05
	Series E-1952 (May to December)	[6] 3.575	1,672,496.51	4,163,734.26
	Series E-1953	[6] 3.608	3,968,756.60	8,269,500.44
	Series E-1954	[6] 3.657	4,393,395.53	9,515,288.70
	Series E-1955	[6] 3.702	4,570,622.79	11,282,935.93
	Series E-1956	[6] 3.746	4,722,044.01	12,864,891.54
	Series E-1957 (January)	3.780	−97,155.60	1,505,120.73
	Series E-1957 (February to December)	[6] 3.915	6,402,608.45	12,027,229.49
	Series E-1958	[6] 3.959	5,998,578.86	12,437,306.07
	Series E-1959 (January to May)	3.990	2,674,414.60	4,053,778.62
	Series E-1959 (June to December)	[6] 3.815	4,415,712.87	5,340,817.46
	Series E-1960	[6] 3.859	5,768,410.84	8,539,276.31
	Series E-1961	[6] 3.904	6,269,303.06	10,952,715.81
	Series E-1962	[6] 3.955	6,329,579.02	9,649,631.31
	Series E-1963	[6] 4.008	7,167,701.03	15,113,682.82
	Series E-1964	[6] 4.059	6,947,043.80	15,913,033.30
	Series E-1965 (January to November)	[6] 4.106	6,922,927.23	20,400,807.48
	Series E-1965 (December)	4.150	1,393.80	2,786,084.64
	Series E-1966	4.150	14,006,395.71	90,532,959.60
	Series E-1967	4.150	322,491,806.25	45,054,281.25
	Unclassified sales and redemptions	--------	79,320,744.19	47,435,798.41
	Series H-1952	[6] 3.485	----------------	463,500.00
	Series H-1953	[6] 3.519	----------------	1,181,000.00
	Series H-1954	[6] 3.566	----------------	2,452,500.00
	Series H-1955	[6] 3.610	----------------	3,980,500.00
	Series H-1956	[6] 3.659	----------------	4,061,000.00
	Series H-1957 (January)	3.700	----------------	299,000.00
	Series H-1957 (February to December)	[6] 3.671	----------------	3,871,000.00
	Series H-1958	[6] 3.762	----------------	3,048,500.00
	Series H-1959 (January to May)	3.830	----------------	1,597,500.00
	Series H-1959 (June to December)	[6] 3.874	----------------	1,519,500.00
	Series H-1960	[6] 3.901	----------------	3,967,000.00
	Series H-1961	[6] 3.943	----------------	4,347,000.00
	Series H-1962	[6] 3.982	----------------	3,594,000.00
	Series H-1963	[6] 4.023	----------------	3,137,000.00
	Series H-1964	[6] 4.072	----------------	2,627,500.00
	Series H-1965 (January to November)	[6] 4.110	----------------	1,902,500.00
	Series H-1965 (December)	4.150	----------------	75,500.00
	Series H-1966	4.150	111,000.00	2,377,000.00
	Series H-1967	4.150	54,219,000.00	134,500.00
	Unclassified sales and redemptions	--------	[9] −7,538,000.00	[9] −5,877,000.00
	Series J-1955	2.76	252,552.40	8,925,649.60
	Series J-1956	2.76	171,938.40	637,232.00
	Series J-1957	2.76	−255.38	980,198.10
	Unclassified redemptions	--------	----------------	[9] −2,232,877.91
	Series K-1955	2.76	----------------	20,900,000.00
	Series K-1956	2.76	----------------	1,081,500.00
	Series K-1957	2.76	----------------	356,500.00
	Unclassified redemptions	--------	----------------	[9] −3,876,000.00
31	U.S. savings notes	--------	95,478.75	----------------
31	U.S. retirement plan bonds	3.85	175,344.82	19,795.85
31	Depositary bonds, First Series	2.00	699,000.00	332,000.00
31	Treasury bonds, REA Series	2.00	500,000.00	360,000.00
31	Treasury bonds, Investment Series B-1975-80	2¾	----------------	----------------
	Redeemed in exchange for 1½% Treasury notes, Series EA-1972	--------	----------------	1,983,000.00
31	Treasury notes, Series EA-1972	1½	1,983,000.00	----------------
31	Miscellaneous	--------	----------------	39,920,900.00
	Total May	--------	24,451,831,200.72	24,853,771,744.70

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
	Treasury bills:			
1967	Regular weekly:	*Percent*		
June 1	Dated Dec. 1, 1966	[4] 4.886		
	Redeemed in exchange for series issued June 1, 1967, due Aug. 31, 1967			$341,226,000.00
	Redeemed in exchange for series dated June 1, 1967, due Nov. 30, 1967			182,027,000.00
	Redeemable for cash			1,785,922,000.00
1	Maturing Aug. 31, 1967	3.478		
	Issued in exchange for series dated Dec. 1, 1966		$341,226,000.00	
	Issued for cash		959,164,000.00	
1	Maturing Nov. 30, 1967	3.733		
	Issued in exchange for series dated Dec. 1, 1966		182,027,000.00	
	Issued for cash		818,966,000.00	
8	Dated Dec. 8, 1966	[4] 4.751		
	Redeemed in exchange for series issued June 8, 1967, due Sept. 7, 1967			301,207,000.00
	Redeemed in exchange for series dated June 8, 1967, due Dec. 7, 1967			222,585,000.00
	Redeemable for cash			1,776,900,000.00
8	Maturing Sept. 7, 1967	3.385		
	Issued in exchange for series dated Dec. 8, 1966		301,207,000.00	
	Issued for cash		998,814,000.00	
8	Maturing Dec. 7, 1967	3.758		
	Issued in exchange for series dated Dec. 8, 1966		222,585,000.00	
	Issued for cash		778,040,000.00	
9	Treasury notes, foreign series, maturing May 13, 1968	4.30		222,050.71
15	Treasury certificates, maturing:			
	June 15, 1967	1.00		2,281,432.80
	Dec. 15, 1967	1.00	2,364,554.45	
	Treasury bills:			
	Regular weekly:			
15	Dated Dec. 15, 1966	[4] 4.665		
	Redeemed in exchange for series issued June 15, 1967, due Sept. 14, 1967			349,185,000.00
	Redeemed in exchange for series dated June 15, 1967, due Dec. 14, 1967			205,047,000.00
	Redeemable for cash			1,748,188,000.00
15	Maturing Sept. 14, 1967	3.506		
	Issued in exchange for series dated Dec. 15, 1966		349,185,000.00	
	Issued for cash		950,817,000.00	
15	Maturing Dec. 14, 1967	3.795		
	Issued in exchange for series dated Dec. 15, 1966		205,047,000.00	
	Issued for cash		795,087,000.00	
15	Treasury bonds of 1962–67	2½		
	Redeemable for cash			343,610,100.00
16	Treasury notes, foreign series, maturing May 13, 1968	4.30		99,462.36
	Treasury bills:			
	Tax anticipation:			
22	Maturing June 22, 1967	[4] 4.903		
	Redeemable for cash			5,514,282,000.00
	Regular weekly:			
22	Dated Dec. 22, 1966	[4] 4.468		
	Redeemed in exchange for series issued June 22, 1967, due Sept. 21, 1967			332,532,000.00
22	Redeemed in exchange for series dated June 22, 1967, due Dec. 21, 1967			236,741,000.00
	Redeemable for cash			1,737,005,000.00
22	Maturing Sept. 21, 1967	3.572		
	Issued in exchange for series dated Dec. 22, 1966		332,532,000.00	
	Issued for cash		967,426,000.00	
22	Maturing Dec. 21, 1967	3.841		
	Issued in exchange for series dated Dec. 22, 1966		236,741,000.00	
	Issued for cash		763,309,000.00	

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
June 22	Certificates of indebtedness, foreign series, maturing:	*Percent*		
	June 22, 1967	4.95		$50,000,000.00
	Dec. 22, 1967	3.85	$50,000,000.00	
23	Treasury certificates, maturing July 1, 1967	4.150		3,731,656.10
28	Certificates of indebtedness, foreign series, maturing Dec. 22, 1967	3.50	100,000,000.00	
	Treasury bills:			
	Regular weekly:			
29	Dated Dec. 29, 1966	[4] 4.458		
	Redeemed in exchange for series issued June 29, 1967, due Sept. 28, 1967			310,817,000.00
	Redeemed in exchange for series dated June 29, 1967, due Dec. 28, 1967			234,270,000.00
	Redeemable for cash			1,756,559,000.00
29	Maturing Sept. 28, 1967	3.463		
	Issued in exchange for series dated Dec. 29, 1966		310,817,000.00	
	Issued for cash		989,389,000.00	
29	Maturing Dec. 28, 1967	3.950		
	Issued in exchange for series dated Dec. 29, 1966		234,270,000.00	
	Issued for cash		766,169,000.00	
	Regular monthly:			
30	Dated June 30, 1966	[4] 5.067		
	Redeemed in exchange for series issued June 30, 1967 due Mar. 31, 1968			100,306,000.00
	Redeemed in exchange for series dated June 30, 1967, due June 30, 1968			224,747,000.00
	Redeemable for cash			1,176,448,000.00
30	Maturing Mar. 31, 1968	4.723		
	Issued in exchange for series dated June 30, 1966		100,306,000.00	
	Issued for cash		400,023,000.00	
30	Maturing June 30, 1968	4.732		
	Issued in exchange for series dated June 30, 1966		224,747,000.00	
	Issued for cash		775,800,000.00	
30	Certificates of indebtedness, foreign currency series maturing June 30, 1967	4.99		25,490,105.20
30	Treasury notes, foreign currency series, maturing Sept. 30, 1968	4.83	25,484,199.80	
30	Treasury certificates, maturing:			
	June 30, 1967	4.150		8,210,120.69
	June 30, 1967	3.37		32,611,916.10
	July 31, 1967	3.10	32,697,495.65	
	Sept. 30, 1967	3.462	8,148,540.12	
30	Certificates of indebtedness, foreign series, maturing Sept. 29, 1967	3.50	125,000,000.00	
30	U.S. savings bonds: [5]			
	Series E–1941	[6] 3.297	2,076,812.91	1,328,778.69
	Series E–1942	[6] 3.340	3,993,836.67	6,453,130.09
	Series E–1943	[6] 3.377	3,951,810.67	10,624,973.02
	Series E–1944	[6] 3.409	11,371,206.39	12,693,414.46
	Series E–1945	[6] 3.438	9,609,866.89	11,086,789.37
	Series E–1946	[6] 3.468	4,006,019.23	6,416,918.50
	Series E–1947	[6] 3.497	4,454,458.59	7,520,311.14
	Series E–1948	[6] 3.528	5,082,760.98	7,022,634.92
	Series E–1949	[6] 3.464	4,956,258.92	7,494,184.20
	Series E–1950	[6] 3.433	4,046,597.00	6,924,875.03
	Series E–1951	[6] 3.485	3,620,299.80	6,087,742.97
	Series E–1952 (January to April)	3.520	−17,343.87	2,389,215.12
	Series E–1952 (May to December)	[6] 3.575	1,801,188.05	4,356,623.49
	Series E–1953	[6] 3.608	4,086,819.79	8,151,654.33
	Series E–1954	[6] 3.657	4,085,347.41	9,528,052.48
	Series E–1955	[6] 3.702	4,563,750.31	11,179,538.36
	Series E–1956	[6] 3.746	5,133,116.96	13,108,112.47
	Series E–1957 (January)	3.780	−46.98	1,325,309.56
	Series E–1957 (February to December)	[6] 3.915	3,137,724.81	12,890,588.07
	Series E–1958	[6] 3.959	11,657,763.51	12,550,666.21
	Series E–1959 (January to May)	3.990	−31,950.62	4,222,938.59
	Series E–1959 (June to December)	[6] 3.815	5,401,114.59	5,889,943.14
	Series E–1960	[6] 3.859	6,909,466.35	9,275,122.54
	Series E–1961	[6] 3.904	7,021,318.75	10,929,845.09

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967				
June 30	U.S. savings bonds [5]—Continued	*Percent*		
	Series E-1962	[6] 3.955	$7,558,060.11	$10,269,676.04
	Series E-1963	[6] 4.008	7,695,768.22	15,268,203.06
	Series E-1964	[6] 4.059	7,755,499.57	16,667,227.07
	Series E-1965 (January to November)	[6] 4.106	3,831,903.85	20,788,596.98
	Series E-1965 (December)	4.150	4,710,843.48	2,731,724.82
	Series E-1966	4.150	12,417,245.52	75,989,812.38
	Series E-1967	4.150	395,032,068.75	71,125,706.25
	Unclassified sales and redemptions		[9] −16,998,893.61	44,911,386.55
	Series H-1952	[6] 3.485		290,000.00
	Series H-1953	[6] 3.519		1,124,500.00
	Series H-1954	[6] 3.566		2,137,000.00
	Series H-1955	[6] 3.610		3,371,000.00
	Series H-1956	[6] 3.659		2,665,000.00
	Series H-1957 (January)	3.700		175,000.00
	Series H-1957 (February to December)	[6] 3.671		3,977,000.00
	Series H-1958	[6] 3.762		2,438,000.00
	Series H-1959 (January to May)	3.830		1,210,000.00
	Series H-1959 (June to December)	[6] 3.874		1,226,000.00
	Series H-1960	[6] 3.901		3,017,000.00
	Series H-1961	[6] 3.943		3,494,500.00
	Series H-1962	[6] 3.982		2,905,000.00
	Series H-1963	[6] 4.023		2,095,500.00
	Series H-1964	[6] 4.072		2,109,500.00
	Series H-1965 (January to November)	[6] 4.110		1,653,000.00
	Series H-1965 (December)	4.150		26,500.00
	Series H-1966	4.150	24,500.00	2,085,500.00
	Series H-1967	4.150	42,142,000.00	123,000.00
	Unclassified sales and redemptions		946,500.00	1,102,000.00
	Series J-1955	2.76	262,674.00	7,696,520.20
	Series J-1956	2.76	213,573.20	328,159.20
	Series J-1957	2.76	−340.12	32,245.20
	Unclassified redemptions			1,054,018.85
	Series K-1955	2.76		17,202,500.00
	Series K-1956	2.76		1,105,500.00
	Series K-1957	2.76		229,000.00
	Unclassified redemptions			[9] −693,500.00
30	U.S. savings notes:			
	Unclassified		1,401,090.75	60.75
30	Treasury notes, Series A-1967	3¾		
	Adjustments of redemptions [7]			33,000.00

Footnotes at end of table.

TABLE 42.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1966–June 1967*—Continued

Date	Securities	Rate of interest [1]	Amount issued [2]	Amount matured or called or redeemed prior to maturity [3]
1967		*Percent*		
June 30	Treasury notes, Series E-1967	$4\frac{7}{8}$		
	Adjustments of redemptions [7]			−$50,000.00
30	Certificates of indebtedness, Series A-1967	$5\frac{1}{4}$		
	Adjustments of redemptions [7]			22,000.00
30	Treasury bonds of 1962–67	$2\frac{1}{2}$		
	Adjustments of redemptions [7]			365,000.00
30	Treasury notes, Series C-1968	$4\frac{1}{4}$		
	Adjustments of issues [7]		−$5,000.00	
30	Treasury notes, Series B-1972	$4\frac{3}{4}$		
	Adjustments of issues [7]		22,000.00	
30	U.S. retirement plan bonds	3.85	373,344.98	54,647.27
30	Depositary bonds, First Series	2.00	571,000.00	1,260,000.00
30	Treasury bonds, REA Series	2.00	1,537,000.00	100,000.00
30	Treasury bonds, Investment Series B-1975–80	$2\frac{3}{4}$		
	Redeemed in exchange for $1\frac{1}{2}$% Treasury notes, Series EA-1972			4,133,000.00
30	Treasury notes, Series EA-1972	$1\frac{1}{2}$	4,133,000.00	
30	Miscellaneous			105,834,500.00
	Total June		13,931,930,825.83	19,625,386,190.42
	Total fiscal year 1967		190,890,275,937.81	188,963,875,795.46

1 For Treasury bills, average rate on bank discount basis is shown; for savings bonds, approximate yield to maturity is shown.
2 Since May 1, 1957, Series E and H bonds have been the only savings bonds on sale. Amounts shown for Series E and J represent issue price plus accrued discount and for Series H issue price at par.
3 For savings bonds of Series E and J, amounts represent current redemption value (issue price plus accrued discount); and for Series H and K, amounts represent redemption value at par.
4 Average interest rate for combined original and additional issues.
5 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 May 1, 1959, may be held and will accrue interest for additional 10 years.
6 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, 1966. (See Treasury Circulars Nos. 653 (Seventh Revision) and 905 (Fourth Revision) for details of yields by issue dates, for Series E and Series H savings bonds, respectively.)
7 Adjustments of amounts originally reported on date of issue or exchange.
8 Settlement made subsequent to last day of month in which bills matured.
9 Amounts transferred from unclassified sales or redemptions to sales or redemptions of designated series.
10 Represents an additional $400,782,000 on each of 3 series of outstanding Treasury bills issued in a strip to mature on the last day of each month from Mar. 31, to May 31, 1967.

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TABLE 43.—*Allotments by investor classes on subscriptions for public marketable securities, fiscal year 1967*

[In millions of dollars. On basis of subscription and allotment reports]

PART I.—TREASURY BILLS OTHER THAN REGULAR WEEKLY SERIES

Date of financing	Date of maturity	Average rate (percent)	Amount issued				Allotments by investor classes				
			One-year series	9-month series [1]	Tax anticipation series	Other series	U.S. Government investment accounts and Federal Reserve banks	Commercial banks	Corporations [2]	Dealers and brokers	All other [3]
1966											
July 31	July 31, 1967	4.964	995				265	236	17	307	170
Aug. 26	Mar. 22, 1967	5.338			2,006			1,996	1		9
	Apr. 21, 1967	5.433			1,003			1,000	1		2
Aug. 31	Aug. 31, 1967	5.844	1,000				350	403	2	150	95
Sept. 30	June 30, 1967	5.808		500			80	235	5	158	22
	Sept. 30, 1967	5.806	900				185	308	30	212	165
Oct. 18	Apr. 21, 1967	5.483			[4] 1,507			1,498	5	(*)	4
	June 22, 1967	5.586			2,007			2,000	(*)	(*)	7
Oct. 31	July 31, 1967	5.567		500			107	221	12	149	11
	Oct. 31, 1967	5.544	905				84	189	18	535	79
Nov. 25	(5)	5.318				1,202		1,196	1		5
Nov. 30	Aug. 31, 1967	5.552		501			138	167	1	187	8
	Nov. 30, 1967	5.519	900				277	243	7	275	98
Dec. 12	June 22, 1967	5.245			[4] 801			179	17	603	2
Dec. 31	Sept. 30, 1967	4.920		500			17	280	8	186	9
	Dec. 31, 1967	4.820	901				231	238	45	217	170
1967											
Jan. 31	Oct. 31, 1967	4.656		501			151	157	7	181	5
	Jan. 31, 1968	4.577	901				212	287	32	234	136
Feb. 28	Nov. 30, 1967	4.718		500			128	227	8	116	21
	Feb. 29, 1968	4.696	901				263	238	2	307	91
Mar. 13	June 22, 1967	4.295			[4] 2,707			2,673	1		33
Mar. 31	Dec. 31, 1967	4.077		500			98	134	5	255	8
	Mar. 31, 1968	4.074	900				159	223	25	366	127
Apr. 30	Jan. 31, 1968	3.843		500			130	167	7	189	7
	Apr. 30, 1968	3.833	902				193	315	7	244	143
May 31	Feb. 29, 1968	3.945		500			124	229	1	143	3
	May 31, 1968	3.934	900				233	317	4	276	70
June 30	Mar. 31, 1968	4.723		500			162	146	1	184	7
	June 30, 1968	4.732	1,001				335	324	9	246	87

Issue				Allotments by investor classes										
Date of financing	Description [6]	Amount issued		U.S. Government investment accounts and Federal Reserve banks	Commercial banks [7]	Individuals [8]	Insurance companies	Mutual savings banks	Corporations [2]	Private pension and retirement funds	State and local governments [9]		Dealers and brokers	All other [10]
		For cash	In exchange for other securities								Pension and retirement funds	Other funds		
1966														
Aug. 15	5¼% certificate, Aug. 15, 1967-A	....	5,919	4,431	741	79	10	12	156	9	1	208	154	118
	5¼% note, May 15, 1971-A	....	4,265	1,519	1,679	119	88	46	97	11	4	137	343	222
Nov. 15	5⅝% note, Feb. 15, 1968-A [11]	1,702	932	843	1,012	99	29	24	128	15	1	116	249	118
	5⅜% note, Nov. 15, 1971-B [11]	1,668	66	....	929	115	25	44	144	6	5	76	295	95
1967														
Feb. 15	4¾% note, May 15, 1968-B [11]	1,951	3,636	3,488	1,148	94	19	27	167	20	1	194	305	123
	4¾% note, Feb. 15, 1972-A [11]	1,777	228	139	790	132	47	58	164	10	2	112	353	198
May 15	4¼% note, Aug. 15, 1968-C	....	6,444	4,430	1,212	62	11	17	178	18	1	156	196	163
	4¾% note, May 15, 1972-B	....	5,310	2,576	1,658	78	74	15	73	6	1	148	454	227

*Less than $500,000.
[1] Additional issue of bills with original maturity of 1 year.
[2] Exclusive of banks and insurance companies.
[3] Includes individuals, insurance companies, mutual savings banks, private pension funds, State and local funds, savings and loan associations, nonprofit institutions, and investments of foreign balances and international accounts in this country.
[4] Reopening of earlier issue.
[5] Offering consisted of an additional $400 million each of three series maturing March 31, April 30, and May 31, 1967.
[6] Excludes 1½ percent Treasury EA and EO notes issued in exchange for nonmarketable 2¾ percent Treasury bonds, Investment Series B-1975-80.
[7] Includes trust companies and stock savings banks.
[8] Includes partnerships and personal trust accounts.
[9] Consists of trust, sinking, and investment funds of State and local governments and their agencies.
[10] Includes savings and loan associations, nonprofit institutions, and investments of foreign balances and international accounts in this country.
[11] Offerings of these securities, subject to allotments, were made for the purpose of paying off maturing securities in cash. Holders of the maturing securities were not offered preemptive rights to exchange their holdings but were permitted to present them in payment or exchange, in whole or in part, for the new issues.

NOTE.—Allotments from July 15, 1953, through May 15, 1959, will be found in the 1959 annual report, pp. 528-530. For succeeding fiscal years see corresponding tables in successive annual reports and for current figures see monthly "Treasury Bulletin."

TABLE 44.—*Statutory debt retirements, fiscal years 1918–67*

[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
1918–1935	5,349,836	1,579,132	66,278	--------	149,809	2,505	--------	[1] 15,954	7,163,514
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
1963	--------	--------	--------	--------	--------	--------	--------	[5] 58,000	58,000
1964	--------	--------	--------	--------	--------	--------	--------	--------	--------
1965	--------	--------	--------	--------	--------	--------	--------	[6] 73,100	73,100
1966	--------	--------	--------	--------	--------	--------	--------	[7] 12,336	12,336
1967	--------	--------	--------	--------	--------	--------	--------	--------	--------
Total	8,734,833	1,579,605	66,278	18,246	149,809	9,825	138,209	371,205	11,068,011

[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.

[5] Represents $15,000,000 national bank notes, $1,000,000 Federal Reserve bank notes, and $15,000,000 silver certificates, all issued prior to July 1, 1929; $18,000,000 Federal Reserve notes issued prior to the series of 1928; $9,000,000 gold certificates issued prior to Jan. 30, 1934; all of which have been determined pursuant to 31 U.S.C. 912–916 to have been destroyed or irretrievably lost.

[6] Represents $24,000,000 U.S. notes, $1,000,000 Federal Reserve bank notes, $13,500,000 national bank notes, and $14,500,000 silver certificates, all issued before July 1, 1929; $6,000,000 gold certificates prior to 1934 series; $100,000 Treasury notes of 1890; and $14,000,000 Federal Reserve notes (prior to series of 1928); all of which were determined on Nov. 16, 1964, pursuant to 31 U.S.C. 912–916, to have been destroyed or irretrievably lost.

[7] Represents $142,000 U.S. notes, $63,000 Federal Reserve bank notes, $420,000 national bank notes, and $280,000 silver certificates, all issued before July 1, 1929; $8,950,000 gold certificates prior to 1934 series; $31,000 Treasury notes of 1890; and $2,450,000 Federal Reserve notes (prior to series of 1928); all of which were determined on May 26, 1966, pursuant to 31 U.S.C. 912–916, to have been destroyed or irretrievably lost.

TABLE 45.—*Cumulative sinking fund, fiscal years 1921–67*

[On basis of Public Debt accounts, see "Bases of Tables"]

PART I.—APPROPRIATIONS AND EXPENDITURES

[In millions of dollars.]

Fiscal year	Appropriations	Available for expenditure during year [1]	Debt retired [2]	
			Par amount	Cost (principal)
1921–1946	11,731.9	5,525.0	6,214.7	6,207.0
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		
1963	680.8	13,710.1		
1964	680.8	14,391.0		
1965	680.8	15,071.8		
1966	680.8	15,752.7		
1967	680.8	16,433.5		
Total	25,160.7		8,734.8	8,727.1
Deduct cumulative expenditures	8,727.1			
Unexpended balance	16,433.5			

PART II.—TRANSACTIONS ON ACCOUNT OF THE CUMULATIVE SINKING FUND FISCAL YEAR 1967

Unexpended balance July 1, 1966		$15,752,660,146.25
Appropriation for 1967:		
Initial credit:		
(a) Under the Victory Liberty 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 1967		16,433,509,231.72
Unexpended balance June 30, 1967 [2]		16,433,509,231.72

[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.

[2] Net discount on debt retired through June 30, 1967, is $7.7 million.

NOTE.—Comparable annual data for 1921 through 1946 are shown in the 1962 annual report, p. 726.

III. United States savings bonds

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–67 and monthly 1967* [1, 2]

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price	Redemptions: Accrued discount	Amount outstanding [3]: Interest-bearing	Amount outstanding [3]: Matured noninterest-bearing
				Series E and H				
1941–55	79,203.6	9,183.8	88,387.4	49,102.2	45,969.3	3,132.9	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	4,431.9	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	
1963	4,518.0	1,386.5	5,904.5	4,500.5	3,758.5	742.0	46,358.8	
1964	4,656.4	1,458.0	6,114.4	4,736.3	3,981.8	754.5	47,736.9	
1965	4,543.0	1,502.1	6,045.1	4,987.4	4,154.1	833.3	48,794.5	
1966	4,650.1	1,541.6	6,191.7	5,304.6	4,407.5	897.1	49,681.6	
1967	4,965.4	1,618.6	6,583.9	5,448.7	4,535.7	912.9	50,816.9	
Total through June 30, 1967	134,777.8	25,051.3	159,828.9	109,012.1	96,456.6	12,555.4	50,816.9	
1966—July	411.4	153.2	564.6	448.5	373.4	75.2	49,797.7	
August	387.2	127.1	514.3	436.2	366.0	70.2	49,875.8	
September	402.8	132.7	535.4	522.6	446.0	76.6	49,888.6	
October	408.0	118.9	526.8	428.5	360.9	67.6	49,987.0	
November	367.8	117.9	485.7	373.1	314.0	59.1	50,099.6	
December	371.7	147.6	519.3	406.5	339.0	67.5	50,212.4	
1967—January	491.8	153.8	645.7	576.0	457.6	118.5	50,282.1	
February	425.6	128.0	553.6	437.2	362.9	74.3	50,398.5	
March	459.1	136.2	595.3	479.4	398.8	80.7	50,514.4	
April	393.6	125.7	519.3	420.8	350.6	70.2	50,612.9	
May	438.1	126.8	564.9	452.5	377.2	75.3	50,725.3	
June	408.4	150.6	559.0	467.4	389.5	77.9	50,816.9	
				Series F, G, J, and K				
1941–55	31,096.5	836.9	31,933.3	12,634.4	12,298.8	335.6	19,080.3	218.4
1956	586.3	99.6	686.0	3,104.8	2,940.6	164.2	16,567.6	312.8
1957	268.4	83.4	351.8	3,773.5	3,605.0	168.5	13,123.5	334.7
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
1963		21.6	21.6	770.7	721.7	49.0	1,954.9	143.7
1964		17.7	17.7	426.3	399.8	26.6	1,562.6	127.4
1965		14.9	14.9	357.5	333.1	24.4	1,248.1	99.3
1966		12.1	12.1	418.3	383.7	34.5	855.7	85.5
1967		7.8	7.8	472.3	434.2	38.1	396.6	80.2
Total through June 30, 1967	31,951.2	1,318.2	33,269.5	32,792.7	31,524.0	1,268.7	396.6	80.2
1966—July		1.0	1.0	50.7	47.3	3.3	808.0	83.5
August		.8	.8	40.6	37.3	3.4	770.6	81.1
September		.7	.7	46.0	43.0	3.0	727.5	78.9
October		.7	.7	37.5	34.6	2.9	692.1	77.4
November		.6	.6	34.5	31.6	2.9	660.0	75.7
December		.7	.7	41.8	38.0	3.8	539.8	154.7
1967—January		.7	.7	53.6	49.4	4.2	526.9	114.8
February		.6	.6	35.2	32.2	2.9	504.9	102.2
March		.6	.6	38.8	35.6	3.2	475.2	93.7
April		.5	.5	32.1	29.5	2.6	449.4	88.0
May		.4	.4	31.5	28.5	2.9	423.1	83.3
June		.5	.5	30.1	27.2	2.9	396.6	80.2

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–67 and monthly 1967* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions			Amount outstanding [3]	
				Total	Original purchase price	Accrued discount	Interest-bearing	Matured non-interest-bearing
				Series E				
1941–55	77,018.7	9,183.8	86,202.5	49,016.1	45,883.2	3,132.9	----------	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	4,195.8	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
1963	3,914.0	1,386.5	5,300.4	4,202.9	3,461.0	742.0	191.3	39,166.2
1964	4,135.6	1,458.0	5,593.6	4,363.1	3,608.6	754.5	206.3	40,190.4
1965	4,112.3	1,502.1	5,614.4	4,538.4	3,705.0	833.3	188.1	41,078.4
1966	4,245.7	1,541.6	5,787.3	4,800.6	3,903.5	897.1	212.5	41,852.6
1967	4,598.8	1,618.6	6,217.3	4,895.3	3,982.4	912.9	216.1	42,958.6
Total through June 30, 1967	124,706.9	25,051.3	149,758.1	105,177.0	92,621.6	12,555.4	1,622.5	42,958.6
1966—July	372.2	153.2	525.4	406.4	331.2	75.2	22.1	41,949.6
August	355.0	127.1	482.1	394.4	324.2	70.2	18.4	42,018.8
September	371.7	132.7	504.4	437.8	361.2	76.6	18.0	42,067.4
October	376.6	118.9	495.5	379.9	312.3	67.6	15.1	42,167.9
November	345.1	117.9	463.0	333.7	274.6	59.1	14.7	42,282.5
December	347.7	147.6	495.3	364.8	297.3	67.5	15.2	42,397.8
1967—January	452.0	153.8	605.9	526.5	408.0	118.5	23.7	42,453.4
February	394.0	128.0	522.0	395.2	320.9	74.3	18.1	42,562.2
March	427.2	136.2	563.4	431.3	350.7	80.7	20.3	42,674.0
April	366.3	125.7	492.1	381.3	311.1	70.2	16.2	42,768.6
May	408.5	126.8	535.3	413.7	338.4	75.3	17.3	42,872.9
June	382.3	150.6	532.9	430.2	352.3	77.9	17.0	42,958.6
				Series H				
1952–55	2,184.9	----------	2,184.9	86.1	86.1	----------	----------	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
1963	604.1	----------	604.1	297.5	297.5	----------	191.3	7,192.5
1964	520.8	----------	520.8	373.3	373.3	----------	206.3	7,546.4
1965	430.7	----------	430.7	449.0	449.0	----------	188.1	7,716.1
1966	404.4	----------	404.4	504.0	504.0	----------	212.5	7,829.0
1967	366.6	----------	366.6	553.4	553.4	----------	216.1	7,858.2
Total through June 30, 1967	10,070.9	----------	10,070.9	3,835.1	3,835.1	----------	1,622.5	7,858.2
1966—July	39.2	----------	39.2	42.1	42.1	----------	22.1	7,848.1
August	32.2	----------	32.2	41.8	41.8	----------	18.4	7,856.9
September	31.1	----------	31.1	84.7	84.7	----------	18.0	7,821.2
October	31.3	----------	31.3	48.6	48.6	----------	15.1	7,819.1
November	22.7	----------	22.7	39.4	39.4	----------	14.7	7,817.1
December	24.0	----------	24.0	41.7	41.7	----------	15.2	7,814.7
1967—January	39.8	----------	39.8	49.5	49.5	----------	23.7	7,828.6
February	31.6	----------	31.6	42.0	42.0	----------	18.1	7,836.3
March	31.8	----------	31.8	48.1	48.1	----------	20.3	7,840.4
April	27.2	----------	27.2	39.5	39.5	----------	16.2	7,844.3
May	29.5	----------	29.5	38.8	38.8	----------	17.3	7,852.4
June	26.1	----------	26.1	37.2	37.2	----------	17.0	7,858.2

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–67 and monthly 1967* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price	Redemptions: Accrued discount	Amount outstanding [3]: Interest-bearing	Amount outstanding [3]: Matured noninterest-bearing
				Series F				
1941–55	4,957.6	826.9	5,784.5	2,800.0	2,464.8	335.1	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
1963	--------	5.0	5.0	167.4	124.3	43.1	57.8	34.9
1964	--------	1.4	1.4	67.3	49.9	17.5	--------	26.8
1965	--------	(*)	(*)	8.6	6.4	2.2	--------	18.1
1966	--------	--------	--------	3.4	2.6	.9	--------	14.7
1967	--------	--------	--------	2.7	2.0	.7	--------	12.0
Total through June 30, 1967	4,957.7	1,125.1	6,082.8	6,070.8	4,950.7	1,120.1	--------	12.0
1966—July	--------	(*)	(*)	.1	.1	(*)	--------	14.6
August	--------	--------	--------	.1	.1	(*)	--------	14.5
September	--------	--------	--------	.2	.1	(*)	--------	14.3
October	--------	--------	--------	.2	.2	.1	--------	14.1
November	--------	--------	--------	.2	.2	.1	--------	13.9
December	--------	--------	--------	.2	.1	(*)	--------	13.7
1967—January	--------	--------	--------	.2	.2	.1	--------	13.4
February	--------	--------	--------	.2	.1	(*)	--------	13.3
March	--------	--------	--------	.3	.2	.1	--------	13.0
April	--------	--------	--------	.3	.2	.1	--------	12.7
May	--------	--------	--------	.5	.3	.1	--------	12.2
June	--------	--------	--------	.2	.2	.1	--------	12.0
				Series G				
1941–55	23,437.9	--------	23,437.9	9,743.5	9,743.5	--------	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
1963	--------	--------	--------	496.6	496.6	--------	188.7	108.8
1964	--------	--------	--------	196.8	196.8	--------	--------	100.7
1965	--------	--------	--------	31.5	31.5	--------	--------	69.2
1966	--------	--------	--------	16.0	16.0	--------	--------	53.2
1967	--------	--------	--------	10.4	10.4	--------	--------	42.8
Total through June 30, 1967	23,437.9	--------	23,437.9	23,395.1	23,395.1	--------	--------	42.8

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–67 and monthly 1967* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions: Total	Redemptions: Original purchase price	Redemptions: Accrued discount	Amount outstanding [3]: Interest-bearing	Amount outstanding [3]: Matured non-interest-bearing
				Series G—Continued				
1966—July	----------	----------	----------	1.1	1.1	----------	----------	52.1
August	----------	----------	----------	.9	.9	----------	----------	51.3
September	----------	----------	----------	1.1	1.1	----------	----------	50.2
October	----------	----------	----------	.7	.7	----------	----------	49.4
November	----------	----------	----------	.7	.7	----------	----------	48.7
December	----------	----------	----------	.8	.8	----------	----------	47.9
1967—January	----------	----------	----------	1.0	1.0	----------	----------	46.9
February	----------	----------	----------	.8	.8	----------	----------	46.1
March	----------	----------	----------	1.0	1.0	----------	----------	45.0
April	----------	----------	----------	.7	.7	----------	----------	44.4
May	----------	----------	----------	.7	.7	----------	----------	43.6
June	----------	----------	----------	.8	.8	----------	----------	42.8
				Series J				
1952–55	696.8	10.0	706.8	33.7	33.2	0.5	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	----------
1963	----------	16.6	16.6	33.2	27.4	5.9	511.3	----------
1964	----------	16.3	16.3	46.2	37.1	9.1	481.4	----------
1965	----------	14.9	14.9	87.6	65.4	22.2	403.8	4.8
1966	----------	12.1	12.1	124.4	90.8	33.6	287.5	8.8
1967	----------	7.8	7.8	136.0	98.6	37.4	154.1	14.0
Total through June 30, 1967	972.4	193.1	1,165.6	997.5	848.9	148.6	154.1	14.0
1966—July	----------	1.0	1.0	12.1	8.8	3.3	276.8	8.3
August	----------	.8	.8	12.1	8.8	3.4	266.2	7.5
September	----------	.7	.7	10.8	7.9	3.0	256.6	7.1
October	----------	.7	.7	10.2	7.4	2.8	247.3	6.9
November	----------	.6	.6	10.3	7.5	2.8	238.0	6.4
December	----------	.7	.7	13.6	9.8	3.8	190.1	41.5
1967—January	----------	.7	.7	15.3	11.1	4.2	188.0	29.0
February	----------	.6	.6	10.6	7.7	2.9	183.7	23.3
March	----------	.6	.6	11.3	8.2	3.1	176.8	19.4
April	----------	.5	.5	9.1	6.6	2.5	170.6	17.0
May	----------	.4	.4	10.2	7.4	2.8	162.8	15.2
June	----------	.5	.5	10.3	7.5	2.8	154.1	14.0

Footnotes at end of table.

TABLE 46.—*Sales and redemptions of Series E through K savings bonds by series, fiscal years 1941–67 and monthly 1967* [1] [2]—Continued

[In millions of dollars]

Fiscal year or month	Sales	Accrued discount	Sales plus accrued discount	Redemptions			Amount outstanding [3]	
				Total	Original purchase price	Accrued discount	Interest-bearing	Matured non-interest-bearing
	Series K							
1952–55	2,004.2		2,004.2	57.2	57.2		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	
1963				73.5	73.5		1,197.2	
1964				116.0	116.0		1,081.3	
1965				229.8	229.8		844.3	7.2
1966				274.4	274.4		568.2	8.8
1967				323.2	323.2		242.5	11.4
Total through June 30, 1967	2,583.3		2,583.3	2,329.4	2,329.4		242.5	11.4
1966—July				37.4	37.4		531.2	8.5
August				27.5	27.5		504.3	7.8
September				33.9	33.9		470.9	7.4
October				26.4	26.4		444.8	7.1
November				23.2	23.2		422.0	6.7
December				27.2	27.2		349.7	51.7
1967—January				37.1	37.1		338.9	25.4
February				23.6	23.6		321.2	19.6
March				26.1	26.1		298.4	16.3
April				22.0	22.0		278.8	13.9
May				20.1	20.1		260.3	12.3
June				18.7	18.7		242.5	11.4

*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. Redemption figures for fiscal 1953–54 and fiscal years 1960–63 also include the maturing Series F and G savings bonds exchanged for marketable Treasury securities during special exchange offerings. The amounts involved were $416.6 million in 1953, $.7 million in 1954, $745.4 million in 1960, $147.3 million in 1961, $320.1 million in 1962, and $75.1 million in 1963.

[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.

[3] Matured F, G, J, and K 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 on which interest has ceased.

NOTE.—Series E and H are the only savings bonds now being sold. Series A–D, sold from Mar. 1, 1935, through Apr. 30, 1941, have all matured and are no longer reflected in these tables. Series F and G were sold from May 1, 1941, through Apr. 30, 1952. Series J and K were sold from May 1, 1952, through Apr. 30, 1957. Sales figures for Series F, G, J, and K after fiscal 1957, represent adjustments. 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 47.—*Sales and redemptions of Series E and H savings bonds by denominations, fiscal years 1941–67 and monthly 1967* [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	[3] $75	$100	[4] $200	$500	$1,000	$5,000	[5,6] $10,000
					Sales [7]					
1941–55	1,696,608	1,155,275	267,768		189,789	8,798	26,230	27,519	106	48
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	89,431	54,908	21,043		9,824	893	1,304	1,413	33	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
1963	89,627	54,629	21,903		9,623	928	1,233	1,270	25	16
1964	96,609	59,230	23,442	135	10,324	1,006	1,220	1,214	22	16
1965	99,560	60,928	23,947	1,141	10,409	982	1,087	1,033	18	14
1966	103,500	63,430	24,704	1,469	10,714	1,010	1,101	1,042	17	13
1967	114,433	71,506	26,476	1,749	11,411	1,068	1,131	1,064	15	14
1966—July	8,871	5,550	2,016	127	883	86	101	103	2	1
August	8,251	4,968	1,999	130	874	84	97	96	1	1
September	9,132	5,582	2,187	139	956	86	92	86	1	1
October	9,885	6,318	2,245	142	930	82	86	79	1	1
November	8,736	5,399	2,075	137	891	80	82	70	1	1
December	9,099	5,702	2,136	141	896	79	77	67	1	1
1967—January	11,302	7,341	2,418	161	1,050	99	115	115	2	2
February	9,138	5,602	2,133	143	957	88	106	108	1	1
March	10,828	6,703	2,574	169	1,091	102	98	90	1	1
April	9,406	6,095	2,036	145	873	87	86	82	1	1
May	10,065	6,211	2,379	156	1,028	99	100	90	1	1
June	9,720	6,034	2,278	159	982	97	90	77	1	1
					Redemptions [7]					
1941–55	1,229,060	892,320	182,015		109,032	3,061	12,605	11,839	4	2
1956	89,953	60,014	16,503		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	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
1963	83,469	53,018	19,022		8,715	601	1,005	1,028	12	5
1964	87,242	55,264	20,034	(*)	9,080	648	1,051	1,088	15	7

TABLE 47—*Sale and redemptions of Series E and H savings bonds by denominations, fiscal years 1941–67 and monthy 1967* [1]—Continued

[In thousands of pieces]

Fiscal year or month	Total, all denominations [2]	$25	$50	[3] $75	$100	[4] $200	$500	$1,000	$5,000	[5, 6] $10,000
	Redemptions [7]—Continued									
1965	90,012	56,736	20,744	245	9,322	694	1,070	1,122	19	9
1966	94,720	59,235	21,948	585	9,822	756	1,113	1,182	22	10
1967	98,349	61,960	22,627	837	9,839	760	1,084	1,169	24	12
1966—July	7,950	4,960	1,840	58	824	68	92	102	2	1
August	8,030	5,063	1,836	60	816	65	90	93	2	1
September	8,918	5,524	2,095	72	912	72	113	122	4	2
October	7,665	4,767	1,791	65	792	61	89	95	2	1
November	7,025	4,470	1,601	60	686	53	73	77	2	1
December	7,667	4,934	1,724	65	725	54	77	84	2	1
1967—January	9,153	5,624	2,103	73	1,006	80	120	140	2	1
February	8,118	5,124	1,904	73	778	58	83	92	2	1
March	8,970	5,704	2,062	80	863	64	92	99	2	1
April	7,797	4,893	1,816	71	780	59	83	88	2	1
May	8,689	5,560	1,958	81	842	64	88	90	2	1
June	8,368	5,338	1,896	79	815	63	85	87	2	1

* Less than 500 pieces.

[1] Sales of Series H began on June 1, 1952, the denominations authorized were: $500, $1,000, $5,000, and $10,000.

[2] Totals include $10 denomination Series E bonds sold to Armed Forces only from June 1944–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 in fiscal year 1967 follow:

Fiscal year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
1967	4	4	4	3	3	3	4	3	3	3	3	3	38

[3] Sales of $75 denomination Series E bonds began in May 1964.

[4] Sales of $200 denomination Series E bonds began in October 1945.

[5] Sales of $10,000 denomination Series E bonds were authorized on May 1, 1952.

[6] 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.

[7] See table 46, footnote 1.

TABLE 48.—*Sales of Series E and H savings bonds by States, fiscal years 1966, 1967, 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 statement]

States	Fiscal year 1966	Fiscal year 1967	May 1941–June 1967
Alabama	38, 045	39, 771	1, 273, 890
Alaska	3, 364	3, 721	[2] 65, 441
Arizona	20, 625	22, 669	503, 530
Arkansas	17, 219	17, 982	738, 173
California	289, 209	309, 851	9, 081, 120
Colorado	28, 316	29, 909	994, 462
Connecticut	73, 251	78, 570	2, 087, 687
Delaware	20, 334	19, 773	384, 814
District of Columbia	41, 112	44, 492	1, 380, 206
Florida	77, 972	83, 472	1, 808, 126
Georgia	46, 599	50, 042	1, 431, 426
Hawaii	12, 196	12, 907	483, 944
Idaho	6, 113	6, 741	307, 739
Illinois	324, 444	331, 270	10, 665, 248
Indiana	123, 483	129, 796	3, 750, 374
Iowa	107, 603	96, 527	3, 612, 612
Kansas	52, 774	52, 270	2, 107, 952
Kentucky	46, 113	48, 576	1, 465, 338
Louisiana	37, 563	37, 827	1, 250, 385
Maine	13, 087	14, 212	490, 611
Maryland	72, 372	82, 299	1, 735, 449
Massachusetts	117, 498	125, 463	3, 705, 461
Michigan	300, 249	297, 164	7, 487, 119
Minnesota	60, 686	59, 991	2, 423, 340
Mississippi	13, 525	13, 666	700, 611
Missouri	132, 280	141, 566	3, 776, 280
Montana	15, 122	14, 904	630, 530
Nebraska	64, 956	69, 448	2, 125, 199
Nevada	6, 544	6, 795	164, 198
New Hampshire	8, 527	9, 119	304, 437
New Jersey	184, 412	193, 763	5, 050, 239
New Mexico	11, 648	13, 595	327, 400
New York	488, 656	513, 830	14, 921, 587
North Carolina	44, 297	47, 030	1, 463, 030
North Dakota	13, 748	13, 681	631, 247
Ohio	284, 792	308, 180	8, 359, 977
Oklahoma	46, 526	48, 605	1, 612, 969
Oregon	27, 174	27, 619	1, 211, 483
Pennsylvania	403, 540	422, 728	11, 204, 753
Rhode Island	14, 974	16, 813	567, 817
South Carolina	22, 308	24, 600	745, 687
South Dakota	19, 079	18, 594	772, 798
Tennessee	39, 578	43, 758	1, 342, 212
Texas	121, 970	129, 869	4, 563, 131
Utah	18, 476	20, 457	522, 817
Vermont	4, 432	5, 029	164, 611
Virginia	71, 097	77, 729	2, 188, 078
Washington	52, 810	50, 651	2, 086, 913
West Virginia	41, 256	46, 864	1, 346, 027
Wisconsin	86, 126	89, 295	2, 937, 189
Wyoming	5, 485	5, 323	244, 882
Canal Zone	3, 546	3, 489	83, 059
Puerto Rico	3, 044	3, 577	76, 191
Virgin Islands	331	367	4, 472
Undistributed and adjustment to daily Treasury Statement	+469, 592	+589, 116	[3] +5, 413, 442
Total	4, 650, 078	4, 965, 355	134, 777, 713

[1] Figures include exchanges of minor amounts of Series F and J bonds exchanged into Series H bonds from January 1960 through October 1964 and Series J for H thereafter; however, they exclude Series E bonds exchanged for Series H, which are reported in table 46.

[2] Excludes data for period April 1947 through December 1956, when reports were not available. In the annual reports for 1952–58 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 of 1943, pp. 614–621, and in the subsequent reports; and by months at intervals in the "Treasury Bulletin" beginning with the issue of July 1946. Since Apr. 30, 1953, figures for sales of Series E and H bonds only have been available by States.

IV.—Interest

TABLE 49.—*Amount of interest-bearing public debt outstanding, the computed annual interest charge, and the computed rate of interest, June 30, 1939–67, and at the end of each month during 1967*

[On basis of daily Treasury statements, see "Bases of Tables"]

End of fiscal year or month	Interest-bearing debt [1]	Computed annual interest charge [2]	Computed rate of interest [2]
			Percent
1939	$39,885,969,732.00	$1,036,937,397.00	2.600
1940	42,376,495,928.00	1,094,619,914.00	2.583
1941	48,387,399,539.00	1,218,238,845.00	2.518
1942	71,968,418,098.00	1,644,476,360.00	2.285
1943	135,380,305,795.00	2,678,779,036.00	1.979
1944	199,543,355,301.00	3,849,254,656.00	1.929
1945	256,356,615,818.00	4,963,730,414.00	1.936
1946	268,110,872,218.00	5,350,772,231.00	1.996
1947	255,113,412,039.00	5,374,409,074.00	2.107
1948	250,063,348,379.00	5,455,475,791.00	2.182
1949	250,761,636,723.00	5,605,929,714.00	2.236
1950	255,209,353,372.00	5,612,676,516.00	2.200
1951	252,851,765,497.00	5,739,615,990.00	2.270
1952	256,862,861,128.00	5,981,357,116.00	2.329
1953	263,946,017,740.00	6,430,991,316.00	2.438
1954	268,909,766,654.00	6,298,069,299.00	2.342
1955	271,741,267,507.00	6,387,225,600.00	2.351
1956	269,883,068,041.00	6,949,699,625.00	2.576
1957	268,485,562,677.00	7,325,146,596.00	2.730
1958	274,697,560,009.00	7,245,154,946.00	2.638
1959	281,833,362,429.00	8,065,917,424.00	2.867
1960	283,241,182,755.00	9,316,066,872.00	3.297
1961	285,671,608,619.00	8,761,495,974.00	3.072
1962	294,442,000,790.00	9,518,857,333.00	3.239
1963	301,953,730,701.00	10,119,294,547.00	3.360
1964	307,356,561,535.00	10,900,360,741.00	3.560
1965	313,112,816,994.00	11,466,618,472.00	3.678
1966	315,431,054,919.00	12,516,397,677.00	3.988
1967	322,285,952,387.89	12,952,924,175.84	4.039
1966—July	314,879,848,406.57	12,519,530,287.26	3.996
August	319,696,710,468.97	12,972,679,187.71	4.080
September	320,013,965,558.55	13,127,308,103.08	4.125
October	322,300,980,965.11	13,371,702,653.42	4.174
November	324,858,074,037.02	13,628,809,321.56	4.222
December	325,021,370,833.61	13,646,283,487.87	4.225
1967—January	324,940,932,540.47	13,595,642,497.50	4.211
February	325,690,959,974.54	13,624,140,378.10	4.210
March	327,010,258,175.29	13,530,908,359.71	4.163
April	323,875,640,864.78	13,248,783,431.21	4.114
May	326,993,902,715.60	13,271,182,500.59	4.081
June	322,285,952,387.89	12,952,924,175.84	4.039

[1] Includes discount on Treasury bills; the current redemption value of savings bonds of Series C–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.

[2] Comparable annual data 1916–38 are contained in 1962 annual report, p. 735. Current monthly figures are published in the *Treasury Bulletin*. 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.

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.

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. That rate did not materially differ from the rate on the basis of effective yield. The "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 50.—*Computed annual interest rate and computed annual interest charge on the public debt by classes, June 30, 1946–67*

[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: Total [1]	Marketable issues: Bills [2]	Marketable issues: Certificates	Marketable issues: Notes	Marketable issues: Treasury bonds	Nonmarketable issues: Total	Nonmarketable issues: Savings bonds [3]	Nonmarketable issues: Tax and savings notes	Nonmarketable issues: Other	Special issues
	Computed annual interest rate										
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
1963	3.360	3.425	3.081	3.283	3.921	3.344	3.412	3.482	----------	2.770	3.003
1964	3.560	3.659	3.729	----------	3.854	3.471	3.462	3.517	----------	2.917	3.238
1965	3.678	3.800	4.064	----------	3.842	3.642	3.493	3.537	----------	3.105	3.372
1966	3.988	4.134	4.845	4.851	4.321	3.655	3.713	3.744	----------	3.380	3.693
1967	4.039	4.165	4.360	5.250	4.764	3.686	3.751	3.780	4.740	3.398	3.854
1966—July	3.996	4.145	4.889	4.850	4.321	3.655	3.717	3.747	----------	3.371	3.690
August	4.080	4.256	5.037	5.185	4.454	3.662	3.720	3.750	----------	3.376	3.758
September	4.125	4.317	5.259	5.185	4.454	3.662	3.730	3.752	----------	3.480	3.775
October	4.174	4.387	5.428	5.185	4.476	3.662	3.736	3.756	----------	3.510	3.766
November	4.222	4.456	5.542	5.250	4.585	3.666	3.738	3.758	----------	3.501	3.768
December	4.225	4.459	5.538	5.250	4.584	3.666	3.742	3.764	----------	3.487	3.765
1967—January	4.211	4.442	5.466	5.250	4.584	3.667	3.741	3.765	----------	3.443	3.736
February	4.210	4.441	5.352	5.250	4.721	3.667	3.743	3.767	----------	3.434	3.732
March	4.163	4.367	5.090	5.250	4.720	3.667	3.747	3.772	----------	3.431	3.750
April	4.114	4.299	4.871	5.250	4.735	3.668	3.749	3.775	----------	3.425	3.735
May	4.081	4.243	4.623	5.250	4.764	3.681	3.751	3.778	4.740	3.411	3.777
June	4.039	4.165	4.360	5.250	4.764	3.686	3.751	3.780	4.740	3.398	3.854

Footnotes at end of table.

TABLE 50.—*Computed annual interest rate and computed annual interest charge on the public debt by classes, June 30, 1946–67*—Con.

[Dollar amounts in millions]

End of fiscal year or month	Total public debt	Marketable issues					Nonmarketable issues				Special issues
		Total [1]	Bills [2]	Certificates	Notes	Treasury bonds	Total	Savings bonds [3]	Tax and savings notes	Other	
		Computed annual interest charge									
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
1963	10,119	6,944	1,433	728	2,043	2,740	1,830	1,682	----------	148	1,345
1964	10,900	7,513	1,855	----------	2,591	3,067	1,878	1,734	----------	144	1,509
1965	11,467	7,878	2,135	----------	2,017	3,727	1,948	1,770	----------	178	1,641
1966	12,516	8,580	2,595	80	2,186	3,718	2,049	1,892	----------	157	1,888
1967	12,953	8,709	2,490	295	2,339	3,585	2,080	1,936	(*)	144	2,164
1966—July	12,520	8,602	2,618	80	2,186	3,718	2,047	1,896	----------	151	1,871
August	12,973	8,924	2,841	363	2,043	3,676	2,048	1,899	----------	149	2,001
September	13,127	9,066	2,984	363	2,044	3,675	2,058	1,899	----------	159	2,003
October	13,372	9,359	3,283	363	2,038	3,674	2,059	1,904	----------	155	1,954
November	13,629	9,590	3,437	311	2,211	3,630	2,059	1,908	----------	151	1,980
December	13,646	9,630	3,479	311	2,212	3,629	2,058	1,910	----------	148	1,958
1967—January	13,596	9,627	3,477	311	2,212	3,628	2,054	1,913	----------	141	1,915
February	13,624	9,646	3,426	311	2,281	3,627	2,057	1,918	----------	139	1,921
March	13,531	9,516	3,298	311	2,282	3,626	2,062	1,924	----------	139	1,952
April	13,249	9,254	3,040	311	2,278	3,625	2,066	1,928	----------	138	1,929
May	13,271	9,118	2,888	295	2,339	3,596	2,070	1,932	----------	137	2,084
June	12,953	8,709	2,490	295	2,339	3,585	2,080	1,936	(*)	144	2,164

*Less than $500,000.

[1] Total includes Panama Canal bonds prior to 1961, postal savings bonds prior to 1956, and conversion bonds prior to 1947.

[2] Included in debt outstanding at face amount, but the annual interest charge and the annual interest rate are computed on the discount value.

[3] 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 49. See table 33 for amounts of public debt outstanding by classification. For figures for 1939–45 see 1966 annual report, pages 770–1.

TABLE 51.—*Interest on the public debt by classes, fiscal years 1963–67*

[In millions of dollars, on an accrual basis. On basis of Public Debt accounts, see "Bases of Tables"]

Class of securities	1963	1964	1965	1966	1967
Public issues:					
Marketable:					
Treasury bills [1]	1,392.4	1,763.9	2,099.0	2,469.8	3,105.3
Certificates of indebtedness	682.4	343.3	----------	35.7	293.1
Treasury notes	2,127.4	2,302.9	2,194.4	2,015.9	2,199.3
Treasury bonds	2,554.1	2,944.3	3,508.7	3,783.3	3,656.6
Total marketable issues	6,756.3	7,354.4	7,802.2	8,304.7	9,254.3
Nonmarketable:					
Depositary bonds	2.1	2.0	1.9	.9	.9
Foreign currency series:					
Certificates of indebtedness	1.9	.7	.4	6.9	24.7
Treasury notes	----------	----------	----------	----------	10.0
Treasury bonds	8.2	23.3	40.3	39.6	7.6
Foreign series:					
Certificates of indebtedness	11.3	11.1	9.0	22.4	9.2
Treasury notes	2.7	5.6	6.0	10.5	6.5
Treasury bonds	----------	----------	6.7	7.8	10.9
Treasury bonds, investment series	118.7	100.4	92.2	81.5	72.8
Treasury bonds, REA series	.5	.5	.5	.5	.5
U.S. savings bonds:					
Series E, F, and J [1]	1,404.5	1,466.7	1,515.8	1,553.0	1,641.4
Series G, H, and K	298.1	313.6	324.9	323.9	322.7
U.S. retirement plan bonds [1]	----------	.1	.3	.5	.7
Treasury certificates	----------	.1	1.5	3.4	2.4
Treasury bonds	----------	.4	.6	.3	(*)
Other [2]	(*)	(*)	----------	----------	----------
Total nonmarketable issues	1,848.0	1,924.5	2,000.0	2,051.1	2,110.3
Total public issues	8,604.3	9,278.9	9,802.1	10,355.8	11,364.6
Special issues:					
Certificates of indebtedness	248.9	264.5	312.3	367.3	551.8
Treasury notes	167.6	95.6	68.1	62.1	338.5
Treasury bonds	874.5	1,025.6	1,162.2	1,225.7	1,133.8
Total special issues	1,291.0	1,385.7	1,542.6	1,655.2	2,024.1
Total interest on public debt	9,895.3	10,664.6	11,344.7	12,011.0	13,388.7
Other [3]	----------	1.3	1.8	2.9	2.3
Total interest and charges	9,895.3	10,665.9	11,346.5	12,013.9	13,391.0

*Less than $50,000.
[1] Amounts represent discount treated as interest.
[2] Includes Armed Forces leave bonds and adjusted service bonds.
[3] Charges for gold and foreign currency purchases authorized by act of June 19, 1962 (22 U.S.C. 286e-2(c)) and act of Oct. 23, 1962 (76 Stat. 1168).

V.—Prices and yields of securities

TABLE 52.—*Average yields of taxable* [1] *long-term Treasury bonds by months, October 1941–June 1967* [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	2.83	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	4.02	3.98	3.94	3.89	3.87	3.87	3.95
1963	3.89	3.92	3.93	3.97	3.97	4.00	4.01	3.99	4.04	4.07	4.11	4.14	4.00
1964	4.15	4.14	4.18	4.20	4.16	4.13	4.13	4.14	4.16	4.16	4.12	4.14	4.15
1965	4.14	4.16	4.15	4.15	4.14	4.14	4.15	4.19	4.25	4.28	4.34	4.43	4.21
1966	4.43	4.61	4.63	4.55	4.57	4.63	4.75	4.80	4.79	4.70	4.74	4.65	4.65
1967	4.40	4.47	4.45	4.51	4.76	4.86							

[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 closing bid quotations. See *Treasury Bulletin* for current monthly yields.

TABLE 53.—*Prices and yields of taxable public debt marketable issues June 30, 1966, and June 30, 1967, and price range since first traded*

[Price decimals are thirty-seconds and + indicates additional sixty-fourth]

Issue [1]	June 30, 1966			June 30, 1967			Price range since first traded [2]			
	Price		Yield to call or to maturity [3]	Price		Yield to call or to maturity [3]	High		Low	
	Bid	Ask		Bid	Ask		Price	Date	Price	Date
Treasury bonds:			*Percent*			*Percent*				
3% Aug. 15, 1966	99.25	99.27	4.90	----------	----------	----------	103.20	Apr. 21, 1958	89.24	Jan. 6, 1960
3⅜% Nov. 15, 1966	99.14	99.16	4.94	----------	----------	----------	100.06	May 15, 1961	97.10	Dec. 12, 1961
2½% June 15, 1962–67	97.26	97.30	4.89	----------	----------	----------	108.12	Apr. 6, 1946	84.22	Sept. 15, 1959
3⅝% Nov. 15, 1967	98.02	98.06	5.12	99.24	99.28	4.31	100.26	Dec. 24, 1962	97.16	Aug. 29, 1966
3⅞% May 15, 1968	97.24	97.28	5.16	99.05	99.09	4.89	102.04	May 12, 1961	96.08	Do.
3¾% Aug. 15, 1968	97.03	97.07	5.22	98.20	98.24	5.03	101.06	Dec. 26, 1962	95.17	Do.
3⅞% Nov. 15, 1968	97.03	97.07	5.20	98.18	98.22	4.98	99.19	Apr. 7, 1967	95.09	Do.
2½% Dec. 15, 1963–68	94.08	94.12	5.03	96.20	96.24	4.95	108.03	Apr. 6, 1946	82.08	Jan. 6, 1960
4% Feb. 15, 1969	97.02	97.06	5.22	98.18	98.22	4.94	102.08	Dec. 24, 1962	94.30	Aug. 29, 1966
2½% June 15, 1964–69	93.01	93.05	5.08	95.17	95.21	4.94	107.25	Apr. 6, 1946	81.10	Jan. 6, 1960
4% Oct. 1, 1969	96.12	96.16	5.23	97.29	98.01	5.00	110.14	Apr. 21, 1958	93.29	Aug. 29, 1966
2½% Dec. 15, 1964–69	92.02	92.06	5.04	94.16	94.20	4.91	107.24	Apr. 6, 1946	81.04	Jan. 6, 1960
4% Feb. 15, 1970	96.00	96.04	5.23	97.08	97.12	5.14	99.19	Jan. 22, 1965	93.08	Aug. 29, 1966
2½% Mar. 15, 1965–70	91.18	91.22	5.03	94.04	94.08	4.85	107.23	Apr. 6, 1946	80.10	Jan. 6, 1960
4% Aug. 15, 1970	95.20	95.24	5.19	96.24	96.28	5.14	100.14	Aug. 2, 1963	92.18	Aug. 29, 1966
2½% Mar. 15, 1966–71	90.05	90.09	4.87	92.12	92.16	4.77	107.22	Apr. 6, 1946	79.28	Jan. 6, 1960
4% Aug. 15, 1971	95.02	95.06	5.11	95.10	95.14	5.28	101.27	Dec. 26, 1962	91.30	Aug. 29, 1966
3⅞% Nov. 15, 1971	94.02	94.06	5.16	94.14	94.18	5.32	100.28	----do-------	90.25	Do.
4% Feb. 15, 1972	94.14	94.18	5.15	94.18	94.22	5.35	101.20	----do-------	91.02	Do.
2½% June 15, 1967–72	88.02	88.06	4.83	89.20	89.28	4.89	106.16	Apr. 6, 1946	79.12	Jan. 6, 1960
4% Aug. 15, 1972	94.07	94.11	5.11	94.08	94.16	5.30	101.20	Dec. 26, 1962	90.24	Aug. 29, 1966
2½% Sept. 15, 1967–72	87.23	87.27	4.82	89.02	89.10	4.91	109.18	Apr. 6, 1946	78.24	Jan. 6, 1960
2½% Dec. 15, 1967–72	87.19	87.23	4.76	88.18	88.26	4.92	106.16	----do-------	79.06	Do.
4% Aug. 15, 1973	93.14	93.18	5.11	93.08	93.16	5.31	99.06	Nov. 12, 1964	89.24	Aug. 29, 1966
4⅛% Nov. 15, 1973	94.02	94.06	5.10	93.20	93.28	5.32	100.01	----do-------	90.09	Do.
4⅛% Feb. 15, 1974	94.01	94.05	5.08	93.14	93.22	5.31	99.18	Jan. 22, 1965	90.08	Do.
4¼% May 15, 1974	95.01	95.05	5.02	94.00	94.08	5.30	101.07	Nov. 12, 1964	91.06	Do.
3⅞% Nov. 15, 1974	92.07	92.15	5.03	91.16	91.24	5.28	110.24	Apr. 22, 1958	88.06	Do.
4¼% May 15, 1975–85	92.20	92.28	4.85	90.16	91.00	5.06	105.28	May 5, 1961	88.30	Do.
4% Feb. 15, 1980	91.04	91.12	4.90	89.12	89.28	5.16	103.18	May 12, 1961	87.30	Do.
3½% Nov. 15, 1980	85.26	86.02	4.89	84.08	84.24	5.14	97.24	----do-------	84.04	June 27, 1967
3¼% June 15, 1978–83	82.00	82.08	4.82	80.02	80.18	5.09	111.28	Aug. 4, 1954	79.24	Do.
3¼% May 15, 1985	81.06	81.14	4.77	80.00	80.16	4.95	101.04	June 11, 1958	79.20	Do.
3½% Feb. 15, 1990	82.02	82.10	4.77	80.04	80.20	4.97	106.26	Apr. 21, 1958	79.22	Aug. 29, 1966
4¼% Aug. 15, 1987–92	92.02	92.10	4.79	88.02	88.18	5.10	104.10	Dec. 26, 1962	87.26	June 27, 1967
4% Feb. 15, 1988–93	89.02	89.10	4.73	85.22	86.06	5.00	100.11	Jan. 16, 1963	85.18	Do.
4⅛% May 15, 1989–94	90.20	90.28	4.73	86.04	86.20	5.08	100.26	Aug. 28, 1963	86.00	Do.
3% Feb. 15, 1995	80.16	80.24	4.17	79.20	80.04	4.26	101.12	June 8, 1955	78.18	Aug. 29, 1966
3½% Nov. 15, 1998	81.08	81.16	4.62	80.02	80.18	4.73	95.14	May 12, 1961	78.26	Do.

Footnotes at end of table.

TABLE 53.—*Prices and yields of taxable public debt marketable issues June 30, 1966, and June 30, 1967, and price range since first traded* —Continued

[Price decimals are thirty-seconds and + indicates additional sixty-fourth]

Issue [1]	June 30, 1966			June 30, 1967			Price range since first traded [2]			
	Price		Yield to call or to maturity [3]	Price		Yield to call or to maturity [3]	High		Low	
	Bid	Ask		Bid	Ask		Price	Date	Price	Date
Treasury notes:										
4% Aug. 15, 1966	99.29	99.31	4.80	----------	----------	----------	102.04	Dec. 26, 1962	99.15	Dec. 31, 1965
4% E, Nov. 15, 1966	99.22	99.24	4.85	----------	----------	----------	100.02	June 28, 1965	99.07	Dec. 31, 1965
3⅝% B, Feb. 15, 1967	99.06	99.08	4.98	----------	----------	----------	100.02+	Mar. 20, 1963	98.11	Mar. 24, 1964
4% C, Feb. 15, 1967	99.12	99.14	5.05	----------	----------	----------	99.31	Feb. 9, 1967	98.30	Jan. 4, 1966
4¼% D, May 15, 1967	99.12	99.14	5.00	----------	----------	----------	100.03	May 3, 1967	98.28	Sept. 15, 1966
3¾% A, Aug. 15, 1967	98.15	98.17	5.18	99.30+	100.00+	4.11	101.06	Dec. 24, 1962	98.02	Aug. 29, 1966
4⅞% E, Aug. 15, 1967	99.30	100.00	4.93	100.02	100.04	4.24	100.10+	Apr. 13, 1967	99.02	Aug. 29, 1966
4⅞% F, Nov. 15, 1967	99.24	99.26	5.07	100.05+	100.07+	4.36	100.17	May 18, 1967	98.19	Aug. 29, 1966
5⅝% A, Feb. 15, 1968	----------	----------	----------	100.18	100.20	4.69	101.10	Apr. 13, 1967	99.30	Nov. 14, 1966
4¾% B, May 15, 1968	----------	----------	----------	99.27	99.31	4.94	100.24	Apr. 10, 1967	99.27	June 30, 1967
4¼% C, Aug. 15, 1968	----------	----------	----------	99.05	99.07	5.04	100.02	May 3, 1967	99.05	June 30, 1967
5% A, Nov. 15, 1970	99.29	100.01	5.02	99.23	99.27	5.09	102.09	Apr. 7, 1967	96.19	Aug. 29, 1966
5¼% A, May 15, 1971	----------	----------	----------	100.04	100.08	5.21	103.09	Apr. 7, 1967	97.31	Aug. 29, 1966
5⅜% B, Nov. 15, 1971	----------	----------	----------	100.12	100.16	5.28	104.02	Apr. 10, 1967	99.27	Nov. 14, 1966
4¾% A, Feb. 15, 1972	----------	----------	----------	92.17	97.19	5.38	101.16	Apr. 10, 1967	97.15	June 30, 1967
4¾% B, May 15, 1972	----------	----------	----------	97.12	97.16	5.37	100.04	May 12, 1967	97.12	June 30, 1967
1½% EO, Oct. 1, 1966	99.07	99.11	4.77	----------	----------	----------	99.28	Sept. 30, 1966	89.12	Oct. 11, 1961
1½% EA, Apr. 1, 1967	97.26	98.00	4.53	----------	----------	----------	99.28	Mar. 31, 1967	90.09	July 9, 1962
1½% EO, Oct. 1, 1967	96.10	96.16	4.59	99.07	99.13	4.60	99.08	June 29, 1967	92.00	Oct. 1, 1962
1½% EA, Apr. 1, 1968	94.28	95.02	4.60	97.30	98.04	4.32	98.06	June 12, 1967	91.02	July 17, 1963
1½% EO, Oct. 1, 1968	93.14	93.20	4.61	96.15	96.27	4.43	96.30	Apr. 13, 1967	90.08	Mar. 25, 1964
1½% EA, Apr. 1, 1969	92.02	92.08	4.62	94.24	95.00	4.67	95.28	Apr. 10, 1967	89.25	Apr. 6, 1964
1½% EO, Oct. 1, 1969	90.22	90.28	4.63	93.12	93.20	4.62	94.28	Apr. 12, 1967	89.02	Sept. 15, 1966
1½% EA, Apr. 1, 1970	89.16	89.24	4.59	91.26	92.00	4.72	93.24	Apr. 11, 1967	87.26	Aug. 29, 1966
1½% EO, Oct. 1, 1970	88.10	88.18	4.56	90.18	91.02	4.67	92.24	Apr. 12, 1967	86.08	Aug. 29, 1966
1½% EA, Apr. 1, 1971	87.00	87.08	4.58	89.20	90.04	4.54	91.28	Apr. 10, 1967	85.03	Sept. 21, 1966
1½% EO, Oct. 1, 1971	----------	----------	----------	88.00	88.16	4.65	90.24	Apr. 14, 1967	84.16	Oct. 17, 1966
1½% EA, Apr. 1, 1972	----------	----------	----------	86.30	87.06	4.60	89.26	Apr. 7, 1967	86.30	June 30, 1967
Certificates of indebtedness:										
4¾% A, Nov. 15, 1966	99.31	100.01	4.81	----------	----------	----------	100.02	June 23, 1966	99.24	Aug. 29, 1966
5¼% A, Aug. 15, 1967	----------	----------	----------	100.03	100.05	4.33	100.14	Apr. 13, 1967	99.11	Sept. 20, 1966

[1] Excludes Treasury bills, which are fully taxable. For description and amount of each issue outstanding on June 30, 1967, see table 34; for information as of June 30, 1966, see 1966 annual report, p. 654.

[2] Beginning April 1953, prices are closing bid quotations. Prices for prior dates are the mean of closing bid and ask quotations; "when issued" prices are included in price range. Dates of highs and lows in case of recurrence are the latest dates.

[3] Yields are computed to earliest call date when prices are above par and to maturity date when prices are at par or below.

NOTE.—Prices and yields (based on closing bid prices) on June 30, 1966 and 1967, 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.

VI.—Ownership of governmental securities

TABLE 54.—*Estimated ownership of interest-bearing governmental securities outstanding June 30, 1957–67, by type of issuer*

[Par value.[1] In billions of dollars]

June 30	Total amount outstanding	Held by banks			Held by U.S. Government investment accounts	Held by private nonbank investors						
		Total	Commercial banks	Federal Reserve banks		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]											
1957	268.6	79.2	56.2	23.0	55.6	133.8	65.3	12.7	7.9	16.1	16.8	14.9
1958	274.8	90.7	65.3	25.4	55.9	128.2	63.4	12.2	7.4	14.1	16.3	14.7
1959	281.9	87.6	61.5	26.0	54.6	139.7	65.4	12.6	7.3	19.8	16.9	17.7
1960	283.4	81.8	55.3	26.5	55.3	146.2	68.8	12.0	6.6	19.5	18.8	20.4
1961	285.9	89.8	62.5	27.3	56.1	140.0	63.9	11.4	6.3	18.5	19.3	20.6
1962	294.9	94.8	65.2	29.7	56.5	143.6	64.8	11.4	6.3	18.2	20.1	22.9
1963	302.6	96.4	64.4	32.0	58.4	147.8	65.3	11.0	6.1	18.7	21.5	25.2
1964	308.2	95.0	60.2	34.8	61.1	152.0	[r]68.1	10.9	6.0	[r]18.9	22.5	25.7
1965	313.7	97.4	58.3	39.1	63.4	153.0	[r]70.3	10.6	5.8	[r]15.3	24.1	[r]27.1
1966	315.9	[r]97.0	[r]54.8	42.2	66.7	[r]152.2	[r]72.5	9.7	5.1	[r]14.2	24.5	[r]26.1
1967	322.8	102.3	55.5	46.7	75.8	144.8	70.3	8.7	4.2	11.1	25.0	25.5
	II. Securities of Federal instrumentalities not guaranteed by United States[7]											
1957	5.0	1.7	1.7	--------	(*)	3.3	1.3	.1	.3	.7	.3	.6
1958	5.4	2.2	2.2	--------	(*)	3.2	.9	.2	.3	.7	.3	.8
1959	6.7	1.9	1.9	--------	(*)	4.8	1.9	.2	.4	1.0	.4	.9
1960	8.4	1.6	1.6	--------	(*)	6.8	2.7	.3	.5	1.7	.6	1.0
1961	7.8	1.8	1.8	--------	(*)	6.0	1.9	.3	.5	1.5	.7	1.1
1962	9.3	2.3	2.3	--------	(*)	7.0	2.5	.4	.6	1.5	.8	1.2
1963	10.2	2.9	2.9	--------	.1	7.3	2.6	.4	.6	1.6	.9	1.1
1964	11.9	3.1	3.1	--------	(*)	8.8	3.6	.5	.7	1.7	1.0	1.3
1965	13.5	3.5	3.5	--------	(*)	10.0	4.0	.6	.8	1.3	1.7	1.6
1966	17.7	[r]4.8	[r]4.8	--------	.1	[r]12.8	[r]5.4	.7	.8	1.7	2.2	2.0
1967	18.0	5.0	5.0	(*)	1.7	11.3	4.7	.9	1.0	.7	2.1	1.9
	III. Securities of State and local governments, Territories, and possessions[8]											
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	11.1	.7	1.7	7.1	1.5
1961	71.7	18.8	18.8	--------	.4	52.5	28.3	12.6	.7	1.9	7.4	1.6
1962	80.1	23.2	23.2	--------	.5	56.4	30.7	13.7	.6	2.4	7.2	1.8
1963	85.9	27.9	27.9	--------	.6	57.5	31.7	14.5	.5	2.6	6.4	1.8
1964	91.3	31.5	31.5	--------	.6	59.2	33.7	15.0	.4	2.7	5.6	1.8
1965	99.2	36.6	36.6	--------	.8	61.8	36.0	15.2	.4	3.3	5.0	1.9
1966	104.8	40.3	40.3	--------	.9	63.6	38.2	14.4	.3	4.1	4.6	2.0
1967	113.3	45.6	45.6	--------	1.0	66.7	39.8	15.5	.3	4.8	4.2	2.1

*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. Series includes Federal land bank securities.
[8] Excludes obligations of Puerto Rico.

NOTE.—For data from 1937–51, see the 1952 annual report, pp. 764 and 765; and for 1952-56, the 1962 annual report, page 745. The 1963 and earlier reports exclude Federal land banks for the years 1947–63 in the series for Federal instrumentalities not guaranteed by the United States.

TABLE 55.—*Summary of Treasury survey of ownership of interest-*

[Par value. In

Classification	Total amount outstanding		Held by investors covered in Treasury survey [1]							
			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	
	1966	1967	1966	1967	1966	1967	1966	1967	1966	1967
Number of institutions or funds			5,930	5,886	505	503	295	295	473	469
TYPE OF SECURITY										
Public marketable:										
Treasury bills	54,929	58,535	6,084	5,844	355	241	36	57	191	132
Certificates of indebtedness	1,652	5,610	914	455	79	21	1		8	4
Treasury notes	50,649	49,108	10,317	12,171	547	701	42	62	536	493
Treasury bonds	101,897	97,418	27,805	27,055	3,923	3,084	4,032	3,772	3,383	2,886
Total public marketable	209,127	210,672	45,120	45,525	4,904	4,046	4,111	3,891	4,118	3,516
Public nonmarketable:										
U.S. savings bonds [6]	50,537	51,213	(*)	(*)	2	(*)	2	(*)	7	2
Investment series bonds	2,692	2,589	39	35	68	39	65	50	42	37
Depositary bonds	44	45	[7] 44	[7] 45	(*)					
All other [8]	1,911	1,611								
Total public nonmarketable	55,183	55,459	83	80	70	39	67	50	48	39
Special issues	51,120	56,155								
Guaranteed securities held outside the Treasury	460	512	38	60	89	82	81	85	11	14
Grand total	315,892	322,798	45,241	45,665	5,063	4,167	4,260	4,026	4,177	3,568
MATURITY CLASSES [9]										
Public marketable:										
Within 1 year	89,136	89,648	13,360	11,247	707	438	55	71	516	334
1 to 5 years	60,933	71,424	19,633	24,919	1,361	1,536	373	385	1,607	1,596
5 to 10 years	33,596	24,378	11,259	8,402	1,471	837	501	331	1,369	971
10 to 15 years	4,518	4,514	180	230	190	178	565	567	104	106
15 to 20 years	3,922	3,912	211	218	115	105	342	318	83	87
20 years and over	17,023	16,797	477	509	1,061	952	2,276	2,219	439	422
Total public marketable	209,127	210,672	45,120	45,525	4,904	4,046	4,111	3,891	4,118	3,516

* 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 account for about half of the Federal securities held by these investor classes. State and local government funds 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.

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millions of dollars]

Held by investors covered in Treasury survey [1]—Continued										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	
1966	1967	1966	1967	1966	1967	1966	1967	1966	1967	1966	1967	1966	1967
488	488	469	469	316	316	191	190	-------	-------	-------	-------	20,050	22,570
327	456	2,834	1,900	5,288	4,397	311	304	11,040	17,866	28,463	27,339	530	408
21	28	94	26	71	118	------	(*)	15	4,434	449	525	7	9
300	606	1,729	1,106	1,256	1,047	30	60	26,902	24,010	8,991	8,853	176	215
2,968	2,874	1,669	990	4,257	3,833	5,457	5,077	17,605	17,858	30,796	29,988	1,157	1,054
3,616	3,964	6,327	4,022	10,873	9,394	5,798	5,441	55,561	64,168	68,699	66,706	1,869	1,687
11	3	1	1	19	6	11	4	6	4	50,478	51,194	137	144
26	20	1	1	77	71	107	77	2,098	2,094	168	166	12	12
------	------	------	------	------	------	------	------	------	------	------	------	------	------
------	------	------	------	------	------	------	------	------	------	1,911	1,611	------	------
38	23	2	1	96	76	118	80	2,104	2,098	52,556	52,972	149	156
------	------	------	------	------	------	------	------	51,120	56,155	------	------	------	------
48	40	------	------	(*)	(*)	41	79	94	78	57	73	10	23
3,701	4,026	6,329	4,024	10,969	9,471	5,958	5,600	108,880	122,499	121,312	119,750	2,028	1,866
531	699	4,619	2,636	6,277	5,274	322	349	28,410	36,437	34,341	32,164	662	548
1,023	1,545	1,411	1,194	1,702	1,917	300	345	16,779	18,058	16,743	19,928	506	551
1,345	972	200	141	1,223	835	558	405	4,447	3,532	11,223	7,951	404	310
91	102	1	1	333	257	478	402	1,433	1,465	1,142	1,204	66	61
164	167	25	4	469	400	676	635	789	821	1,045	1,159	49	38
461	479	70	45	868	711	3,464	3,306	3,703	3,854	4,204	4,300	182	179
3,616	3,964	6,327	4,022	10,873	9,394	5,798	5,441	55,561	64,168	68,699	66,706	1,869	1,687

[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, Series E and J are 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: $19 million in 1966 and $21 million in 1967.

[8] For details see table 33.

[9] All issues classified to final maturity. Table 32 shows the maturity distribution of marketable, interest-bearing public debt by call classes and by maturity classes from 1946–67.

Account of the Treasurer of the United States

TABLE 56.—*Assets and liabilities in the account of the Treasurer of the United States, June 30, 1966 and 1967*

[On basis of daily Treasury statements, see "Bases of Tables"]

	June 30, 1966	June 30, 1967	Increase, or decrease (−)
GOLD			
Assets: Gold	$13,433,471,708.37	$13,109,683,754.06	−$323,787,954.31
Liabilities:			
Gold certificates, Series of 1934, outstanding	1,277,800.00	1,277,800.00	
Gold certificate fund—Board of Governors, Federal Reserve System	11,221,250,114.73	10,772,649,947.39	−448,600,167.34
International Monetary Fund gold deposit	182,864,977.36	232,965,184.14	50,100,206.78
Redemption fund—Federal Reserve notes	1,770,259,460.26	1,834,763,325.26	64,503,865.00
Reserve against U.S. notes outstanding	156,039,430.93	156,039,430.93	
Gold balance	101,779,925.09	111,988,066.34	10,208,141.25
Total	13,433,471,708.37	13,109,683,754.06	−323,787,954.31
SILVER			
Assets:			
Silver bullion at monetary value [1]	887,944,956.11	569,203,322.78	−318,741,633.33
Silver dollars	2,978,237.00	2,982,447.00	4,210.00
Total	r 890,923,193.11	572,185,769.78	−318,737,423.33
Liabilities:			
Silver certificates (issued after June 30, 1929) outstanding	602,064,220.00	[2] 397,567,014.00	−204,497,206.00
Silver balance	r 288,858,973.11	174,618,755.78	−114,240,217.33
Total	r 890,923,193.11	572,185,769.78	−318,737,423.33
GENERAL ACCOUNT			
Assets:			
In Treasury offices:			
Gold balance (as above)	101,779,925.09	111,988.066.34	10,208,141.25
Coinage metal:			
Silver balance (as above)	r 288,858,973.11	174,618,755.78	−114,240,217.33
Other	r 161,450,064.15	166,406,296.99	4,956,232.84
Subsidiary coin	156,111,936.77	669,445,232.97	513,333,296.20
Minor coin	12,763,005.67	11,827,635.29	−935,370.38
Paper currency	156,230,920.00	136,636,917.00	−19,594,003.00
Unclassified collections, uncollected items, exchanges, etc. (net)	92,716,527.43	62,044,407.48	−30,672,119.95
Subtotal	969,911,352.22	1,332,967,311.85	363,055,959.63
Deposits in:			
Federal Reserve banks:			
Available funds	765,863,368.23	1,311,488,166.94	545,624,798.71
In process of collection	370,179,812.16	576,765,177.87	206,585,365.71
Special depositaries, Treasury tax and loan accounts	10,049,614,545.64	4,271,576,373.39	−5,778,038,172.25
National and other bank depositaries	209,108,866.36	250,076,037.77	40,967,171.41
Foreign depositaries	42,699,264.90	16,121,457.05	−26,577,807.85
Subtotal	11,437,465,857.29	6,426,027,213.02	−5,011,438,644.27
Total assets, Treasurer's account	12,407,377,209.51	7,758,994,524.87	−4,648,382,684.64
General account balance	12,407,377,209.51	7,758,994,524.87	−4,648,382,684.64

r Revised.
[1] The Atomic Energy Commission held 64,751,316.1 ounces on June 30, 1966 and 1967.
[2] Reduced by $150,000,000. Under Public Law 90–29, approved June 24, 1967, the Secretary of the Treasury determined that silver certificates of this amount had been destroyed, or irretrievably lost, or were held in collections, and would never be presented for redemption.

TABLE 57.—*Analysis of changes in tax and loan account balances, fiscal years 1957–67*

[In millions of dollars. On basis of telegraphic reports]

Fiscal year or month	Credits								Balance			
	Proceeds from sales of securities [1]				Taxes		Total credits	Withdrawals	End of period	During period		
	Savings bonds and savings notes [2]	Retirement plan bonds [3]	Tax anticipation securities	Other	Withheld excise and corporate [4]	Income (by special arrangement) [5]				High	Low	Average
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
1963	2,699	(*)	2,963	3,830	41,267	6,835	57,595	56,085	10,324	10,324	2,535	5,325
1964	2,760	2	....	2,014	43,580	9,921	58,277	59,421	9,180	10,257	1,577	4,747
1965	2,635	1	2,340	....	42,475	12,598	60,050	58,540	10,689	10,872	1,844	5,431
1966	2,704	1	7,368	1,627	48,478	14,522	74,699	75,338	10,050	11,274	447	4,324
1967	2,783	1	7,643	1,173	70,524	9,257	91,382	97,160	4,272	9,979	710	3,775
1966—July	242	(*)	....	....	4,470	128	4,840	9,743	5,147	9,979	5,147	6,917
August	238	(*)	2,911	....	5,555	....	8,704	9,838	4,014	5,905	2,286	4,049
September	216	(*)	....	....	5,461	4,483	10,161	7,759	6,415	6,415	1,513	3,477
October	216	(*)	3,392	....	4,153	103	7,865	10,099	4,181	5,310	1,674	3,978
November	213	(*)	....	1,173	5,197	....	6,583	7,723	3,041	3,668	1,356	2,604
December	227	(*)	....	....	5,359	2,030	7,617	6,562	4,096	4,724	710	2,464
1967—January	280	(*)	....	....	4,761	101	5,142	5,551	3,687	4,202	1,733	3,138
February	238	(*)	....	....	5,925	(*)	6,164	6,552	3,299	4,462	2,923	3,711
March	242	(*)	1,340	....	6,572	2,392	10,545	9,414	4,430	6,268	1,844	3,796
April	221	(*)	....	....	7,900	20	8,141	7,156	5,415	5,415	1,462	3,443
May	230	(*)	....	....	6,180	....	6,410	8,356	3,469	6,658	3,469	5,270
June	221	(*)	....	....	8,989	....	9,210	8,408	4,272	4,744	895	2,450

*Less than $500,000.

[1] Special depositaries are permitted to make payment in the form of a deposit credit for the purchase price of U.S. Government securities 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] U.S. savings notes first offered for sale as of May 1, 1967.

[3] Retirement plan bonds were first offered for sale as of Jan. 1, 1963.

[4] 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; a number of excise taxes beginning July 1953; and estimated corporation income taxes, beginning April 1967.

[5] Under a special procedure begun in Mar. 1951, authorization was given during certain periods 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 was discontinued in April 1967.

Stock and Circulation of Money in the United States

TABLE 58.—*Currency and coin outstanding, in the Treasury, in the Federal Reserve banks, and in circulation, by kinds, June 30, 1967*

[In thousands of dollars, except per capita figures. From records of the Treasurer's Office, supplemented by reports from Treasury offices and Federal Reserve banks. The figures shown in this table give effect to all transactions through June 30, including those for which reports were received after that date. They may, therefore, differ from similar figures in other tables prepared on the basis of daily Treasury statements. See *Statement of United States Currency and Coin* published monthly]

AMOUNTS OUTSTANDING AND IN CIRCULATION

	Total currency and coin	Currencies presently being issued [1]			Coin		
		Total	Federal Reserve notes [2]	U.S. notes [3]	Total	Standard silver dollars	Fractional coin
Amounts outstanding	48, 126, 693	42, 008, 825	41, 686, 286	322, 539	5, 632, 793	484, 720	5, 148, 074
Less amounts held by:							
The Treasury	799, 071	116, 817	106, 481	10, 336	681, 437	2, 982	678, 455
The Federal Reserve banks	2, 615, 178	2, 302, 576	2, 290, 550	12, 025	310, 028	47	309, 982
Amounts in circulation	44, 712, 443	39, 589, 433	39, 289, 255	300, 178	4, 641, 328	481, 691	4, 159, 637

	Currencies no longer issued [3]						
	Total	Federal Reserve notes [4]	Federal Reserve bank notes	National bank notes	Gold certificates [5]	Silver certificates	Treasury notes of 1890
Amounts outstanding	485, 074	1, 090	61, 219	20, 930	4, 119	397, 706	11
Less amounts held by:							
The Treasury	817	9	3	9	146	650	
The Federal Reserve banks	2, 574		160	15		2, 399	
Amounts in circulation	481, 683	1, 081	61, 057	20, 906	3, 973	394, 656	11

Currency by denominations, and coin, in circulation					Comparative totals of money in circulation—selected dates		
Denomination	Federal Reserve notes [2]	U.S. notes	Currencies no longer issued	Total	Date	Amount (in millions)	Per capita [6]
$1	1,595,116	146	283,485	1,878,746	June 30, 1967	[7] 44,712.4	224.56
$2		136,662	14	136,676	May 31, 1967	44,442.7	223.40
$5	2,382,379	163,347	89,556	2,635,281	June 30, 1966	42,554.0	r 216.10
$10	7,997,519	13	37,748	8,035,279	June 30, 1965	39,719.8	r 204.14
$20	14,334,343	5	22,350	14,356,698	June 30, 1960	32,064.6	177.47
$50	3,682,770	1	16,014	3,698,785	June 30, 1955	30,229.3	182.90
$100	8,773,134	2	31,638	8,804,774	June 30, 1950	27,156.3	179.03
$500	237,590	3	281	237,873	June 30, 1945	26,746.4	191.14
$1,000	279,771		383	280,154	June 30, 1940	7,847.5	59.40
$5,000	2,835		75	2,910	June 30, 1935	5,567.1	43.75
$10,000	3,800		140	3,940	June 30, 1930	4,522.0	36.74
Fractional parts			(*)	(*)	June 30, 1925	4,815.2	41.56
Total currency	39,289,255	300,178	481,683	40,071,116	June 30, 1920	5,467.6	51.36
Total coin				4,641,328	June 30, 1915	3,319.6	33.01
Total currency and coin				44,712,443	June 30, 1910	3,148.7	34.07

r Revised. *Less than $500.

[1] Excludes gold certificates, Series of 1934, which are issued only to Federal Reserve banks and do not appear in circulation.

[2] Issued on and after July 1, 1929.

[3] Excludes currencies written off pursuant to the acts approved June 30, 1961, and June 24, 1967. See table 62, footnote 2.

[4] Issued before July 1, 1929.

[5] Issued before Series of 1934.

[6] Based on Bureau of the Census estimates of population.

[7] Highest amount to June 30, 1967.

TABLE 59.—*Stock of money by kinds, selected years, June 30, 1930–67*

[In thousands of dollars, except percentage of gold to total stock of money. For basis of data see headnote to table 58]

Kind of money	1930	1935	1940	1945	1950	1955	1960	1965	1966	1967
Bullion and coin:										
Gold	4,534,866	9,115,643	19,963,091	20,212,973	24,230,720	21,677,575	19,322,238	13,934,083	[1] 13,251,485	[1] 12,876,829
Silver bullion (at monetary value)	----------	313,309	1,353,162	1,520,295	2,022,835	2,187,429	2,252,075	[2] 1,267,417	[2] 864,055	[2] 551,740
Standard silver dollars	539,960	545,642	547,078	493,943	492,583	490,347	487,773	484,720	484,720	484,720
Subsidiary coin	310,978	312,416	402,261	825,798	1,001,574	1,296,140	1,552,106	2,375,327	3,257,236	4,168,624
Minor coin	126,001	133,040	173,909	303,539	378,463	449,625	559,148	853,388	933,386	979,450
Subtotal	5,511,805	10,420,050	22,439,501	23,356,548	28,126,175	26,101,115	24,173,340	18,914,934	18,790,882	19,061,362
Less: Gold, silver bullion, and standard silver dollars held as security for, or redemption of outstanding paper currencies [3]	3,967,402	7,287,471	19,807,106	20,079,777	25,504,665	23,594,948	21,611,053	14,715,025	13,750,891	13,162,298
Total bullion and coin (net)	1,544,403	3,132,579	2,632,395	3,276,771	2,621,510	2,506,168	2,562,287	4,199,909	5,039,991	5,899,065
Paper currency:										
Gold certificates, and credits payable therein [4]	3,322,904	6,320,236	17,821,133	18,106,600	23,022,852	21,028,137	19,059,416	13,670,235	12,992,787	12,608,691
Less: Amount included in collateral held by Federal Reserve agents for Federal Reserve notes	1,596,214	3,294,639	5,557,500	10,968,000	14,349,000	11,108,000	10,565,000	6,295,000	6,563,000	6,645,000
Subtotal	1,726,690	3,025,597	12,263,633	7,138,600	8,673,851	9,920,137	8,494,416	7,375,235	6,429,787	5,963,691
Gold certificates prior to Series of 1934 [5]	----------	----------	----------	----------	----------	----------	----------	13,340	4,251	4,119
Silver certificates [6]	487,198	810,014	1,828,771	1,815,988	2,324,628	2,409,630	2,394,456	889,176	602,206	397,706
Treasury notes of 1890 [7]	1,260	1,182	1,163	1,150	1,145	1,142	1,142	42	11	11
United States notes [8]	346,681	346,681	346,681	346,681	346,681	346,681	346,681	322,681	322,539	322,539
Federal Reserve notes [9]	1,746,501	3,492,854	5,481,778	23,650,975	23,602,680	26,629,030	28,394,186	37,347,185	40,950,806	41,687,375
Federal Reserve bank notes [10]	3,260	84,354	22,809	533,979	277,202	164,412	100,736	68,793	64,904	61,219
National bank notes [11]	698,317	769,096	167,190	121,215	87,615	67,379	55,979	22,283	21,358	20,930
Total paper currency (net)	5,009,907	8,529,778	20,112,025	33,608,588	35,313,803	39,538,411	39,787,595	46,038,735	48,395,863	48,457,590
Total stock of money	6,554,310	11,662,357	22,744,420	36,885,360	37,935,313	42,044,579	42,349,882	50,238,644	53,435,854	54,356,655
Percentage of gold to total stock of money	69.19	78.16	87.77	54.80	63.87	51.56	45.63	27.74	24.80	23.69

[1] Excludes gold deposited with the United States by the International Monetary Fund.

[2] Excludes bullion carried at monetary value but released for coinage use.

[3] Comprises the security for: Gold certificates and credits payable therein (100% in gold); U.S. notes (gold to the extent of the reserve required by law (31 U.S.C. 408)); and silver certificates and Treasury notes of 1890 (100% in silver bullion or standard silver dollars). Since enactment of the Old Series Currency Adjustment Act (31 U.S.C. 912-916) on June 30, 1961, gold certificates prior to the Series of 1934, silver certificates issued before July 1, 1929, and Treasury notes of 1890 have been payable from the general fund. The amount of security shown on this line for years after 1961 has been reduced accordingly.

[4] 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.

[5] Pursuant to the Old Series Currency Adjustment Act are redeemable from the general fund of the Treasury and upon redemption will be retired.

[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 $139,068 remained outstanding on June 30, 1967) are redeemable from the general fund and upon redemption will be retired (31 U.S.C. 912-916). Certificates issued after that date are exchangeable for silver bullion until June 24, 1968; thereafter they will be redeemable from the general fund (Public Law 90-29, approved June 24, 1967).

[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.

[8] U.S. notes are secured by the gold reserve (31 U.S.C. 408). This reserve, which was also a reserve for Treasury notes of 1890 until June 30, 1961, amounted to $156,039,088 in 1930, and $156,039,431 for subsequent dates in this table. The act of May 31, 1878 (31 U.S.C. 404) required that the amount of U.S. notes then outstanding, $346,681,016, be kept in circulation. The Old Series Currency Adjustment Act provided that this amount should be reduced by such amounts of notes as the Secretary of the Treasury might determine to have been destroyed or irretrievably lost. To date, the Secretary has made such determinations with respect to $24,142,000 of the U.S. notes issued prior to July 1, 1929.

[9] Federal Reserve banks secure Federal Reserve notes by depositing like amounts of collateral with Federal Reserve agents. Such collateral may consist of (a) gold certificates or gold certificate credits (also gold prior to conservation actions of 1933 and 1934), (b) such discounted or purchased paper as is eligible under terms of the Federal Reserve Act, as amended, or (c) since Feb. 27, 1932, securities issued by the United States. Federal Reserve banks must maintain reserves in gold certificates or gold certificate credits (gold for 1933 and preceding years), which may include the 5 percent redemption fund deposited with the Treasurer of the United States, equal to a specified percentage of their notes in actual circulation (40 percent before act of June 12, 1945 (12 U.S.C. 413) and 25 percent thereafter). 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, 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 1967 includes $1,089,598 for such series.

[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. 445 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 Dec. 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.—Figures for years not shown appeared in the following annual reports: 1860–1947 in the 1947 report, page 482; 1948 and 1949 in the 1956 report, page 542; 1951–61 in the 1961 report, page 634; and 1962–64 in the 1964 report, page 596.

TABLE 60.—*Money in circulation by kinds, selected years, June 30, 1930–67*

[In thousands of dollars. For basis of data, see headnote to table 58]

June 30	Gold coin	Gold certificates [1]	Standard silver dollars	Silver certificates [1]	Treasury notes of 1890 [1]	Subsidiary coin	Minor coin	United States notes [1]	Federal Reserve notes [1]	Federal Reserve bank notes [1]	National bank notes [1]	Total
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
1965	(2)	13,209	481,698	829,177	42	2,355,380	824,585	301,978	34,823,233	68,333	22,167	39,719,801
1966	(2)	4,107	481,694	581,715	11	2,907,355	874,769	302,781	37,315,989	64,301	21,300	42,554,022
1967	(2)	3,973	481,691	394,656	11	3,238,822	920,815	300,178	39,290,336	61,057	20,906	44,712,443

[1] For description of security required to be held against the various kinds of paper currency, and for retirement provisions, see footnotes to table 59.

[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.—Figures for years not shown appeared in the following annual reports: 1860–1947 in the 1947 report, page 485; 1948–49 in the 1956 report, page 543; and 1951–61 in the 1961 report, page 636; and 1962–64 in the 1964 report, page 598.

TABLE 61.—*Location of gold and silver bullion, coin, and coinage metal held by the Treasury, June 30, 1967*

[In thousands of dollars. For basis of data, see headnote to table 58]

Location	Gold [1]	Silver bullion [2]	Silver dollars	Fractional coin [3]	Coinage metal [2]
U.S. mints:					
Denver	2,322,718	12,379	29	61,281	40,712
Philadelphia	1,713	915	32	30	99,014
U.S. assay offices:					
New York [4]	1,260,129	274,170	--------	562,738	---------
San Francisco	343,595	198,396	--------	10,792	27,464
Bullion depository, Fort Knox	8,484,049	----------	--------	26,400	---------
Treasurer of United States, Washington, D.C.	11	----------	2,922	15,661	---------
Custody accounts:					
Federal Reserve Bank of New York	[5] 697,568	----------	--------	----------	---------
Other banks, etc., various locations	13	83,719	--------	1,554	---------
Total	13,109,794	[6] 569,579	2,982	678,455	167,189

[1] Includes $232,965,184 deposited with the United States by the International Monetary Fund.
[2] Amounts in transit between Bureau of the Mint institutions are included in the balance of the shipping institution.
[3] Includes coin in transit to Federal Reserve banks.
[4] Includes bullion depository at West Point, New York.
[5] Physically located as follows: At Bank of Canada, Ottawa, $322,937,623; at Bank of England, London, $20,546,602; at New York Assay Office, $34,714,178; and in Federal Reserve Bank's own vaults, $319,369,268.
[6] Consists of $569,203,323 at the monetary value of $1.29+ per ounce, $50,546 at the average cost value of $1.29 per ounce, and $324,725 derived from uncurrent silver coin at $1.38+ per ounce.

TABLE 62.—*Paper currency issued and redeemed during the fiscal year 1967 and outstanding June 30, 1967, by classes and denominations*

[For basis of data see headnote to table 58]

	Issued during 1967	Redeemed during 1967	Outstanding June 30, 1967 [1] [2]		
			In Treasury	In Federal Reserve banks	In circulation
CLASS					
Gold certificates—Series of 1934				$1,277,800	
U.S. notes	$72,234,572	$72,234,572	$10,336,035	12,025,249	$300,177,732
Federal Reserve notes—issued on and after July 1, 1929	11,827,055,000	11,090,382,335	106,480,621	2,290,550,377	39,289,254,893
Currencies no longer issued:					
Federal Reserve notes—issued before July 1, 1929		103,490	8,990		1,080,608
Federal Reserve bank notes		3,684,883	2,725	159,705	61,056,821
National bank notes		427,877	9,161	14,920	20,905,827
Gold certificates—issued before Series of 1934		132,300	145,970		3,973,049
Silver certificates		[3] 204,500,313	650,406	2,399,494	394,656,182
Treasury notes of 1890					10,534
Total	11,899,289,572	11,371,465,770	117,633,908	2,306,427,545	40,071,115,646
DENOMINATION					
$1	1,104,880,000	1,750,687,150	11,553,846	300,549,946	1,878,746,089
$2	12,472	2,256,563	42,557	307,044	136,676,360
$5	1,603,482,100	1,715,164,757	16,101,985	252,005,795	2,635,281,436
$10	3,397,640,000	3,456,085,735	24,944,970	577,401,740	8,035,279,030
$20	4,053,360,000	3,411,602,940	46,716,500	763,716,120	14,356,697,594
$50	557,300,000	398,782,775	8,079,650	149,164,200	3,698,784,600
$100	1,109,700,000	555,688,850	9,522,400	221,620,200	8,804,773,550
$500	9,500,000	15,320,000	326,500	7,157,500	237,873,000
$1,000	30,550,000	36,217,000	275,500	19,785,000	280,153,500
$5,000	15,195,000	11,230,000	20,000	6,230,000	2,910,000
$10,000	17,670,000	18,430,000	50,000	7,290,000	3,940,000
$100,000				1,200,000	
Fractional parts					487
Total	11,899,289,572	11,371,465,770	117,633,908	2,306,427,545	40,071,115,646

[1] Amounts outstanding include certain currencies which are also included in the public debt (see table 41, final page). These consist of (a) U.S. notes in excess of the gold reserve (31 U.S.C. 408) and (b) all of the currencies no longer issued, as listed above, with the exception of silver certificates issued after June 30, 1929.

[2] The Secretary of the Treasury is authorized to determine, from time to time, the amounts of certain currencies, which, in his judgment, have been destroyed, are irretrievably lost, or are held in collections and so will never be presented for redemption, and to reduce the outstanding amounts thereof accordingly. The totals of such reductions effected through June 30, 1967, were:

Authorized by Old Series Currency Adjustment Act (31 U.S.C. 915c) approved June 30, 1961:	
Issued before July 1, 1929:	
U.S. notes	$24,142,000
Federal Reserve notes	34,450,000
Federal Reserve bank notes	2,063,000
National bank notes	28,920,000
Gold certificates	16,600,000
Silver certificates	29,780,000
Treasury notes of 1890	1,131,000
Gold certificates, Series of 1928	7,350,000
Authorized by Public Law 90-29, approved June 24, 1967:	
Silver certificates, issued after June 30, 1929	150,000,000
Total	294,436,000

[3] Includes writeoff of $150,000,000. See footnote 2.

Trust and Other Funds

TABLE 63.—*Holdings of public debt and agency securities by Government agencies and accounts, June 30, 1963–67*

[Par value. In thousands of dollars]

Investments of agencies	1963	1964	1965	1966	1967
GOVERNMENT INVESTMENT ACCOUNTS					
HANDLED BY THE TREASURY [1]					
Major trust funds and accounts:					
Civil Service Commission:					
Employees health benefits fund	37,924	53,028	61,948	57,126	75,078
Employees' life insurance fund	[2] 303,406	352,910	379,524	394,414	449,395
Retired employees health benefits fund	100	100	1,325	1,134	1,438
Export-Import Bank of Washington					81,500
Federal Deposit Insurance Corp	2,754,363	2,937,229	3,117,186	3,344,208	3,582,400
Federal disability insurance trust fund:					
Public debt securities	2,277,967	2,140,925	1,877,759	1,464,700	1,690,578
Unamortized premium or discount [3]	−723	−2,416	−2,193	−2,072	−1,943
Nonguaranteed securities					94,000
Unamortized premium or discount [3]					−8
Federal employees' retirement funds:					
Civil service retirement and disability:					
Public debt securities	13,154,721	14,279,250	15,491,646	16,603,062	17,304,071
Nonguaranteed securities					217,500
Foreign service retirement and disability	37,891	38,914	40,444	41,588	42,145
Judicial survivors annuity	2,012	2,238	2,668	3,112	3,583
Tax court judges survivors annuity fund				103	124
Federal hospital insurance trust fund:					
Public debt securities				785,758	1,191,647
Nonguaranteed securities					56,500
Unamortized premium or discount [3]					21
Federal Housing Administration:					
Mutual mortgage insurance fund	520,549	558,194	488,618	479,442	536,108
Cooperative management housing insurance fund				7,694	15,101
General insurance fund:					
Apartment unit	625	475	325		
Armed services housing mortgage insurance	27,255	26,105	13,850		
Experimental housing	900	825	725		
General insurance				7,406	
Housing insurance	5,758	6,858	6,838		
Housing investment insurance	935	971	907		
National defense housing insurance	830	4,440	830		
Sec. 203 home improvement	625	575	525		
Sec. 220 home improvement	700	650	525		
Sec. 220 housing insurance	3,660	3,375	1,440		
Servicemen's mortgage insurance	8,902	16,887	10,331		
Title I housing insurance	2,060	5,140	2,100		
Title I insurance	107,442	80,810	33,995		
War housing insurance	39,630	76,876	26,112		
Federal old-age and survivors insurance trust fund:					
Public debt securities	17,633,024	18,325,487	18,783,222	17,925,398	21,362,481
Unamortized premium or discount [3]	−19,835	−20,618	−17,498	−16,743	−15,972
Nonguaranteed securities					217,500
Unamortized premium or discount [3]					90
Federal Savings and Loan Insurance Corporation	861,094	1,105,094	1,312,622	1,516,701	1,728,268
Federal supplementary medical insurance trust fund					478,849
Highway trust fund	677,743	609,028	265,394	237,763	721,710
Railroad Retirement Board:					
Railroad retirement account:					
Public debt securities	3,697,461	3,766,424	3,915,705	4,069,572	4,116,172
Nonguaranteed securities					175,500
Railroad retirement holding account					4,067
Railroad retirement supplemental account					10,977
Unemployment trust fund:					
Public debt securities	6,245,191	6,827,077	7,793,935	9,261,610	10,038,634
Unamortized premium or discount [3]	−58	−8,722	−8,816	−8,460	−7,796
Nonguaranteed securities					317,500
Unamortized premium or discount [3]					48

Footnotes at end of table.

TABLE 63.—*Holdings of public debt and agency securities by Government agencies and accounts, June 30, 1963–67*—Continued

[Par value. In thousands of dollars]

Investments of agencies	1963	1964	1965	1966	1967
GOVERNMENT INVESTMENT ACCOUNTS—Continued					
HANDLED BY THE TREASURY[1]—Con.					
Veterans' life insurance funds:					
Government life insurance:					
Public debt securities	1,003,002	955,840	933,454	937,670	814,027
Nonguaranteed securities		25,000	25,000		83,250
National service life insurance:					
Public debt securities	5,713,915	5,782,992	5,908,757	6,112,730	5,744,307
Nonguaranteed securities					184,500
Special term insurance	100,588	123,173	149,134	169,618	189,382
Veterans' reopened insurance			2,605	18,772	52,553
Other trust funds and accounts:					
Ainsworth Library fund, Walter Reed General Hospital	11	11	11	11	11
Bequest of George C. Edgeter, relief of indigent American Indians, Bureau of Indian Affairs	31	31	31	31	31
District of Columbia:					
Fees and other collections, Recreation Board	20	20	21	21	21
General funds	9,213	9,213			
Highway fund	3,700	6,000			
Judicial retirement and survivors annuity fund			100	140	140
Miscellaneous trust funds	115	87	2,335	2,330	2,330
Motor vehicle parking, highway fund	2,954	743	743	850	550
Redevelopment program, Redevelopment Land Agency:					
Public debt securities					1,090
Nonguaranteed securities	7,640	5,325	12,360	9,445	2,330
Sanitary sewage works fund					900
Stadium fund, Armory Board	150		235	245	165
Teachers' retirement and annuity fund	43,326	47,108	50,986	54,342	57,774
Welfare funds		10			
Working capital fund, Armory Board		50	125	100	100
Esther Cattell Schmitt gift fund		417	414	414	414
Exchange Stabilization Fund:					
Public debt securities	153,147	317,064	256,806	643,385	1,288,705
Nonguaranteed securities					125,000
Federal ship mortgage insurance escrow fund, maritime activities	13,618	22,398	10,988	53,984	44,510
Federal ship mortgage insurance fund, revolving fund	3,543	758	758	760	1,334
General post fund, Veterans' Administration	1,835	2,135	2,185	933	1,070
Gifts and bequests, Commerce		5	6	6	12
Longshoremen's and Harbor Workers' Compensation Act, relief and rehabilitation	466	408	312	214	110
National Archives gift fund			1,824	1,790	1,704
National Archives trust fund	102	102	102	102	102
National Capital Housing Authority:					
Public debt securities	3,861	3,311	4,011	2,761	1,761
Nonguaranteed securities					1,700
National park trust fund	73	578	592	663	733
Navajo and Ute Mountain Ute Indians, New Mexico	436	729	830	1,068	474
Navajo Indians, Arizona and New Mexico				32,000	5,210
Office of Naval Records and History fund	153	212	212	212	254
Omaha tribe of Indians					915
Pershing Hall Memorial fund	211	211	211	211	211
Philippine Government pre-1934 bond account	919	292	295		
Preservation of Birthplace of Abraham Lincoln, National Park Service	64	64	64	64	64
Public Health Service:					
Gift funds	166	156	156	146	136
Patients' benefit fund, Public Health Service hospitals	5	2	2	2	2
Public Housing programs		24,500	7,500	21,000	13,000
Saint Elizabeths Hospital unconditional gift fund	1	1	1	1	1
U.S. Department of the Air Force—general gift fund	6	6	6	6	6

Footnotes at end of table.

TABLE 63.—*Holdings of public debt and agency securities by Government agencies and accounts, June 30, 1963–67*—Continued

[Par value. In thousands of dollars]

Investments of agencies	1963	1964	1965	1966	1967
GOVERNMENT INVESTMENT ACCOUNTS—Continued					
HANDLED BY THE TREASURY [1]—Con.					
Other trust funds and accounts—Con.					
U.S. Department of the Army—general gift fund	205	189	192	33	39
U.S. Naval Academy—general gift fund	109	109	109	109	172
U.S. Naval Academy—museum fund	1	1	1	1	1
Ute Mountain Indians, Colorado					288
War risk insurance revolving fund	3,153	3,365	3,461	3,611	3,787
Workmen's Compensation Act within the District of Columbia, relief and rehabilitation	126	126	126	118	114
HANDLED BY THE AGENCIES					
Banks for cooperatives	43,051	44,459	44,368	47,492	46,042
District of Columbia: Miscellaneous trust funds	102	108	116	120	121
Farmers Home Administration, State rural rehabilitation funds	1,634	1,477	1,646	205	373
Federal home loan banks	[3] 1,944,000	1,803,256	1,699,410	1,959,335	3,750,735
Federal Housing Administration:					
Guaranteed securities:					
Community disposal operations fund				388	388
Mutual mortgage insurance fund	47,815	123,868	125,561	89,198	77,502
Federal intermediate credit banks	111,384	111,331	109,604	109,297	109,297
Federal land banks	102,617	102,538	100,532	100,472	100,382
Federal National Mortgage Association:					
Public debt securities:					
Participation sales fund			5,794	1,703	35,523
Participation sales trust fund					50,942
Secondary market operations	91,500				
Guaranteed securities:					
Management and liquidating functions	79,233	23,558	1,852	4	23
Secondary market operations	23,250	4,986	5,993	1	
Special assistance functions	14,980	6,928	5,967	1,636	
Nonguaranteed securities:					
Participation sales fund			19,115	105,505	164,947
Participation sales trust fund					64,940
Secondary market operations	59,570				
Secretary of Housing and Urban Development:					
Liquidating programs:					
Guaranteed securities				2,593	
Total	57,968,154	60,743,378	63,099,008	66,661,364	77,513,767
OTHER ACCOUNTS					
HANDLED BY THE TREASURY					
Alien property trust fund	544	614	608	608	608
Canal Zone Postal Savings System	4,400	4,100	3,600	2,650	2,200
Central hospital fund, U.S. Army, Office of the Surgeon General:					
Public debt securities	1,945	1,945	1,945	1,954	1,543
Nonguaranteed securities					401
Comptroller of the Currency	6,742	8,357	10,054	11,298	14,048
Individual Indian money deposit fund	35,971	35,046	34,160	33,401	30,811
U.S. Postal Savings System [4]	502,866	432,079	355,579	188,890	
HANDLED BY THE AGENCIES					
General Services Administration, Public Works Administration (in liquidation)	887	440			
Total	553,355	482,581	405,946	238,802	49,612
Grand total	58,521,508	61,225,959	[5] 63,504,954	[5] 66,900,166	[5] 77,563,387

[1] For further details of these accounts, see tables 64 through 84.
[2] Includes Series J savings bonds at current redemption value.
[3] Includes accrued interest purchased.
[4] This fund was discontinued on Apr. 27, 1966, by an act approved Mar. 28, 1966 (39 U.S.C. 5225–5229).
[5] Excludes securities in the amounts of $12,459,000, $12,451,000, and $12,321,000 held by the Atomic Energy Commission as of June 30, 1965, 1966, and 1967, respectively, which in turn are held by trustees for the protection of certain contractors against financial loss in event of a catastrophe.

NOTE.—For comparable data 1939–49, see 1949 annual report, pp. 492–493, and for 1950–58, see 1958 annual report, pp. 586–589, and for 1959–62, see 1963 annual report, pp. 637–639.

TABLE 64.—*Civil service retirement and disability fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Deductions from salaries, service credit payments, and voluntary contributions of employees subject to retirement act [1]	$14,287,039,878.85	$1,205,539,542.22	$15,492,579,421.07
Federal contributions [2]	4,456,352,923.21	73,000,000.00	4,529,352,923.21
Payments by employing agencies [2]	7,826,021,157.38	1,190,531,809.55	9,016,552,966.93
Interest and profits on investments	5,455,122,064.02	625,164,699.20	6,080,286,763.22
Transfer from the Comptroller of the Currency retirement fund [3]	5,050,000.00		5,050,000.00
Total receipts	32,029,586,023.46	3,094,236,050.97	35,123,822,074.43
Expenditures:			
Annuity payments, refunds, etc.	15,279,916,494.96	1,965,097,123.80	17,245,013,618.76
Transfers to policemen's and firemen's relief fund, D.C., deductions and accrued interest thereon	322,091.26	21,947.66	344,038.92
Total expenditures	15,280,238,586.22	1,965,119,071.46	17,245,357,657.68
Balance	16,749,347,437.24	1,129,116,979.51	17,878,464,416.75

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, civil service retirement fund series maturing June 30:			
Treasury certificates of indebtedness:			
4⅞% of 1967	$40,692,000.00	−$40,692,000.00	
Treasury notes:			
3¾% of 1967	60,976,000.00	−60,976,000.00	
3⅞% of 1967	80,227,000.00	−80,227,000.00	
4⅛% of 1967	142,474,000.00	−142,474,000.00	
3⅞% of 1968	80,227,000.00		$80,227,000.00
4⅛% of 1968	142,474,000.00		142,474,000.00
4⅞% of 1968	40,692,000.00		40,692,000.00
4⅛% of 1969	142,474,000.00		142,474,000.00
4⅞% of 1969	40,692,000.00		40,692,000.00
4⅛% of 1970	69,699,000.00		69,699,000.00
4⅞% of 1970	40,692,000.00		40,692,000.00
4⅞% of 1971	1,785,656,000.00		1,785,656,000.00
4¾% of 1974		1,758,171,000.00	1,758,171,000.00
Treasury bonds:			
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
3⅞% of 1969	80,227,000.00		80,227,000.00
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
3⅞% of 1970	80,227,000.00		80,227,000.00
4⅛% of 1970	72,775,000.00		72,775,000.00
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

Footnotes at end of table.

TABLE 64.—*Civil service retirement and disability fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease, (—)	June 30, 1967
Investments in public debt securities-Continued			
Special issues, civil service retirement fund series maturing June 30—Continued			
Treasury bonds—Continued			
3⅞% of 1971	$80, 227, 000. 00		$80, 227, 000. 00
4⅛% of 1971	142, 474, 000. 00		142, 474, 000. 00
3¾% of 1972	60, 976, 000. 00		60, 976, 000. 00
3⅞% of 1972	532, 981, 000. 00		532, 981, 000. 00
4⅛% of 1972	375, 160, 000. 00		375, 160, 000. 00
3¾% of 1973	60, 976, 000. 00		60, 976, 000. 00
3⅞% of 1973	103, 448, 000. 00		103, 448, 000. 00
4⅛% of 1973	552, 988, 000. 00		552, 988, 000. 00
2⅝% of 1974	568, 978, 000. 00	—$298, 254, 000. 00	270, 724, 000. 00
3¾% of 1974	60, 976, 000. 00		60, 976, 000. 00
3⅞% of 1974	80, 227, 000. 00		80, 227, 000. 00
4⅛% of 1974	212, 387, 000. 00		212, 387, 000. 00
2⅝% of 1975	615, 527, 000. 00		615, 527, 000. 00
3¾% of 1975	60, 976, 000. 00		60, 976, 000. 00
3⅞% of 1975	80, 227, 000. 00		80, 227, 000. 00
4⅛% of 1975	167, 167, 000. 00		167, 167, 000. 00
2⅞% of 1976	660, 011, 000. 00	—70, 649, 000. 00	589, 362, 000. 00
3¾% of 1976	60, 976, 000. 00		60, 976, 000. 00
3⅞% of 1976	80, 227, 000. 00		80, 227, 000. 00
4⅛% of 1976	142, 474, 000. 00		142, 474, 000. 00
3¾% of 1977	746, 416, 000. 00		746, 416, 000. 00
3⅞% of 1977	80, 227, 000. 00		80, 227, 000. 00
4⅛% of 1977	142, 474, 000. 00		142, 474, 000. 00
3⅞% of 1978	826, 643, 000. 00		826, 643, 000. 00
4⅛% of 1978	142, 474, 000. 00		142, 474, 000. 00
4⅛% of 1979	969, 117, 000. 00		969, 117, 000. 00
4⅛% of 1980	969, 117, 000. 00		969, 117, 000. 00
Total special issues	15, 147, 159, 000. 00	379, 459, 000. 00	15, 526, 618, 000. 00
Public issues:			
Treasury notes:			
4¼% Series D-1967	33, 050, 000. 00	—33, 050, 000. 00	
4¾% Series B-1968		4, 400, 000. 00	4, 400, 000. 00
5% Series A-1970	r 142, 400, 000. 00	4, 000, 000. 00	146, 400, 000. 00
5¼% Series A-1971		19, 500, 000. 00	19, 500, 000. 00
5⅜% Series B-1971		25, 000, 000. 00	25, 000, 000. 00
4¾% Series A-1972		110, 600, 000. 00	110, 600, 000. 00
4¾% Series B-1972		98, 700, 000. 00	98, 700, 000. 00
Treasury bonds:			
2½% of 1964-69 (Apr. 15, 1943)	10, 000, 000. 00		10, 000, 000. 00
2½% of 1964-69 (Sept. 15, 1943)	16, 400, 000. 00		16, 400, 000. 00
3¾% of 1968	2, 800, 000. 00		2, 800, 000. 00
3⅞% of 1968 (June 23, 1960)	11, 400, 000. 00	1, 000, 000. 00	12, 400, 000. 00
3⅞% of 1968 (Sept. 15, 1963)		1, 600, 000. 00	1, 600, 000. 00
4% of 1969 (Aug. 15, 1962)	10, 000, 000. 00		10, 000, 000. 00
4% of 1969 (Oct. 1, 1957)	59, 400, 000. 00	1, 000, 000. 00	60, 400, 000. 00
4% of 1970	46, 000, 000. 00	8, 600, 000. 00	54, 600, 000. 00
3⅞% of 1971		6, 100, 000. 00	6, 100, 000. 00
4% of 1972 (Nov. 15, 1962)		5, 200, 000. 00	5, 200, 000. 00
4% of 1972 (Sept. 15, 1962)	25, 000, 000. 00	3, 700, 000. 00	28, 700, 000. 00
4% of 1973	12, 000, 000. 00	11, 800, 000. 00	23, 800, 000. 00
4⅛% of 1973	21, 600, 000. 00	12, 000, 000. 00	33, 600, 000. 00
3⅞% of 1974	47, 650, 000. 00		47, 650, 000. 00
4⅛% of 1974	53, 400, 000. 00	2, 500, 000. 00	55, 900, 000. 00
4¼% of 1974	124, 160, 000. 00	1, 900, 000. 00	126, 060, 000. 00
4¼% of 1975-85	53, 105, 000. 00		53, 105, 000. 00
3¼% of 1978-83	11, 800, 000. 00	5, 000, 000. 00	16, 800, 000. 00
3½% of 1980	15, 700, 000. 00		15, 700, 000. 00
4% of 1980	102, 394, 000. 00	8, 000, 000. 00	110, 394, 000. 00
3¼% of 1985	81, 900, 000. 00	4, 000, 000. 00	85, 900, 000. 00
4¼% of 1987-92	344, 920, 000. 00	3, 000, 000. 00	347, 920, 000. 00
4⅛% of 1989-94	5, 750, 000. 00	5, 000, 000. 00	10, 750, 000. 00
3½% of 1990	86, 600, 000. 00	12, 000, 000. 00	98, 600, 000. 00
3% of 1995	55, 205, 000. 00		55, 205, 000. 00
3½% of 1998	83, 269, 000. 00		83, 269, 000. 00
Total public issues	1, 455, 903, 000. 00	321, 550, 000. 00	1, 777, 453, 000. 00

Footnotes at end of table.

TABLE 64.—*Civil service retirement and disability fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in nonguaranteed securities:			
Federal home loan bank bonds:			
5⅞% of 1967		$18,000,000.00	$18,000,000.00
6¼% of 1967		30,000,000.00	30,000,000.00
6% of 1967		26,000,000.00	26,000,000.00
5⅜% of 1968		25,000,000.00	25,000,000.00
Federal intermediate credit bank debentures:			
6.20% of 1967		10,000,000.00	10,000,000.00
5.15% of 1967		17,000,000.00	17,000,000.00
Federal land bank bonds:			
5⅞% of 1967		15,000,000.00	15,000,000.00
Federal National Mortgage Association secondary market operations debentures:			
5⅞% of 1968		10,000,000.00	10,000,000.00
5⅛% of 1969		25,000,000.00	25,000,000.00
6% of 1969		41,500,000.00	41,500,000.00
Total nonguaranteed securities		217,500,000.00	217,500,000.00
Investments in participation certificates:			
Federal National Mortgage Association Federal assets liquidation trust:			
5% of 1972		50,000,000.00	50,000,000.00
5½% of 1972		50,000,000.00	50,000,000.00
5.20% of 1982		100,000,000.00	100,000,000.00
Total participation certificates		200,000,000.00	200,000,000.00
Total investments	$16,603,062,000.00	1,118,509,000.00	17,721,571,000.00
Undisbursed balance	146,285,437.24	10,607,979.51	156,893,416.75
Total assets	16,749,347,437.24	1,129,116,979.51	17,878,464,416.75

[1] Basic compensation deductions have been at the rate of 6½ percent since the day before the first pay period which began after Sept. 30, 1956. Since 1958 District of Columbia and Government corporations' contributions have been 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. 2259 note), 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.

[r] Revised.

TABLE 65.—*District of Columbia teachers' retirement and annuity fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Deductions from salaries	$33, 694, 550. 94	$2, 972, 317. 36	$36, 666, 868. 30
Voluntary contributions	197, 440. 55		197, 440. 55
Interest and profits on investments	22, 282, 388. 32	1, 871, 699. 28	24, 154, 087. 60
Appropriations from District of Columbia revenues	74, 401, 842. 84	6, 728, 200. 00	81, 130, 042. 84
Total receipts	130, 576, 222. 65	11, 572, 216. 64	142, 148, 439. 29
Expenditures:			
Annuities, refunds, etc	76, 100, 546. 97	7, 973, 701. 51	84, 074, 248. 48
Balance	54, 475, 675. 68	3, 598, 515. 13	58, 074, 190. 81

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Public issues:			
Treasury bonds:			
2½% of 1965–70	$1, 000, 000. 00		$1, 000, 000. 00
2½% of 1966–71	1, 000, 000. 00		1, 000, 000. 00
2½% of 1967–72 (dated June 1, 1945)	1, 247, 500. 00		1, 247, 500. 00
3⅝% of 1968	1, 056, 500. 00		1, 056, 500. 00
3⅞% of 1971	3, 256, 000. 00		3, 256, 000. 00
4⅛% of 1973	3, 829, 000. 00		3, 829, 000. 00
3⅞% of 1974	2, 388, 500. 00		2, 388, 500. 00
4¼% of 1974	2, 650, 000. 00		2, 650, 000. 00
4¼% of 1975–85	1, 363, 000. 00		1, 363, 000. 00
3¼% of 1978–83	1, 777, 500. 00		1, 777, 500. 00
4% of 1980	956, 500. 00		956, 500. 00
3¼% of 1985	1, 077, 500. 00		1, 077, 500. 00
4¼% of 1987–92	4, 184, 000. 00		4, 184, 000. 00
4% of 1988–93	1, 000, 000. 00		1, 000, 000. 00
4⅛% of 1989–94	2, 531, 500. 00	$3, 431, 500. 00	5, 963, 000. 00
3½% of 1990	3, 000, 000. 00		3, 000, 000. 00
3% of 1995	3, 599, 500. 00		3, 599, 500. 00
3½% of 1998	4, 100, 000. 00		4, 100, 000. 00
2¾% Investment Series B–1975–80	14, 325, 000. 00		14, 325, 000. 00
Total investments	54, 342, 000. 00	3, 431, 500. 00	57, 773, 500. 00
Undisbursed balance	133, 675. 68	167, 015. 13	300, 690. 81
Total assets	54, 475, 675. 68	3, 598, 515. 13	58, 074, 190. 81

TABLE 66.—*Employees health benefits fund, Civil Service Commission, June 30, 1967*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of Sept. 28, 1959, as amended (5 U.S.C. 3007)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Direct appropriations	$50,056,000.00	$24,645,000.00	$74,701,000.00
Employees' and annuitants' withholdings	1,561,902,886.65	383,306,079.84	1,945,208,966.49
Agency contributions	775,145,940.40	180,818,451.34	955,964,391.74
Interest and profits on investments	7,756,893.88	3,121,970.89	10,878,864.77
Total receipts	2,394,861,720.93	591,891,502.07	2,986,753,223.00
Expenditures:			
Subscription charges paid to carriers	2,284,321,449.56	564,643,613.30	2,848,965,062.86
Contingency reserve paid to carriers	36,714,185.88	7,024,837.32	43,739,023.20
Carrier refunds	−253,289.40		−253,289.40
Administrative expenses	6,720,446.08	1,601,320.20	8,321,766.28
Interest on administrative expenses paid by employees' life insurance fund [1]	43,625.79		43,625.79
Other [2]	−1,600,290.12	83,862.87	−1,516,427.25
Total expenditures	2,325,946,127.79	573,353,633.69	2,899,299,761.48
Balance	68,915,593.14	18,537,868.38	87,453,461.52

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Public issues:			
Treasury notes:			
4% Series A-1966	$599,000.00	−$599,000.00	
3⅝% Series B-1967	3,729,000.00	−3,729,000.00	
4¾% Series B-1968		11,926,000.00	$11,926,000.00
Treasury bonds:			
2½% of 1964-69 (dated Apr. 15, 1943)	875,000.00		875,000.00
3⅞% of 1968	1,000,000.00	10,353,500.00	11,353,500.00
3¾% of 1968	1,298,000.00		1,298,000.00
4% of 1969 (dated Oct. 1, 1957)	1,000,000.00		1,000,000.00
3⅞% of 1971	5,804,000.00		5,804,000.00
4% of 1971	3,732,000.00		3,732,000.00
4% of 1972 (dated Sept. 15, 1962)	4,410,500.00		4,410,500.00
4% of 1972 (dated Nov. 15, 1962)	3,792,500.00		3,792,500.00
4% of 1973	3,441,500.00		3,441,500.00
4⅛% of 1973	2,246,000.00		2,246,000.00
3⅞% of 1974	3,785,500.00		3,785,500.00
4⅛% of 1974	9,923,500.00		9,923,500.00
4¼% of 1974	1,481,500.00		1,481,500.00
3¼% of 1978-83	190,000.00		190,000.00
3½% of 1980	738,000.00		738,000.00
4¼% of 1987-92	3,000,000.00		3,000,000.00
3½% of 1990	2,130,500.00		2,130,500.00
3½% of 1998	3,950,000.00		3,950,000.00
Total investments	57,126,500.00	17,951,500.00	75,078,000.00
Undisbursed balance	11,789,093.14	586,368.38	12,375,461.52
Total assets	68,915,593.14	18,537,868.38	87,453,461.52

[1] As provided in the act (5 U.S.C. 3008(a)).

[2] Difference between cost and face value of investments.

TABLE 67.—*Retired employees health benefits fund, Civil Service Commission, June 30, 1967*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of Sept. 8, 1960 (5 U.S.C. 3057)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Direct appropriations (Government contribution)	$71,265,000.00	$11,999,000.00	$83,264,000.00
Annuitants withholdings	64,220,363.13	9,047,596.42	73,267,959.55
Interest and profits on investments	16,736.26	311,987.59	328,723.85
Total receipts	135,502,099.39	21,358,584.01	156,860,683.40
Expenditures:			
Subscription charges paid to carrier	100,148,883.20	14,235,663.52	114,384,546.72
Government contributions paid to annuitants [1]	31,740,528.53	6,147,546.97	37,888,075.50
Administrative expenses	1,838,514.51	429,504.15	2,268,018.66
Interest on loans	6,409.00		6,409.00
Other [2]	−733,593.52	27,970.87	−705,622.65
Total expenditures	133,000,741.72	20,840,685.51	153,841,427.23
Balance	2,501,357.67	517,898.50	3,019,256.17

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Public issues:			
Treasury bills	$1,034,000.00	$304,000.00	$1,338,000.00
Treasury bonds, 4% of 1969	100,000.00		100,000.00
Total investments	1,134,000.00	304,000.00	1,438,000.00
Undisbursed balance	1,367,357.67	213,898.50	1,581,256.17
Total assets	2,501,357.67	517,898.50	3,019,256.17

[1] 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.

[2] Difference between cost and face value of investments.

TABLE 68.—*Employees' life insurance fund, Civil Service Commission, June 30, 1967*

[On basis of reports from the Civil Service Commission. This trust revolving fund was established in accordance with the provisions of the act of Aug. 17, 1954, as amended (5 U.S.C. 2091(c))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Employees' withholdings	$1,022,966,425.38	$126,725,413.39	$1,149,691,838.77
Government contributions	511,507,514.04	63,363,267.91	574,870,781.95
Premiums collected from beneficial association members	29,451,555.54	2,912,968.61	32,364,524.15
Interest and profits on investments	67,814,289.02	16,337,388.09	84,151,677.11
Other	3,666.09	40,049.04	43,715.13
Assets acquired from beneficial associations:			
U.S. securities	13,958,336.40	----------	13,958,336.40
Other	8,068,787.33	53,166.73	8,121,954.06
Total receipts	1,653,770,573.80	209,432,253.77	1,863,202,827.57
Expenditures:			
Premiums paid to insurance companies:			
For Federal employees generally	1,506,721,385.25	187,757,571.36	1,694,478,956.61
Less return of premiums paid [1]	280,112,569.33	50,012,996.01	330,125,565.34
For beneficial association members	48,942,642.33	7,641,034.29	56,583,676.62
Less return of premiums paid [2]	7,118,331.24	1,722,835.08	8,841,166.32
Administrative expenses	2,438,433.39	367,840.49	2,806,273.88
Other [3]	−16,854,609.72	−3,893,378.29	−20,747,988.01
Total expenditures	1,254,016,950.68	140,137,236.76	1,394,154,187.44
Balance	399,753,623.12	69,295,017.01	469,048,640.13

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Public issues:			
Treasury bills	$1,633,000.00	−$33,000.00	$1,600,000.00
Treasury notes:			
4¾% Series B-1972	----------	1,015,000.00	1,015,000.00
Treasury bonds:			
2½% of 1962-67	1,015,000.00	−1,015,000.00	----------
2½% of 1963-68	3,000,000.00	----------	3,000,000.00
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
2½% of 1966-71	3,864,500.00	----------	3,864,500.00
3⅞% of 1968	22,105,000.00	----------	22,105,000.00
3¾% of 1968	1,500,000.00	----------	1,500,000.00
4% of 1969	15,330,000.00	----------	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
4% of 1972 (dated Sept. 15, 1962)	10,000,000.00	----------	10,000,000.00
4% of 1972 (dated Nov. 15, 1962)	5,783,000.00	----------	5,783,000.00
4⅛% of 1973	8,650,000.00	----------	8,650,000.00
4⅛% of 1974	15,000,000.00	----------	15,000,000.00
4¼% of 1974	18,255,000.00	10,606,000.00	28,861,000.00
3⅞% of 1974	20,220,000.00	2,000,000.00	22,220,000.00
4¼% of 1975-85	31,785,000.00	8,827,000.00	40,612,000.00
3¼% of 1978-83	11,033,000.00	1,054,000.00	12,087,000.00
3½% of 1980	14,306,500.00	2,433,500.00	16,740,000.00
4% of 1980	39,942,500.00	6,654,000.00	46,596,500.00
3¼% of 1985	8,486,500.00	----------	8,486,500.00
4¼% of 1987-92	40,348,500.00	13,442,500.00	53,791,000.00
4% of 1988-93	15,197,000.00	1,329,500.00	16,526,500.00
4⅛% of 1989-94	25,102,500.00	8,681,000.00	33,783,500.00
3½% of 1990	31,276,000.00	----------	31,276,000.00
3% of 1995	135,500.00	----------	135,500.00
3½% of 1998	21,358,500.00	----------	21,358,500.00
2¾% Investment Series B-1975-80	179,000.00	----------	179,000.00
U.S. savings bonds:			
Series J (2.76%)	586,900.00	−13,900.00	573,000.00
Series K (2.76%)	15,000.00	----------	15,000.00
Total investments	394,414,400.00	54,980,600.00	449,395,000.00
Undisbursed balance	5,339,223.12	14,314,417.01	19,653,640.13
Total assets	399,753,623.12	69,295,017.01	469,048,640.13

[1] 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)).
[2] Return of premium payments in excess of annual claims paid, expenses, and other costs.
[3] Difference between cost and face value of investments.

TABLE 69.—*Federal disability insurance trust fund, June 30, 1967*

[This trust fund was established in accordance with the provisions of the Social Security Act amendments approved Aug. 1, 1956 (42 U.S.C. 401(b))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Appropriations [1]	$9,529,267,161.55	$2,085,603,195.41	$11,614,870,356.96
Less refund of internal revenue collections	−94,472,625.00	−19,437,375.00	−113,910,000.00
Deposits by States	705,427,809.25	183,231,028.81	888,658,838.06
Interest and profits on investments	492,395,786.08	66,340,400.10	558,736,186.18
Payments from railroad retirement account	26,831,000.00		26,831,000.00
Other (HEW)	43,429.79	[2] 286,671.63	330,101.42
Transfers from general fund		16,000,000.00	16,000,000.00
Total receipts	10,659,492,561.67	2,332,023,920.95	12,991,516,482.62
Expenditures:			
Benefit payments	8,286,534,661.90	1,860,789,067.34	10,147,323,729.24
To railroad retirement account	103,503,000.00	30,634,000.00	134,137,000.00
Administrative expenses:			
To general fund	33,857,774.69	5,065,288.78	38,923,063.47
Salaries and expenses		104,021,295.13	104,021,295.13
Construction of buildings		216,408.00	216,408.00
Vocational Rehabilitation—Administrative expenses	115,000.00	299,000.00	414,000.00
Vocational rehabilitation program payment	1,493,049.00	6,534,305.53	8,027,354.53
To Federal old-age and survivors insurance trust fund	547,828,438.00	[3] −10,980,555.00	536,847,883.00
Total expenditures	8,973,331,923.59	1,996,578,809.78	10,969,910,733.37
Balance	1,686,160,638.08	335,445,111.17	2,021,605,749.25

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Federal disability insurance trust fund series maturing June 30:			
Treasury notes:			
4⅞% of 1971	$158,195,000.00	−$83,300,000.00	$74,895,000.00
4¾% of 1974		309,178,000.00	309,178,000.00
Treasury bonds:			
2⅝% of 1974	77,006,000.00		77,006,000.00
3¾% of 1974	20,738,000.00		20,738,000.00
2⅝% of 1975	132,894,000.00		132,894,000.00
3¾% of 1975	20,738,000.00		20,738,000.00
3¾% of 1976	153,632,000.00		153,632,000.00
3¾% of 1977	153,632,000.00		153,632,000.00
3⅞% of 1978	153,632,000.00		153,632,000.00
4⅛% of 1979	153,632,000.00		153,632,000.00
4⅛% of 1980	125,606,000.00		125,606,000.00
Total special issues	1,149,705,000.00	225,878,000.00	1,375,583,000.00
Public issues:			
Treasury bonds:			
3⅞% of 1968 (dated June 23, 1960)	3,750,000.00		3,750,000.00
3⅞% of 1968 (dated Sept. 15, 1963)	5,000,000.00		5,000,000.00
3¾% of 1968	5,000,000.00		5,000,000.00
4% of 1969 (dated Oct. 1, 1957)	26,000,000.00		26,000,000.00
4% of 1970 (dated Jan. 15, 1965)	10,000,000.00		10,000,000.00
4% of 1970 (dated June 20, 1963)	14,000,000.00		14,000,000.00
4% of 1972 (dated Nov. 15, 1962)	2,000,000.00		2,000,000.00
4% of 1972 (dated Sept. 15, 1962)	2,000,000.00		2,000,000.00
4% of 1973	16,500,000.00		16,500,000.00
3⅞% of 1974	5,000,000.00		5,000,000.00
4⅛% of 1974	10,000,000.00		10,000,000.00
4¼% of 1975–85	20,795,000.00		20,795,000.00
4% of 1980	30,250,000.00		30,250,000.00
4¼% of 1987–92	80,800,000.00		80,800,000.00
4⅛% of 1989–94	68,400,000.00		68,400,000.00
3½% of 1990	10,500,000.00		10,500,000.00
3½% of 1998	5,000,000.00		5,000,000.00
Total public issues	314,995,000.00		314,995,000.00

Footnotes at end of table.

TABLE 69.—*Federal disability insurance trust fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in nonguaranteed securities:			
Federal home loan bank bonds:			
5⅞% of 1967		$18,000,000.00	$18,000,000.00
6¼% of 1967		30,000,000.00	30,000,000.00
6% of 1967		26,000,000.00	26,000,000.00
Federal intermediate credit bank debentures:			
6.20% of 1967		10,000,000.00	10,000,000.00
Federal National Mortgage Association, secondary market debentures:			
5⅞% of 1968		10,000,000.00	10,000,000.00
Total nonguaranteed securities		94,000,000.00	94,000,000.00
Participation certificates:			
Federal Assets Liquidation Trust, Federal National Mortgage Association, trustee:			
5½% of 1972		50,000,000.00	50,000,000.00
Total participation certificates		50,000,000.00	50,000,000.00
Total investments—par value	$1,464,700,000.00	369,878,000.00	1,834,578,000.00
Unamortized discount and premium on investments (net)	−2,071,510.29	120,922.01	−1,950,588.28
Total investments	1,462,628,489.71	369,998,922.01	1,832,627,411.72
Undisbursed balance [4]	223,532,148.37	−34,553,810.84	188,978,337.53
Total assets	1,686,160,638.08	335,445,111.17	2,021,605,749.25

[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, the Federal old-age and survivors insurance trust fund, and the Federal hospital insurance trust fund.

[2] Includes $270,000.00 reimbursement of interest from Federal old-age and survivors insurance trust fund.

[3] Reimbursement from Federal old-age and survivors insurance trust fund which includes a refund of $229,170.00 excess interest paid in June 1966.

[4] Includes the following balances in accounts as of June 30:

	1966	*1967*
Benefit payments	$223,529,197.37	$188,602,692.07
Vocational rehabilitation program payments	2,951.00	375,645.46

TABLE 70.—*Federal hospital insurance trust fund, June 30, 1967*

[This trust fund was established in accordance with the provisions of the Social Security Act amendments approved July 30, 1965 (42 U.S.C. 1395(i))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Appropriations [1]	$862,000,000.00	$2,482,722,429.53	$3,344,722,429.53
Less refund of internal revenue collections			
Deposits by States	46,796,913.88	205,961,977.52	252,758,891.40
Interest and profits on investments	6,898,007.15	45,882,460.55	52,780,467.70
Transfers from general fund		337,850,000.00	337,850,000.00
Payments from railroad retirement accounts		16,305,000.00	16,305,000.00
Other		8,344.91	8,344.91
Total receipts	915,694,921.03	3,088,730,212.51	4,004,425,133.54
Expenditures:			
Benefit payments		2,507,772,978.73	2,507,772,978.73
Administrative expenses:			
To general fund	1,706,531.62	4,100,700.64	5,807,232.26
To Federal old-age and survivors insurance trust fund	62,784,855.00	[2] 827,437.00	63,612,292.00
Salaries and expenses		81,904,942.34	81,904,942.34
Public health services		2,107,000.00	2,107,000.00
Total expenditures	64,491,386.62	2,596,713,058.71	2,661,204,445.33
Balance	851,203,534.41	492,017,153.80	1,343,220,688.21

Footnotes at end of table.

TABLE 70.—*Federal hospital insurance trust fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Federal hospital insurance trust fund series maturing June 30:			
Certificates of indebtedness:			
4⅞% of 1967	$52,383,000.00	−$52,383,000.00	
4¾% of 1968		15,718,000.00	$15,718,000.00
Treasury notes:			
4⅞% of 1968	52,383,000.00	−52,383,000.00	
4¾% of 1969		46,131,000.00	46,131,000.00
4⅞% of 1969	52,383,000.00	−52,383,000.00	
4⅞% of 1970	52,383,000.00	−6,252,000.00	46,131,000.00
4⅞% of 1971	576,226,000.00		576,226,000.00
4¾% of 1972		46,131,000.00	46,131,000.00
4¾% of 1973		46,131,000.00	46,131,000.00
4¾% of 1974		415,179,000.00	415,179,000.00
Total special issues	785,758,000.00	405,889,000.00	1,191,647,000.00
Investments in nonguaranteed securities:			
Federal land bank bonds:			
5⅞% of 1967		15,000,000.00	15,000,000.00
Federal National Mortgage Association secondary market operation debentures:			
6% of 1967		41,500,000.00	41,500,000.00
Total nonguaranteed securities		56,500,000.00	56,500,000.00
Participation certificates:			
Federal Assets Liquidation Trust, Federal National Mortgage Association, trustee:			
5.20% of 1982		50,000,000.00	50,000,000.00
Total participation certificates		50,000,000.00	50,000,000.00
Total investments, par value	785,758,000.00	512,389,000.00	1,298,147,000.00
Unamortized discount and premium on investments (net)		20,894.07	20,894.07
Total investments	785,758,000.00	512,409,894.07	1,298,167,894.07
Undisbursed balance	65,445,534.41	−20,392,740.27	45,052,794.14
Total assets	851,203,534.41	492,017,153.80	1,343,220,688.21

[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, the Federal old-age and survivors insurance trust fund, and the Federal disability insurance trust fund.

[2] Reimbursement including $69,145 interest.

TABLE 71.—*Federal supplementary medical insurance trust fund, June 30, 1967*

[This trust fund was established in accordance with the provisions of the Social Security Act amendments approved July 30, 1965 (42 U.S.C. 1395(t))]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Premiums transferred from Federal old-age and survivors insurance trust fund, Federal disability insurance trust fund, railroad retirement account, and civil service retirement and disability fund		$527,901,607.14	$527,901,607.14
Premiums deposited by States		32,135,900.00	32,135,900.00
Premium collections by Social Security Administration		86,644,135.41	86,644,135.41
Federal matching contributions		623,000,000.00	623,000,000.00
Interest on investments		15,041,275.05	15,041,275.05
Miscellaneous income		10,879.22	10,879.22
Total receipts		1,284,733,796.82	1,284,733,796.82
Expenditures:			
Benefit payments		664,260,684.06	664,260,684.06
Administrative expenses:			
Salaries and expenses		107,969,999.30	107,969,999.30
To general fund		9,745.00	9,745.00
To civil service		82,555.00	82,555.00
To Federal old-age and survivors insurance trust fund		25,214,668.00	25,214,668.00
To Public Health Service		1,405,000.00	1,405,000.00
Total expenditures		798,942,651.36	798,942,651.36
Balance		485,791,145.46	485,791,145.46

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1967	Fiscal year 1967, increase or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Federal supplementary medical insurance trust fund series, maturing June 30:			
Treasury certificates of indebtedness:			
4¾% of 1968		$31,923,000.00	$31,923,000.00
Treasury notes:			
4¾% of 1969		31,923,000.00	31,923,000.00
4¾% of 1970		31,923,000.00	31,923,000.00
4¾% of 1971		31,923,000.00	31,923,000.00
4¾% of 1972		31,923,000.00	31,923,000.00
4¾% of 1973		31,923,000.00	31,923,000.00
4¾% of 1974		287,311,000.00	287,311,000.00
Total investments		478,849,000.00	478,849,000.00
Undisbursed balance		6,942,145.46	6,942,145.46
Total assets		485,791,145.46	485,791,145.46

TABLE 72.—*Federal old-age and survivors insurance trust fund, June 30, 1967*

[This trust fund, the successor of 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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Appropriations [1]	$151,177,450,053.81	$20,994,312,207.80	$172,171,762,261.61
Less refund of internal revenue collections	−1,364,299,875.00	−262,718,875.00	−1,627,018,750.00
Deposits by States	8,764,999,312.30	1,835,408,473.55	10,600,407,785.85
Interest and profits on investments	9,351,345,377.40	725,327,101.43	10,076,672,478.83
Transfers from general fund [2]	15,386,400.00	78,000,000.00	93,386,400.00
Payments from railroad retirement account	35,393,000.00		35,393,000.00
Other [3]	20,706,683.80	873,994.21	21,580,678.01
Total receipts	168,000,980,952.31	23,371,202,901.99	191,372,183,854.30
Expenditures:			
Benefit payments	141,724,642,454.63	18,885,714,203.69	160,610,356,658.32
Construction of buildings	37,181,422.11	1,170,516.86	38,351,938.97
To railroad retirement account	3,122,017,000.00	508,046,000.00	3,630,063,000.00
Administrative expenses:			
Salaries and expenses [4]	3,001,970,767.47	289,569,208.31	3,291,539,975.78
To general fund	800,548,677.75	52,422,814.66	852,971,492.41
To Department of Health, Education, and Welfare	33,831,350.00	4,986,275.00	38,817,625.00
From Federal disability insurance trust fund	−529,589,370.00	11,019,385.00	−518,569,985.00
From Federal hospital insurance trust fund	−61,857,000.00	−743,292.00	−62,600,292.00
From Federal supplementary medical insurance trust fund		−24,225,668.00	−24,225,668.00
Vocational Rehabilitation-Administrative expenses		90,000.00	90,000.00
Total expenditures	148,128,745,301.96	19,728,049,443.52	167,856,794,745.48
Balance	19,872,235,650.35	3,643,153,458.47	23,515,389,108.82

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Federal old-age and survivors insurance trust fund series maturing June 30:			
Certificates of indebtedness:			
4¾% of 1968		$940,393,000.00	$940,393,000.00
Treasury notes:			
4⅞% of 1968	$363,207,000.00	−223,589,000.00	139,618,000.00
4⅞% of 1969	1,080,011,000.00		1,080,011,000.00
4⅞% of 1970	296,526,000.00		296,526,000.00
4⅞% of 1971	1,080,011,000.00		1,080,011,000.00
4¾% of 1974		2,720,279,000.00	2,720,279,000.00
Treasury bonds:			
2⅝% of 1970	783,485,000.00		783,485,000.00
2⅝% of 1971	1,080,011,000.00		1,080,011,000.00
2⅝% of 1972	1,080,011,000.00		1,080,011,000.00
2⅝% of 1973	1,080,011,000.00		1,080,011,000.00
2⅝% of 1974	1,080,011,000.00		1,080,011,000.00
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
3⅞% of 1977	1,080,011,000.00		1,080,011,000.00
3⅞% of 1978	658,444,000.00		658,444,000.00
4⅛% of 1978	421,567,000.00		421,567,000.00
4⅛% of 1979	1,080,011,000.00		1,080,011,000.00
4⅛% of 1980	1,080,011,000.00		1,080,011,000.00
Total special issues	14,403,350,000.00	3,437,083,000.00	17,840,433,000.00

Footnotes at end of table.

TABLE 72.—*Federal old-age and survivors insurance trust fund, June 30, 1967*—Con.

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities—Con.			
Public issues:			
Treasury bonds:			
2½% of 1964–69 (dated Apr. 15, 1943)	$22,180,000.00		$22,180,000.00
2½% of 1964–69 (dated Sept. 15, 1943)	33,000,000.00		33,000,000.00
2½% of 1967–72 (dated Oct. 20, 1941)	250.00		250.00
3¾% of 1968	7,000,000.00		7,000,000.00
3⅞% of 1968	17,450,000.00		17,450,000.00
4% of 1969 (dated Aug. 15, 1962)	5,000,000.00		5,000,000.00
4% of 1969 (dated Oct. 1, 1957)	57,500,000.00		57,500,000.00
4% of 1970	15,000,000.00		15,000,000.00
4% of 1971	100,000,000.00		100,000,000.00
4% of 1973	38,000,000.00		38,000,000.00
3⅞% of 1974	24,500,000.00		24,500,000.00
4⅛% of 1974	61,934,000.00		61,934,000.00
4¼% of 1974	6,352,000.00		6,352,000.00
4¼% of 1975–85	78,023,000.00		78,023,000.00
3¼% of 1978–83	60,200,000.00		60,200,000.00
4% of 1980	153,100,000.00		153,100,000.00
3½% of 1980	449,450,000.00		449,450,000.00
3¼% of 1985	25,700,000.00		25,700,000.00
4¼% of 1987–92	33,000,000.00		33,000,000.00
4⅛% of 1989–94	91,300,000.00		91,300,000.00
3½% of 1990	556,250,000.00		556,250,000.00
3% of 1995	70,170,000.00		70,170,000.00
3½% of 1998	552,037,000.00		552,037,000.00
2¾% Investment Series B–1975–80	1,064,902,000.00		1,064,902,000.00
Total public issues	3,522,048,250.00		3,522,048,250.00
Investments in nonguaranteed securities:			
Federal land bank bonds:			
5⅛% of 1967		$15,000,000.00	15,000,000.00
Federal home loan bank bonds:			
5⅞% of 1967		18,000,000.00	18,000,000.00
6% of 1967		26,000,000.00	26,000,000.00
6¼% of 1967		30,000,000.00	30,000,000.00
5⅜% of 1968		25,000,000.00	25,000,000.00
Federal intermediate credit bank debentures:			
5.15% of 1967		17,000,000.00	17,000,000.00
6.20% of 1967		10,000,000.00	10,000,000.00
Federal National Mortgage Association secondary market operations debentures:			
5⅛% of 1968		10,000,000.00	10,000,000.00
5⅛% of 1969		25,000,000.00	25,000,000.00
6% of 1969		41,500,000.00	41,500,000.00
Total nonguaranteed securities		217,500,000.00	217,500,000.00
Investments in participation certificates:			
Federal Assets Liquidation Trust, Federal National Mortgage Association, trustee:			
5½% of 1972		50,000,000.00	50,000,000.00
5.20% of 1982		100,000,000.00	100,000,000.00
5.10% of 1987		50,000,000.00	50,000,000.00
Total participation certificates		200,000,000.00	200,000,000.00
Total investments, par value	17,925,398,250.00	3,854,583,000.00	21,779,981,250.00
Unamortized premium and discount (net)	−16,742,871.12	860,458.45	−15,882,412.67
Total investments	17,908,655,378.88	3,855,443,458.45	21,764,098,837.33
Undisbursed balance [5]	1,963,580,271.47	−212,289,999.98	1,751,290,271.49
Total assets	19,872,235,650.35	3,643,153,458.47	23,515,389,108.82

[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, the Federal disability insurance trust fund, and the Federal hospital insurance trust fund.
[2] In connection with payments of benefits to survivors of certain World War II veterans who died within 3 years after separation from active service.
[3] Incidental recoveries, and, beginning with fiscal year 1958, includes reimbursement of interest in the net amount of $14,428,498.00 transferred from the Federal disability insurance trust fund; beginning with the fiscal year 1966, $1,012,000.00 from the Federal hospital insurance trust fund; and beginning with the fiscal year 1967, $989,000.00 from the Federal supplementary medical insurance trust fund.
[4] Paid directly from the trust fund beginning with the fiscal year 1947 under annual appropriation acts.
[5] Includes the following balances in accounts as of June 30:

	1966	*1967*
Benefit payments	$1,956,498,224.24	$1,738,326,446.78
Salaries and expenses	6,257,253.41	12,558,913.74
Construction of buildings	824,793.82	404,910.97

TABLE 73.—*Foreign service retirement and disability fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Deductions from salaries, service credit payments, and voluntary contributions of employees subject to retirement act	$47, 764, 768. 86	$4, 277, 826. 04	$52, 042, 594. 90
Appropriations [1]	25, 815, 900. 00	----------------	25, 815, 900. 00
Payments by employing agency [1]	16, 996, 732. 61	4, 178, 319. 81	21, 175, 052. 42
Receipts from civil service retirement and disability fund	5, 286, 837. 92	1, 066, 088. 69	6, 352, 926. 61
Adjustments in widow survivor benefits	15, 675. 00	4, 200. 00	19, 875. 00
Interest and profits on investments	21, 403, 113. 95	1, 665, 326. 58	23, 068, 440. 53
Total receipts	117, 283, 028. 34	11, 191, 761. 12	128, 474, 789. 46
Expenditures:			
Annuity payments and refunds	74, 792, 703. 74	10, 582, 087. 14	85, 374, 790. 88
Balance	42, 490, 324. 60	609, 673. 98	43, 099, 998. 58

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967 increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, foreign service retirement fund series maturing June 30:			
3% of 1967	$1, 125, 000. 00	−$1, 125, 000. 00	----------------
4% of 1967	40, 463, 000. 00	−40, 463, 000. 00	----------------
3% of 1968	----------------	1, 125, 000. 00	$1, 125, 000. 00
4% of 1968	----------------	41, 020, 000. 00	41, 020, 000. 00
Total investments	41, 588, 000. 00	557, 000. 00	42, 145, 000. 00
Undisbursed balance	902, 324. 60	52, 673. 98	954, 998. 58
Total assets	42, 490, 324. 60	609, 673. 98	43, 099, 998. 58

[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 employee's salaries.

TABLE 74.—*Highway trust fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Excise taxes [1]			
Gasoline [2]	$22,177,864,944.45	$3,137,122,764.38	$25,314,987,708.83
Diesel and special motor fuels	953,309,803.86	190,006,073.95	1,143,315,877.81
Tires [2]	2,713,771,849.04	481,951,255.36	3,195,723,104.40
Tread rubber [2]	185,010,053.95	28,043,311.10	213,053,365.05
Trucks, buses, and trailers [2]	2,141,621,407.09	524,548,804.19	2,666,170,211.28
Truck use	661,242,860.83	111,534,136.61	772,776,997.44
Inner tubes [2]	177,955,553.74	33,282,230.13	211,237,783.87
Other tires	272,718,179.33		272,718,179.33
Parts and accessories for trucks, buses, etc	7,000,000.00	69,155,006.11	76,155,006.11
Lubricating oils	23,000,000.00	108,125,601.94	131,125,601.94
Total taxes	29,313,494,652.29	4,683,769,183.77	33,997,263,836.06
Transfer to land and water conservation fund	32,400,000.00	31,400,000.00	63,800,000.00
Gross taxes	29,281,094,652.29	4,652,369,183.77	33,933,463,836.06
Deduct—Reimbursement to general fund—refund of tax receipts:			
Gasoline used on farms	846,112,706.09	148,262,871.71	994,375,577.80
Gasoline for nonhighway purposes or local transit systems	197,154,353.74	23,148,804.05	220,303,157.79
Gasoline, other	103,007.84		103,007.84
Tires and tread rubber	97,416.90		97,416.90
Trucks, buses, and trailers	66,650.55		66,650.55
Floor stock taxes		−640.38	−640.38
Lubricating oils not used in highway motor vehicles		40,096,001.85	40,096,001.85
Total refunds of taxes	1,043,534,135.12	211,507,037.23	1,255,041,172.35
Net taxes	28,237,560,517.17	4,440,862,146.54	32,678,422,663.71
Interest on investment	98,656,300.65	14,225,035.15	112,881,335.80
Advances from general fund	489,000,000.00		489,000,000.00
Less return of advances to general fund	−489,000,000.00		−489,000,000.00
Net receipts	28,336,216,817.82	4,455,087,181.69	32,791,303,999.51
Expenditures:			
Highway program:			
Reimbursement to general fund	501,018,553.13		501,018,553.13
Federal Aid Highway Act of 1956	27,582,854,633.56	3,973,356,015.40	31,556,210,648.96
Pentagon road network	2,152,100.52	69,953.07	2,222,053.59
Total highway program	28,086,025,287.21	3,973,425,968.47	32,059,451,255.68
Services of Department of Labor (administration and enforcement of labor standards)	368,225.00		368,225.00
Interest on advances from general fund	6,288,481.44		6,288,481.44
Total expenditures	28,092,681,993.65	3,973,425,968.47	32,066,107,962.12
Balance	243,534,824.17	481,661,213.22	725,196,037.39

Footnotes at end of table.

TABLE 74.—*Highway trust fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967 increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, highway trust fund series maturing June 30:			
4⅛% of 1967	$237,763,000.00	−$237,763,000.00	
4⅛% of 1968		721,710,000.00	$721,710,000.00
Total investments	237,763,000.00	483,947,000.00	721,710,000.00
Undisbursed balances	5,771,824.17	−2,285,786.78	3,486,037.39
Total assets	243,534,824.17	481,661,213.22	725,196,037.39

[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 75.—*Judicial survivors annuity fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Deductions from salaries and contributions	$6,365,875.00	$883,796.89	$7,249,671.89
Interest and profits on investments	541,288.26	128,628.13	669,916.39
Total receipts	6,907,163.26	1,012,425.02	7,919,588.28
Expenditures:			
Annuity payments, refunds, etc	3,794,919.99	539,808.70	4,334,728.69
Balance	3,112,243.27	472,616.32	3,584,859.59

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967 increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Public issues:			
Treasury notes:			
5⅝%, Series B-1971		$146,000.00	$146,000.00
Treasury bonds:			
3⅞% of 1968	$195,000.00		195,000.00
4% of 1969	40,500.00		40,500.00
4% of 1971	240,000.00		240,000.00
4% of 1972 (dated Sept. 15, 1962)	150,000.00		150,000.00
4⅛% of 1973	70,000.00		70,000.00
3⅞% of 1974	169,000.00		169,000.00
4¼% of 1974	122,000.00		122,000.00
4¼% of 1975-85	537,500.00		537,500.00
3¼% of 1978-83	93,500.00	180,000.00	273,500.00
3½% of 1980	199,500.00		199,500.00
4% of 1980	500,500.00		500,500.00
4¼% of 1987-92	274,000.00	145,500.00	419,500.00
4⅛% of 1989-94	167,000.00		167,000.00
3½% of 1990	188,500.00		188,500.00
3% of 1995	51,000.00		51,000.00
3½% of 1998	113,500.00		113,500.00
Total investments	3,111,500.00	471,500.00	3,583,000.00
Undisbursed balance	743.27	1,116.32	1,859.59
Total assets	3,112,243.27	472,616.32	3,584,859.59

TABLE 76.—*Library of Congress trust funds, June 30, 1967*

[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, 1966	Fiscal year 1967	June 30, 1967	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Name of donor:									
Babine, Alexis V.	$6,684.74		$6,684.74	$7,748.95	$267.38	$8,016.33	$1,785.58		$1,785.58
Benjamin, William E.	83,083.31		83,083.31	62,928.59	3,323.34	66,251.93	49,744.50		49,744.50
Bowker, Richard R.	14,843.15		14,843.15	7,638.90	593.72	8,232.62	8,024.80		8,024.80
Carnegie Corporation of New York	93,307.98		93,307.98	105,633.46	3,732.32	109,365.78	37,838.36		37,838.36
Coolidge, Elizabeth S.	804,444.26		804,444.26	429,684.69	32,177.78	461,862.47	131,904.76		131,904.76
Elson, Louis C., memorial fund	12,585.03		12,585.03	10,643.71	503.40	11,147.11			
Friends of Music in the Library of Congress	9,009.09	$200.00	9,209.09	5,245.38	364.24	5,609.62	318.22		318.22
Guggenheim, Daniel	90,654.22		90,654.22	101,174.42	3,626.16	104,800.58	32,759.36		32,759.36
Hanks, Nymphus Corridon	5,227.31		5,227.31	2,184.06	209.10	2,393.16			
Huntington, Archer M.	260,577.66		260,577.66	204,508.89	10,423.10	214,931.99	434,578.87	[1] $22,939.02	457,511.89
Koussevitzky Music Foundation, Inc.	208,099.41		208,099.41	104,265.27	8,323.98	112,589.25			
Longworth, Nicholas, Foundation	10,691.59		10,691.59	10,252.88	427.66	10,680.54	757.02		757.02
Miller, Dayton C.	20,548.18		20,548.18	17,653.05	821.92	18,474.97	412.50		412.50
National Library for the Blind, Inc.	36,015.00		36,015.00	19,702.47	1,440.60	21,143.07			
Pennell, Joseph	303,250.46		303,250.46	304,399.46	12,130.02	316,529.48	85,487.80		85,487.80
Porter, Henry K., memorial fund	290,500.00		290,500.00	231,288.04	11,620.00	242,908.04	25,369.03		25,369.03
Roberts fund	62,703.75		62,703.75	38,064.77	2,508.16	40,572.93			
Scala, Norman P., memorial fund		84,457.46	84,457.46		2,698.97	2,698.97			
Sonneck memorial fund	12,088.13		12,088.13	13,488.22	483.52	13,971.74	4,429.73		4,429.73
Stern memorial fund	27,548.58		27,548.58	2,036.13	1,101.94	3,138.07	75.00		75.00
Whittall, Gertrude C.:									
Collection of Stradivari instruments and Tourte bows	1,526,716.17	11,893.27	1,538,609.44	[r] 805,991.49	61,069.96	867,061.45	3,382.00		3,382.00
Poetry fund	402,804.93	11,893.27	414,698.20	[r] 68,747.27	16,113.51	84,860.78			
General literature	393,279.59		393,279.59	127,356.50	15,731.18	143,087.68	2,168.26		2,168.26
Appreciation and understanding of good literature	150,000.00		150,000.00	73,898.31	6,000.00	79,898.31			
Wilbur, James B.	305,813.57		305,813.57	349,992.88	12,232.56	362,225.44	107,345.09		107,345.09
Donations and investment income	5,130,476.11	108,444.00	5,238,920.11	3,104,527.79	207,924.52	3,312,452.31	926,380.88	22,939.02	949,319.90
Expenditures from investment income				2,841,999.27	199,314.87	3,041,314.14	917,366.69	21,166.16	938,532.85
Balances in the accounts	5,130,476.11	108,444.00	5,238,920.11	262,528.52	8,609.65	271,138.17	9,014.19	1,772.86	10,787.05

[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.
[r] Revised

TABLE 77.—*National service life insurance fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Premiums and other receipts	$11,803,920,125.35	$486,633,810.22	$12,290,553,935.57
Interest on investments	3,684,986,225.71	200,484,801.49	3,885,471,027.20
Payments from general fund	4,765,018,372.09	5,794,457.09	4,770,812,829.18
Total receipts	20,253,924,723.15	692,913,068.80	20,946,837,791.95
Expenditures:			
Benefit payments, dividends, and refunds	14,131,816,417.18	728,899,054.30	14,860,715,471.48
Balance	6,122,108,305.97	−35,985,985.50	6,086,122,320.47

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, national service life insurance fund series maturing June 30:			
Certificates of indebtedness:			
4⅜% of 1967	$13,696,000.00	−$13,696,000.00	
Treasury notes:			
3⅝% of 1967	6,946,000.00	−6,946,000.00	
3⅝% of 1968	6,946,000.00		$6,946,000.00
4⅜% of 1968	13,696,000.00		13,696,000.00
3⅝% of 1969	6,946,000.00		6,946,000.00
4⅜% of 1969	13,696,000.00		13,696,000.00
3⅝% of 1970	6,946,000.00		6,946,000.00
4⅜% of 1970	13,696,000.00		13,696,000.00
4⅜% of 1971	544,480,000.00		544,480,000.00
Treasury bonds:			
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	−186,360,000.00	192,640,000.00
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
3⅝% of 1971	6,946,000.00		6,946,000.00
3¾% of 1971	7,873,000.00		7,873,000.00
3% of 1972	379,000,000.00		379,000,000.00
3⅝% of 1972	6,946,000.00		6,946,000.00
3¾% of 1972	7,873,000.00		7,873,000.00
3% of 1973	379,000,000.00		379,000,000.00
3⅝% of 1973	6,946,000.00		6,946,000.00
3¾% of 1973	7,873,000.00		7,873,000.00
3% of 1974	379,000,000.00		379,000,000.00
3⅝% of 1974	6,946,000.00		6,946,000.00
3¾% of 1974	7,873,000.00		7,873,000.00
3⅝% of 1975	6,946,000.00		6,946,000.00
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
3⅝% of 1976	6,946,000.00		6,946,000.00
3¼% of 1977	386,307,000.00		386,307,000.00
3⅝% of 1977	7,512,000.00		7,512,000.00
3⅜% of 1978	298,259,000.00		298,259,000.00
3⅝% of 1978	95,560,000.00		95,560,000.00
3⅝% of 1979	393,819,000.00		393,819,000.00
3⅝% of 1980	393,819,000.00		393,819,000.00
4¼% of 1981		225,452,000.00	225,452,000.00
Total special issues	6,112,730,000.00	−368,423,000.00	5,744,307,000.00

Footnotes at end of table.

TABLE 77.—*National service life insurance fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease(—)	June 30, 1967
Investments in nonguaranteed securities:			
Federal land bank bonds:			
5⅛% of 1967		$15,000,000.00	$15,000,000.00
Federal home loan bank bonds:			
6% of 1967		35,000,000.00	35,000,000.00
5⅜% of 1968		25,000,000.00	25,000,000.00
Federal intermediate credit bank debentures:			
6.20% of 1967		25,000,000.00	25,000,000.00
5.15% of 1967		17,000,000.00	17,000,000.00
Federal National Mortgage Association secondary market operations debentures:			
5⅛% of 1969		25,000,000.00	25,000,000.00
6% of 1969		42,500,000.00	42,500,000.00
Total nonguaranteed securities		184,500,000.00	184,500,000.00
Investments in participation certificates:			
Federal Assets Liquidation Trust, Federal National Mortgage Association, trustee:			
4.75% of 1969		25,000,000.00	25,000,000.00
5¼% of 1969		25,000,000.00	25,000,000.00
5.20% of 1972		25,000,000.00	25,000,000.00
5.20% of 1972		75,000,000.00	75,000,000.00
Total participation certificates		150,000,000.00	150,000,000.00
Total investments	$6,112,730,000.00	—33,923,000.00	6,078,807,000.00
Undisbursed balance	9,378,305.97	—2,062,985.50	7,315,320.47
Total assets	6,122,108,305.97	—35,985,985.50	6,086,122,320.47

NOTE.—Policy loans outstanding, on basis of information furnished by the Veterans' Administration, amounted to $656,224,079.08 as of June 30, 1967.

TABLE 78.—*Pershing Hall Memorial fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
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	166,998.88	$7,385.00	174,383.88
Total receipts	666,815.36	7,385.00	674,200.36
Expenditures:			
Claims and expenses	288,629.70		288,629.70
National Treasurer, American Legion	163,306.38	7,385.00	170,691.38
Total expenditures	451,936.08	7,385.00	459,321.08
Balance	214,879.28		214,879.28

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967 increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Public issues:			
Treasury bonds, 3½% of 1990	$211,000.00		$211,000.00
Undisbursed balance	3,879.28		3,879.28
Total assets	214,879.28		214,879.28

TABLE 79.—*Philippine Government pre-1934 bond account, June 30, 1967*

[This special trust account was established in accordance with the provisions of the act of Aug. 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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Taxes on exports	$1,586,135.92		$1,586,135.92
Interest and profits on investments [1]	3,737,151.79		3,737,151.79
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	27,295,868.93		27,295,868.93
Expenditures:			
Interest on outstanding Philippine bonds	2,443,220.06		2,443,220.06
Return of excess cash to the Philippine Government	1,838,000.00		1,838,000.00
Payment of matured bonds of the Philippine Government	19,182,300.00	$1,000.00	19,183,300.00
Cancellation of Philippine bonds at cost [2]	3,533,585.13		3,533,585.13
Losses on securities sold	153,752.03		153,752.03
Total expenditures	27,150,857.22	1,000.00	27,151,857.22
Balance	145,011.71	−1,000.00	144,011.71

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Undisbursed balance	$145,011.71	−$1,000.00	$144,011.71
Total assets	145,011.71	−1,000.00	144,011.71

[1] Losses were netted against profits through fiscal 1957.
[2] The face value of the bonds canceled was $3,436,000.

NOTE.—As of June 30, 1964, the total principal and interest of pre-1934 bonds had matured.

TABLE 80.—*Railroad retirement account, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Tax collections:			
Appropriated [1]	$13,797,815,438.13	$789,828,305.55	$14,587,643,743.68
Unappropriated	12,321,509.06	−1,822,331.92	10,499,177.14
Less refunds of taxes [2]		−165,189.08	−165,189.08
Fines and penalties	650.00		650.00
Interest and profits on investments	1,973,883,402.46	162,607,057.99	2,136,490,460.45
Payments from Federal old-age and survivors and Federal disability insurance trust funds [3]	3,225,520,000.00	538,680,000.00	3,764,200,000.00
Railroad unemployment insurance account:			
Interest on advances	55,867,729.98	9,150,134.88	65,017,864.86
Repayment of advances	338,180,000.00	90,375,000.00	428,555,000.00
Total receipts	19,403,588,729.63	1,588,652,977.42	20,992,241,707.05
Expenditures:			
Benefit payments, etc	14,434,091,788.65	1,251,655,544.50	15,685,747,333.15
Administrative expenses [4]	136,501,293.45	12,545,544.70	149,046,838.15
Payments to Federal hospital insurance trust fund		16,305,000.00	16,305,000.00
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	589,556,000.00	29,250,000.00	618,806,000.00
Interest on refunds of taxes	17,390.33	2,540.24	19,930.57
Total expenditures	15,222,390,472.43	1,309,758,629.44	16,532,149,101.87
Transfer from railroad retirement supplemental account		321,479.09	321,479.09
Balance	4,181,198,257.20	279,215,827.07	4,460,414,084.27

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, railroad retirement series, maturing June 30:			
Treasury certificates of indebtedness:			
4⅛% of 1967	$218,458,000.00	−$218,458,000.00	
4¾% of 1968		67,114,000.00	$67,114,000.00
Treasury notes:			
4% of 1968	179,353,000.00	−179,353,000.00	
4⅛% of 1968	23,110,000.00	−23,110,000.00	
4⅞% of 1968	15,995,000.00	−15,995,000.00	
4⅛% of 1969	23,110,000.00		23,110,000.00
4¾% of 1969		184,844,000.00	184,844,000.00
4⅞% of 1969	10,257,000.00		10,257,000.00
4⅛% of 1970	10,298,000.00		10,298,000.00
4⅞% of 1970	10,257,000.00		10,257,000.00
4⅞% of 1971	321,044,000.00		321,044,000.00
4¾% of 1974		416,402,000.00	416,402,000.00
Treasury bonds:			
4% of 1969	185,091,000.00	−184,844,000.00	247,000.00
4% of 1970	185,091,000.00		185,091,000.00
4⅛% of 1970	12,812,000.00		12,812,000.00
4% of 1971	185,091,000.00		185,091,000.00
4⅛% of 1971	23,110,000.00		23,110,000.00
4% of 1972	185,091,000.00		185,091,000.00

Footnotes at end of table.

TABLE 80.—*Railroad retirement account, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities—Con.			
Special issues, railroad retirement series, maturing June 30—Continued			
Treasury bonds—Continued			
4⅛% of 1972	$23,110,000.00		$23,110,000.00
4% of 1973	185,091,000.00		185,091,000.00
4⅛% of 1973	23,110,000.00		23,110,000.00
4% of 1974	185,091,000.00		185,091,000.00
4⅛% of 1974	23,110,000.00		23,110,000.00
4% of 1975	185,091,000.00		185,091,000.00
4⅛% of 1975	23,110,000.00		23,110,000.00
4% of 1976	185,091,000.00		185,091,000.00
4⅛% of 1976	23,110,000.00		23,110,000.00
4% of 1977	185,091,000.00		185,091,000.00
4⅛% of 1977	23,110,000.00		23,110,000.00
4% of 1978	185,091,000.00		185,091,000.00
4⅛% of 1978	23,110,000.00		23,110,000.00
4⅛% of 1979	208,201,000.00		208,201,000.00
4⅛% of 1980	208,201,000.00		208,201,000.00
Total special issues	3,276,886,000.00	$46,600,000.00	3,323,486,000.00
Public issues:			
Treasury notes:			
3¾%, Series A-1967	10,000,000.00	−10,000,000.00	
3⅝%, Series B-1967	18,000,000.00	−18,000,000.00	
4¼%, Series D-1967	10,000,000.00	−10,000,000.00	
5%, Series B-1970	32,000,000.00		32,000,000.00
4¾%, Series A-1972		18,000,000.00	18,000,000.00
4¾%, Series B-1972		20,000,000.00	20,000,000.00
Treasury bonds:			
3¾% of 1968	14,000,000.00		14,000,000.00
3⅞% of 1968	7,000,000.00		7,000,000.00
4% of 1969 (dated Oct. 1, 1957)	57,000,000.00		57,000,000.00
4% of 1969 (dated Aug. 15, 1962)	51,000,000.00		51,000,000.00
4% of 1970	35,000,000.00		35,000,000.00
3⅞% of 1971	46,500,000.00		46,500,000.00
4% of 1971	8,500,000.00		8,500,000.00
4% of 1972 (dated Sept. 15, 1962)	33,500,000.00		33,500,000.00
4% of 1972 (dated Nov. 15, 1962)	21,000,000.00		21,000,000.00
3⅞% of 1974	156,700,000.00		156,700,000.00
4¼% of 1975-85	47,261,000.00		47,261,000.00
3½% of 1980	6,000,000.00		6,000,000.00
4% of 1980	125,550,000.00		125,550,000.00
3¼% of 1985	6,900,000.00		6,900,000.00
4¼% of 1987-92	14,000,000.00		14,000,000.00
4% of 1988-93	6,000,000.00		6,000,000.00
4⅛% of 1989-94	13,100,000.00		13,100,000.00
3½% of 1990	38,925,000.00		38,925,000.00
3% of 1995	3,200,000.00		3,200,000.00
3½% of 1998	31,550,000.00		31,550,000.00
Total public issues	792,686,000.00		792,686,000.00
Investments in nonguaranteed securities:			
Federal land bank bonds:			
5⅛% of 1967		15,000,000.00	15,000,000.00
Federal home loan bank bonds:			
5⅞% of 1967		18,000,000.00	18,000,000.00
6% of 1967		26,000,000.00	26,000,000.00
6¼% of 1967		30,000,000.00	30,000,000.00
5⅜% of 1968		25,000,000.00	25,000,000.00
Federal National Mortgage Association secondary market operations debentures:			
5⅛% of 1968		10,000,000.00	10,000,000.00
6% of 1969		41,500,000.00	41,500,000.00
Federal intermediate credit bank debentures:			
6.20% of 1967		10,000,000.00	10,000,000.00
Total nonguaranteed securities		175,500,000.00	175,500,000.00

Footnotes at end of table.

TABLE 80.—*Railroad retirement account, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in participation certificates:			
Federal Assets Liquidation Trust, Federal National Mortgage Association, trustee:			
5.20% of 1977		$50,000,000.00	$50,000,000.00
Total participation certificates		50,000,00.00	50,000,000.00
Total investments	$4,069,572,000.00	272,100,000.00	4,341,672,000.00
Undisbursed balance	111,626,257.20	7,115,827.07	118,742,084.27
Total assets	4,181,198,257.20	279,215,827.07	4,460,414,084.27

[1] Includes the Government's contribution for creditable military service under the act of Apr. 8, 1942, as amended by the act of Aug. 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).

[2] The result of reclassification, formerly included in "Unappropriated."

[3] Pursuant to act of June 24, 1937 (45 U.S.C. 228c(k)).

[4] Beginning Aug. 1, 1949, paid from the trust fund under title IV, act of June 29, 1949 (45 U.S.C. 228 p) and subsequent annual appropriations acts.

TABLE 81.—*Railroad retirement holding account, June 30, 1967*

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Appropriated tax collections		$4,020,000.00	$4,020,000.00
Interest and profits on investments		47,000.00	47,000.00
Total receipts		4,067,000.00	4,067,000.00
Expenditures:			
Benefit payments, etc			
Balance		4,067,000.00	4,067,000.00

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, railroad retirement series, maturing June 30:			
Treasury certificates of indebtedness:			
4¾% of 1968		$4,067,000.00	$4,067,000.00
Total investments		4,067,000.00	4,067,000.00
Undisbursed balance			
Total assets		4,067,000.00	4,067,000.00

TABLE 82.—*Railroad retirement supplemental account, June 30, 1967*

The trust fund was established in accordance with the provisions of the act of Oct. 30, 1966 (31 U.S.C. 66b)]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Tax collections:			
Appropriated		$18,033,126.23	$18,033,126.23
Less refunds of taxes		158.32	158.32
Interest and profits on investments		153,490.45	153,490.45
Total receipts		18,186,458.36	18,186,458.36
Expenditures:			
Benefit payments		5,686,995.15	5,686,995.15
Interest on refunds of taxes		.15	.15
Total expenditures		5,686,995.30	5,686,995.30
Transfer to railroad retirement account		−321,479.09	−321,479.09
Balance		12,177,983.97	12,177,983.97

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967, increase or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, railroad retirement series, maturing June 30:			
Treasury certificates of indebtedness:			
4¾% of 1968		$10,977,000.00	$10,977,000.00
Total investments		10,977,000.00	10,977,000.00
Undisbursed balance		1,200,983.97	1,200,983.97
Total assets		12,177,983.97	12,177,983.97

TABLE 83.—*Unemployment trust fund, June 30, 1967*

[This trust fund was established in accordance with the provisions of Sec. 904(a) of the Social Security Act of Aug. 14, 1935 (42 U.S.C. 1104). For further details see annual report of the Secretary for 1941, p. 145]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
STATE UNEMPLOYMENT ACCOUNTS			
Receipts:			
Appropriations from general fund [1]	$138, 024, 733. 38		$138, 024, 733. 38
Deposits by States	45, 748, 561, 171. 57	[2] $2, 916, 932, 626. 20	48, 665, 493, 797. 77
Interest earned:			
Collected	4, 338, 356, 695. 56	363, 385, 142. 58	4, 701, 741, 838. 14
Accrued	18, 863, 698. 72	6, 720, 487. 02	25, 584, 185. 74
Total receipts	50, 243, 806, 299. 23	3, 287, 038, 255. 80	53, 530, 844, 555. 03
Expenditures:			
Withdrawals by States	41, 391, 567, 737. 59	[2] 2, 001, 190, 682. 87	43, 392, 758, 420. 46
Advances to States			
Total expenditures	41, 391, 567, 737. 59	2, 001, 190, 682. 87	43, 392, 758, 420. 46
Transfers:			
From Employment Security Administration Account (1958 Act)	8, 762, 550. 07	[3] 10, 853, 027. 21	19, 615, 577. 28
To the railroad unemployment insurance account	−107, 226, 931. 89		−107, 226, 931. 89
From Federal unemployment account	236, 765, 000. 00		236, 765, 000. 00
From Federal extended compensation account (reimbursement)	46, 282, 805. 47		46, 282, 805. 47
To Federal unemployment account	−57, 700, 500. 00	[4] −83, 731, 000. 00	−141, 431, 500. 00
Net transfers	126, 882, 923. 65	−72, 877, 972. 79	54, 004, 950. 86
Balance	8, 979, 121, 485. 29	1, 212, 969, 600. 14	10, 192, 091, 085. 43
RAILROAD UNEMPLOYMENT INSURANCE ACCOUNTS			
BENEFIT PAYMENTS ACCOUNT			
Receipts:			
Deposits by Railroad Retirement Board	2, 283, 290, 157. 44	136, 565, 334. 35	2, 419, 855, 491. 79
Advances from the railroad retirement account	589, 556, 000. 00	29, 250, 000. 00	618, 806, 000. 00
From the railroad unemployment insurance administration fund	106, 187, 199. 00		106, 187, 199. 00
Advance by Secretary of Treasury	15, 000, 000. 00		15, 000, 000. 00
Interest earned:			
Collected	221, 951, 616. 40	79, 106. 19	222, 030, 722. 59
Accrued	25, 994. 44	1, 463. 00	27, 457. 44
Total receipts	3, 216, 010, 967. 28	165, 895, 903. 54	3, 381, 906, 870. 82
Expenditures:			
Benefit payments	2, 879, 076, 299. 46	70, 985, 485. 91	2, 950, 061, 785. 37
To the railroad unemployment insurance administration fund	12, 338, 198. 54		12, 338, 198. 54
Repayment of advances to railroad retirement account	338, 180, 000. 00	90, 375, 000. 00	428, 555, 000. 00
Repayment of advance to the Secretary of the Treasury	15, 000, 000. 00		15, 000, 000. 00
Repayment of advances from general fund for temporary unemployment compensation benefits	19, 398, 592. 24		19, 398, 592. 24
Payment of interest on advances from railroad retirement account	55, 867, 729. 98	9, 150, 134. 88	65, 017, 864. 86
Total expenditures	3, 319, 860, 820. 22	170, 510, 620. 79	3, 490, 371, 441. 01
Transfers:			
To the railroad unemployment insurance administration fund [5]	−3, 464, 997. 48		−3, 464, 997. 48
From State unemployment funds	107, 226, 931. 89		107, 226, 931. 89
From the railroad unemployment insurance administration fund [6]	5, 381, 405. 98	3, 426, 805. 87	8, 808, 211. 85
Net transfers	109, 143, 340. 39	3, 426, 805. 87	112, 570, 146. 26
Balance	5, 293, 487. 45	−1, 187, 911. 38	4, 105, 576. 07

Footnotes at end of part I.

TABLE 83.—*Unemployment trust fund, June 30, 1967*—Continued

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)—Con.

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
RAILROAD UNEMPLOYMENT INSURANCE ACCOUNTS—Continued			
ADMINISTRATIVE EXPENSE FUND			
Receipts:			
Deposits by Railroad Retirement Board	$69,480,503.82	$9,099,379.01	$78,579,882.83
Adjusted for prior year (unexpended balance)	7,237,031.36		7,237,031.36
Interest earned:			
Collected	1,261,358.77	279,485.87	1,540,844.64
Accrued	14,579.03	5,168.85	19,747.88
Total receipts	77,993,472.98	9,384,033.73	87,377,506.71
Expenditures:			
Administrative expenses	69,695,559.06	5,991,821.89	75,687,380.95
Transfers:			
From railroad unemployment insurance account [5]	3,464,997.48		3,464,997.48
To railroad unemployment insurance account [6]	−5,381,405.98	−3,426,805.87	−8,808,211.85
Net transfers	−1,916,408.50	−3,426,805.87	−5,343,214.37
Balance	6,381,505.42	−34,594.03	6,346,911.39
FEDERAL EXTENDED COMPENSATION ACCOUNT			
Receipts:			
Advances from general fund	[7] 814,094,450.04		814,094,450.04
Expenditures:			
Temporary extended unemployment compensation payments	767,216,227.65	−48,800.46	767,167,427.19
Repayment of advances from general fund	772,965,316.72	48,800.46	773,014,117.18
Total expenditures	1,540,181,544.37		1,540,181,544.37
Transfers:			
From employment security administration account	772,369,899.80		772,369,899.80
Reimbursement to State accounts	−46,282,805.47		−46,282,805.47
Net transfers	726,087,094.33		726,087,094.33
Balance			
EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT			
Receipts:			
Transfers (Federal unemployment taxes):			
Appropriated [8]	3,792,828,563.27	603,769,343.75	4,396,597,907.02
Less refund of taxes	−28,183,543.01	−5,971,809.95	−34,155,352.96
Advance from general (revolving) fund	1,440,230,153.70	278,742,087.00	1,718,972,240.70
Less return of advances to general fund	−1,440,230,153.70	−278,742,087.00	−1,718,972,240.70
Interest earned:			
Collected	11,074,011.48	2,616,074.40	13,690,085.88
Accrued	175,912.72	48,381.98	224,294.70
Total receipts	3,775,894,944.46	600,461,990.18	4,376,356,934.64
Expenditures:			
Administrative expenses to Department of Labor	1,080,650.00	284,000.00	1,364,650.00
Salaries and expenses, Bureau of Employment Security	72,426,554.93	18,173,566.72	90,600,121.65
Grants to States for unemployment compensation and employment service administration	2,467,674,688.10	539,854,764.18	3,007,529,452.28
Payments to general fund:			
Temporary unemployment compensation—1958	174,832,158.77	7,598,968.16	182,431,126.93
Reimbursement for administrative expenses	36,243,732.46	6,485,225.77	42,728,958.23
Interest on advances from general (revolving) fund	17,096,110.15	3,545,042.19	20,641,152.34
Interest on refund of taxes	677,770.55	273,817.53	951,588.08
Total expenditures	2,770,031,664.96	576,215,384.55	3,346,247,049.51

Footnotes at end of part I.

TABLE 83.—*Unemployment trust fund, June 30, 1967*—Continued

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)—Con.

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT—Continued			
Transfers:			
To State accounts	−$8,762,550.07	[3] −$10,853,027.21	−$19,615,577.28
To Federal unemployment account:			
Excess [9]	−107,737,007.66	−59,582,011.82	−167,319,019.48
Reduced tax credits:			
Alaska	−1,083,956.90	−256,332.87	−1,340,289.77
Michigan	−15,381,202.36		−15,381,202.36
To Federal extended compensation account	−772,369,899.80		−772,369,899.80
Net transfers	−905,334,616.79	−70,691,371.90	−976,025,988.69
Balance	100,528,662.71	−46,444,766.27	54,083,896.44
FEDERAL UNEMPLOYMENT ACCOUNT			
Receipts:			
Appropriations from general fund [1]	207,350,872.17		207,350,872.17
Interest earned:			
Collected	81,082,309.73	17,360,883.40	98,443,193.13
Accrued	801,870.04	321,074.17	1,122,944.21
Total receipts	289,235,051.94	17,681,957.57	306,917,009.51
Expenditures:			
To Bureau of Employment Security, Department of Labor	6,070,787.08		6,070,787.08
Transfers:			
To State unemployment accounts	−236,765,000.00		−236,765,000.00
From State unemployment accounts	57,700,500.00	83,731,000.00	141,431,500.00
From employment security administration account—reduced tax credits	16,465,159.26	256,332.87	16,721,492.13
From employment security administration account—excess [9]	107,737,007.66	59,582,011.82	167,319,019.48
Net transfers	−54,862,333.08	143,569,344.69	88,707,011.61
Balance	228,301,931.78	161,251,302.26	389,553,234.04
SUMMARY OF BALANCES			
State unemployment accounts	8,979,121,485.29	1,212,969,600.14	10,192,091,085.43
Railroad unemployment insurance accounts:			
Benefit payments account	5,293,487.45	−1,187,911.38	4,105,576.07
Administrative expense fund	6,381,505.42	−34,594.03	6,346,911.39
Federal extended compensation account			
Employment security administration account	100,528,662.71	−46,444,766.27	54,083,896.44
Federal unemployment account	228,301,931.78	161,251,302.26	389,553,234.04
Total assets	9,319,627,072.65	1,326,553,630.72	10,646,180,703.37

[1] Amounts appropriated to the unemployment trust fund prior to enactment of the Employment Security Act of 1960 representing the excess of collections from Federal unemployment tax over employment security expenses (42 U.S.C. 1101 (b)).

[2] Includes $25,000 duplicate deposit by a State agency returned to State agency by U.S. Treasury check but not shown in the State account.

[3] Represents transfer of $8,994.87 to Alaska, $67,485.62 to California, $4,655.78 to Delaware, $15,988.51 to Indiana, $8,361.50 to Massachusetts, $3,187.21 to Minnesota, $10,452,543.32 to New Jersey, and $291,810.40 to West Virginia.

[4] Represents partial repayment by Michigan and final repayment by Pennsylvania of advances from the Federal unemployment account.

[5] Amount transferred pursuant to Public Law 88-133, approved Oct. 5, 1963 (77 Stat. 219).

[6] Represents the excess in the administrative expense fund transferred pursuant to section 11(d) of the Railroad Unemployment Insurance Act (45 U.S.C. 361(d)).

[7] Includes $36,274,380.68 not repayable to general fund pursuant to sec. 905(a) of the Social Security Act, as amended.

[8] Excludes unappropriated receipts of −$816,011.82.

[9] Represents excess in the employment security administration account transferred pursuant to 42 U.S.C. 1102.

TABLE 83.—*Unemployment trust fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT (ACCRUAL BASIS)

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, Treasury certificates of indebtedness, unemployment trust fund series maturing June 30:			
3⅞% of 1967	$7,074,789,000.00	−$7,074,789,000.00	
4% of 1968		7,784,613,000.00	$7,784,613,000.00
Total special issues	7,074,789,000.00	709,824,000.00	7,784,613,000.00
Public issues:			
Treasury notes:			
3⅝% Series B-1967	7,000,000.00	−7,000,000.00	
4¼% Series D-1967	192,000,000.00	−192,000,000.00	
5% Series A-1970	5,750,000.00		5,750,000.00
5¼% Series A-1971		68,200,000.00	68,200,000.00
4¾% Series A-1972		7,000,000.00	7,000,000.00
4¾% Series B-1972		192,000,000.00	192,000,000.00
Treasury bonds:			
2½% of 1964-69 (dated Apr. 15, 1943)	1,000,000.00		1,000,000.00
2½% of 1964-69 (dated Sept. 15, 1943)	5,600,000.00		5,600,000.00
2½% of 1965-70	15,000,000.00		15,000,000.00
3⅜% of 1966	1,000,000.00	−1,000,000.00	
3⅞% of 1968	3,000,000.00		3,000,000.00
3¾% of 1968	31,500,000.00		31,500,000.00
4% of 1969 (dated Aug. 15, 1962)	19,000,000.00		19,000,000.00
4% of 1969 (dated Oct. 1, 1957)	26,100,000.00		26,100,000.00
4% of 1970 (dated Jan. 1, 1965)	119,250,000.00		119,250,000.00
4% of 1970 (dated June 20, 1963)	3,000,000.00		3,000,000.00
4% of 1971	10,000,000.00		10,000,000.00
3⅞% of 1971	12,000,000.00		12,000,000.00
4% of 1972 (dated Sept. 15, 1962)	46,500,000.00		46,500,000.00
4% of 1972 (dated Nov. 15, 1962)	31,500,000.00		31,500,000.00
4% of 1973	48,000,000.00		48,000,000.00
4⅛% of 1973	9,000,000.00		9,000,000.00
3⅞% of 1974	16,000,000.00		16,000,000.00
4⅛% of 1974	127,000,000.00		127,000,000.00
4¼% of 1974	2,640,000.00		2,640,000.00
4¼% of 1975-85	32,710,000.00		32,710,000.00
3¼% of 1978-83	53,050,000.00		53,050,000.00
4% of 1980	106,000,000.00		106,000,000.00
3½% of 1980	53,000,000.00		53,000,000.00
3¼% of 1985	14,000,000.00		14,000,000.00
4¼% of 1987-92	104,000,000.00		104,000,000.00
4% of 1988-93	17,500,000.00		17,500,000.00
4⅛% of 1989-94	174,300,000.00		174,300,000.00
3½% of 1990	112,221,000.00		112,221,000.00
3½% of 1998	43,200,000.00		43,200,000.00
2¾% Investment Series B-1975-80	745,000,000.00		745,000,000.00
Total public issues	2,186,821,000.00	67,200,000.00	2,254,021,000.00
Investments in nonguaranteed securities:			
Federal home loan bank bonds:			
5⅞% of 1967		18,000,000.00	18,000,000.00
6% of 1967		26,000,000.00	26,000,000.00
6¼% of 1967		30,000,000.00	30,000,000.00
5⅜% of 1967		25,000,000.00	25,000,000.00
Federal intermediate credit bank debentures:			
5.15% of 1967		17,000,000.00	17,000,000.00
6.20% of 1967		10,000,000.00	10,000,000.00
4.45% of 1968		50,000,000.00	50,000,000.00
Federal land bank bonds:			
5⅞% of 1967		15,000,000.00	15,000,000.00
Federal National Mortgage Association secondary market operations debentures:			
5⅞% of 1968		10,000,000.00	10,000,000.00
5⅛% of 1969		25,000,000.00	25,000,000.00
6% of 1969		41,500,000.00	41,500,000.00
4.65% of 1969		50,000,000.00	50,000,000.00
Total nonguaranteed securities		317,500,000.00	317,500,000.00

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TABLE 83.—*Unemployment trust fund, June 30, 1967*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT (ACCRUAL BASIS)—Continued

Assets	June 30, 1966	Fiscal year 1967, increase, or decrease (−)	June 30, 1967
Investments in participation certificates:			
Federal Assets Liquidation Trust, Federal National Mortgage Association, trustee:			
4.75% of 1969		$25,000,000.00	$25,000,000.00
5¼% of 1969		50,000,000.00	50,000,000.00
5.20% of 1972		100,000,000.00	100,000,000.00
Total participation certificates		175,000,000.00	175,000,000.00
Total investments, par value	$9,261,610,000.00	1,269,524,000.00	10,531,134,000.00
Unamortized discount	−9,242,595.30	694,737.62	−8,547,857.68
Unamortized premium	782,900.89	16,597.90	799,498.79
Total investments	9,253,150,305.59	1,270,235,335.52	10,523,385,641.11
Unexpended balances:			
Trust account	5,242,098.00	45,443,825.04	50,685,923.04
Railroad unemployment insurance accounts:			
Benefits payments account	274,700.54	171,514.09	446,214.63
Administrative expense fund	292,139.12	−81,821.89	210,317.23
Federal extended compensation account			
Employment security administration account	40,785,766.04	3,688,202.92	44,473,968.96
Subtotal	9,299,745,009.29	1,319,457,055.68	10,619,202,064.97
Accrued interest on investments	19,882,063.36	7,096,575.04	26,978,638.40
Cash advance repayable to trust fund			
Accounts receivable			
Total assets	9,319,627,072.65	1,326,553,630.72	10,646,180,703.37

TABLE 83.—*Unemployment trust fund, June 30, 1967*—Continued

III. BALANCE OF UNEMPLOYMENT TRUST FUND BY STATES AND OTHER ACCOUNTS AS OF JUNE 30, 1966, OPERATIONS IN 1967, AND BALANCE JUNE 30, 1967

States and other accounts	Balance June 30, 1966	Operations in fiscal 1967				Balance June 30, 1967
		Deposits	Earnings	Transfers	Withdrawals	
Alabama	$97,335,574.18	$27,521,000.00	$4,049,334.40		$18,502,500.00	$110,403,408.58
Alaska	15,574,688.95	10,646,203.58	436,452.08	[1] $8,994.87	6,660,000.00	20,006,339.48
Arizona	68,337,652.29	16,558,052.28	2,798,689.62		11,887,565.04	75,806,829.15
Arkansas	35,302,175.34	15,912,410.51	1,536,596.07		11,340,000.00	41,411,181.92
California	703,303,002.55	562,474,146.83	30,681,262.22	[1] 67,485.62	461,726,711.53	834,799,185.69
Colorado	65,433,603.19	12,066,000.00	2,687,196.18		10,105,000.00	70,081,799.37
Connecticut	224,033,382.60	56,944,061.62	9,402,149.13		28,375,000.00	262,004,593.35
Delaware	25,560,136.88	5,653,000.00	966,658.45	[1] 4,655.78	7,710,862.52	24,473,588.59
District of Columbia	66,239,101.92	9,024,902.60	2,637,097.38		7,660,000.00	70,241,101.90
Florida	197,064,429.75	31,468,683.00	7,940,661.28		18,859,500.00	217,614,274.03
Georgia	212,419,226.89	35,689,670.88	8,713,047.71		18,472,000.00	238,349,945.48
Hawaii	25,245,821.90	10,731,634.60	1,012,030.59		10,474,727.92	26,514,759.17
Idaho	33,607,698.14	8,898,475.00	1,376,154.48		7,580,000.00	36,302,327.62
Illinois	554,397,217.45	66,498,058.93	21,929,274.93		78,450,000.00	564,374,551.31
Indiana	203,600,318.23	54,229,138.38	8,612,899.29	[1] 15,988.51	26,775,000.00	239,683,344.41
Iowa	119,162,041.49	9,937,914.68	4,727,100.11		9,150,000.00	124,677,056.28
Kansas	68,716,753.12	16,886,000.00	2,863,685.59		9,899,559.17	78,566,879.54
Kentucky	128,205,175.32	25,450,000.00	5,237,724.85		17,575,000.00	141,317,900.17
Louisiana	137,177,028.33	34,696,781.06	5,734,660.38		22,050,000.00	155,558,469.77
Maine	36,789,737.86	9,226,470.00	1,508,552.96		7,825,000.00	39,699,760.82
Maryland	191,601,301.53	39,940,112.00	7,918,966.99		24,710,000.00	214,750,380.52
Massachusetts	247,184,096.12	133,406,933.04	10,932,097.10	[1] 8,361.50	88,506,000.00	303,025,487.76
Michigan	580,960,225.72	161,238,307.85	20,612,715.34	[2] −28,800,000.00	110,980,000.00	623,031,248.91
Minnesota	31,355,637.90	43,785,000.00	1,832,236.13	[1] 3,187.21	22,096,000.00	54,880,061.24
Mississippi	67,864,535.98	12,380,000.00	2,821,097.72		7,147,451.00	75,918,182.70
Missouri	250,861,115.02	36,933,678.08	10,140,059.69		32,524,239.50	265,410,613.29
Montana	19,194,195.62	5,744,400.00	781,898.88		5,602,000.00	20,118,494.50
Nebraska	42,368,375.05	7,957,714.00	1,724,348.75		5,925,000.00	46,125,437.80
Nevada	28,548,316.43	10,118,000.00	1,097,618.23		12,675,000.00	27,088,934.66
New Hampshire	33,682,114.00	6,069,278.38	1,414,596.50		2,568,000.00	38,597,988.88
New Jersey	334,717,754.41	146,725,000.00	13,987,828.49	[1] 10,452,543.32	111,250,000.00	394,633,126.22
New Mexico	36,045,644.24	6,812,651.00	1,445,377.07		6,335,413.00	37,968,259.31
New York	1,368,646,749.16	389,868,402.12	55,951,828.59		315,240,592.36	1,499,226,387.51
North Carolina	257,720,110.79	46,590,000.00	10,655,414.11		24,900,000.00	290,065,524.90
North Dakota	5,628,632.48	4,963,523.73	260,737.46		4,693,000.00	6,159,893.67
Ohio	437,784,913.54	157,772,109.45	19,535,527.35		61,676,150.00	553,416,400.34
Oklahoma	52,092,075.40	13,329,000.00	2,146,442.82		10,170,000.00	57,397,518.22
Oregon	103,586,123.03	33,428,389.21	4,330,565.71		28,140,000.00	113,205,077.95
Pennsylvania	493,397,359.57	296,760,000.00	20,334,156.85	[3] −90,470,768.00	95,800,000.00	624,220,748.42
Puerto Rico	61,374,113.77	22,740,889.83	2,478,841.09		16,000,000.00	70,593,844.69

Footnotes at end of table.

TABLE 83.—*Unemployment trust fund, June 30, 1967*—Continued

III. BALANCE OF UNEMPLOYMENT TRUST FUND BY STATES AND OTHER ACCOUNTS AS OF JUNE 30, 1966, OPERATIONS IN 1967, AND BALANCE JUNE 30, 1967—Continued

States and other accounts	Balance June 30, 1966	Operations in fiscal 1967				Balance June 30, 1967
		Deposits	Earnings	Transfers	Withdrawals	
Rhode Island	$58,608,058.26	$19,661,000.00	$2,464,916.46	[4] −$711,581.00	$12,475,000.00	$67,547,393.72
South Carolina	105,114,988.06	22,740,000.00	4,358,148.79		13,130,000.00	119,083,136.85
South Dakota	15,020,466.62	2,138,000.00	611,417.04		1,550,000.00	16,219,883.66
Tennessee	122,855,047.12	45,286,000.00	5,384,707.66		23,780,676.38	149,745,078.40
Texas	271,366,050.66	54,193,173.01	11,188,006.95		28,137,100.79	308,610,129.83
Utah	37,367,475.39	10,860,053.10	1,522,450.20		9,910,000.00	39,839,978.69
Vermont	10,996,953.82	8,980,517.87	562,805.04		3,720,250.00	16,820,026.73
Virginia	159,222,247.22	18,098,400.00	6,465,235.23		8,930,000.00	174,855,882.45
Washington	234,938,147.00	61,579,497.64	9,777,719.91		33,950,000.00	272,345,364.55
West Virginia	66,192,534.98	17,424,000.00	2,768,514.46	[1] 291,810.40	10,375,000.00	76,301,859.84
Wisconsin	224,615,859.20	55,087,856.01	9,280,935.07		38,732,034.66	250,252,615.62
Wyoming	10,705,500.82	3,783,135.93	467,190.22		2,207,000.00	12,748,826.97
Subtotal	8,979,121,485.29	2,916,907,626.20	370,105,629.60	−109,129,321.79	1,964,914,333.87	10,192,091,085.43
Railroad unemployment insurance accounts:						
Benefits and refunds	5,018,786.91	136,565,334.35	80,569.19	[5] 32,676,805.87	[6] 170,682,134.88	3,659,361.44
Administrative expense fund	6,089,366.30	9,099,379.01	284,654.72	[7] −3,426,805.87	5,910,000.00	6,136,594.16
Federal unemployment account	228,301,931.78		17,681,957.59	143,569,344.69		389,553,234.04
Employment security administration account	59,742,896.67	597,797,533.80	2,664,456.38	−70,691,371.90	579,903,587.47	9,609,927.48
Federal extended compensation account						
Subtotal all accounts	9,278,274,466.95	3,660,369,873.36	390,817,267.46	−7,001,349.00	2,721,410,056.22	10,601,050,202.55
Balances of transfers to other agencies:						
Railroad unemployment insurance accounts:						
Benefits and refunds	274,700.54				−171,514.09	446,214.63
Administrative expense fund	292,139.12				81,821.89	210,317.23
Federal extended compensation account						
Employment security administration account	40,785,766.04				−3,688,202.92	44,473,968.96
Total as shown in parts I and II	9,319,627,072.65	3,660,369,873.36	390,817,267.46	−7,001,349.00	2,717,632,161.10	10,646,180,703.37

[1] Transfer to State accounts due to excess collections, in repayment of allowances under the Temporary Unemployment Compensation Act of 1958.

[2] Consists of repayment of $9,600,000 made before Nov. 10, 1966, pursuant to the provisions of Title XII, sec. 1201 of the Social Security Act, as amended, and $19,200,000 as partial repayment of advances due under the Temporary Unemployment Compensation Act of 1958.

[3] Consists of final repayment of $74,131,000 made before Nov. 10, 1966, pursuant to the provision of Title XII, sec. 1201 of the Social Security Act, as amended, and $16,339,768 as final repayment of advances due under the Temporary Unemployment Compensation Act of 1958.

[4] Consists of $450,680 as final repayment of advances and $260,901 as payment of administrative costs due under the Temporary Unemployment Compensation Act of 1958.

[5] Includes advances from railroad retirement account of $29,250,000 and transfer from railroad unemployment insurance administrative expense fund of $3,426,805.87.

[6] Includes repayment of advances to railroad retirement account of $90,375,000 principal and $9,150,134.88 interest.

[7] Transferred to railroad unemployment insurance account, benefits and refunds, in accordance with sec. 11(d) of the Railroad Unemployment Insurance Act.

TABLE 84.—*U.S. Government life insurance fund, June 30, 1967*

[This trust fund operates in accordance with the provisions of the act of June 7, 1924, as amended (38 U.S.C. 755). For further details, see annual report of the Secretary for 1941, p. 142]

I. RECEIPTS AND EXPENDITURES (EXCLUDING INVESTMENT TRANSACTIONS)

	Cumulative through June 30, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Premiums and other receipts	$2,104,152,012.49	$12,606,937.00	$2,116,758,949.49
Interest and profits on investments	1,265,633,640.96	30,397,986.90	1,296,031,627.86
Payments from general fund [1]	−250,436.11	71,898.90	−178,537.21
Total receipts	3,369,535,217.34	43,076,822.80	3,412,612,040.14
Expenditures:			
Benefit payments, dividends, and refunds	2,430,759,020.06	82,432,347.78	2,513,191,367.84
Balance	938,776,197.28	−39,355,524.98	899,420,672.30

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1966	Fiscal year 1967 increase, or decrease (−)	June 30, 1967
Investments in public debt securities:			
Special issues, U.S. Government life insurance fund series maturing June 30:			
Treasury notes:			
4⅜% of 1971	$77,986,000.00		$77,986,000.00
Treasury bonds:			
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	−4,571,000.00	68,529,000.00
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	67,799,000.00		67,799,000.00
3⅝% of 1976	5,971,000.00		5,971,000.00
3½% of 1977	49,963,000.00		49,963,000.00
3⅝% of 1977	23,807,000.00		23,807,000.00
3⅝% of 1978	48,214,000.00		48,214,000.00
4¼% of 1978		25,556,000.00	25,556,000.00
4¼% of 1979		2,912,000.00	2,912,000.00
Total special issues	937,670,000.00	−123,643,000.00	814,027,000.00
Investment in nonguaranteed securities:			
Consolidated Federal farm loan bonds:			
6.05% of 1967		83,250,000.00	83,250,000.00
Total investments	937,670,000.00	−40,393,000.00	897,277,000.00
Undisbursed balance	1,106,197.28	1,037,475.02	2,143,672.30
Total assets	938,776,197.28	−39,355,524.98	899,420,672.30

[1] Included under premiums and other receipts prior to fiscal 1962. Negative amounts result from adjustments of prior years' receipts.

NOTE.—Policy loans outstanding on basis of information furnished by the Veterans' Administration amounted to $81,906,138.43 as of June 30, 1967.

Federal Aid to States

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*

[On a checks-issued basis except where this detail is not available for all payments. Wherever feasible adjustment to a checks-issued basis has been made, footnoted, and reported under "Adjustments or undistributed to States"]

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS

States, Territories, etc.	Department of Agriculture					
	Basic scientific research grants [1]	Commodity Credit Corporation — Price support donations [2]	Cooperative agricultural extension work	Cooperative projects in marketing [3]	Cooperative State research service	Food stamp program [4]
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$91,983	$4,057,102	$2,560,740	$55,013	$1,455,579	$1,690,785
Alaska	8,600	127,699	218,716	15,500	355,958	13,591
Arizona	98,051	1,743,428	536,049	4,855	688,750	
Arkansas	118,476	2,478,004	2,124,659	37,489	1,242,932	3,573,113
California	303,528	5,661,041	2,038,401	156,810	1,553,074	6,208,527
Colorado	65,712	1,062,379	811,518	55,595	837,496	1,773,402
Connecticut	89,936	749,284	477,501	29,560	604,236	241,553
Delaware		510,572	244,268	24,000	448,720	
District of Columbia		221,839				1,364,312
Florida	159,028	4,746,380	1,014,875	118,234	845,876	
Georgia	198,989	5,515,958	2,698,086	47,781	1,555,636	889,841
Hawaii	19,000	505,849	366,671	36,400	470,931	403,377
Idaho		390,448	660,413	15,906	695,392	
Illinois	132,249	3,425,864	2,417,470	58,900	1,523,252	8,056,338
Indiana	87,506	2,349,381	2,057,463	115,700	1,406,955	1,786,778
Iowa	210,643	2,114,027	2,190,742	81,044	1,418,781	687,603
Kansas	35,126	1,200,865	1,454,700	119,921	959,529	175,194
Kentucky	37,555	3,043,499	2,686,779	102,010	1,475,434	6,312,231
Louisiana	31,900	3,140,763	1,714,973	121,485	1,107,556	5,415,733
Maine	11,956	697,269	562,202	60,078	644,454	115,384
Maryland	10,000	1,624,017	801,466	69,349	762,450	447,281
Massachusetts	89,194	2,892,186	642,593	80,427	719,393	
Michigan	71,040	3,673,741	2,227,524	166,303	1,504,337	4,086,031
Minnesota	73,921	2,019,090	2,115,486	83,898	1,429,917	2,304,331
Mississippi	73,134	8,579,417	2,715,582	109,041	1,440,340	6,243,076
Missouri	22,622	3,438,357	2,382,315	110,960	1,350,713	1,849,607
Montana	17,630	440,641	654,103	23,400	684,080	276,078
Nebraska	39,345	674,799	1,253,158	25,950	900,936	549,043
Nevada		139,753	278,480		448,003	
New Hampshire	39,300	426,347	318,566	10,689	497,541	
New Jersey	61,177	1,748,463	621,896	73,874	762,893	612,390
New Mexico	21,406	1,120,281	600,507	45,760	551,440	1,898,483
New York	178,077	10,070,810	2,143,518	127,945	1,672,619	1,537,529
North Carolina	269,684	4,851,759	3,700,457	151,300	2,072,822	2,464,274
North Dakota	16,000	593,366	914,658	49,780	699,850	51,636
Ohio	147,459	3,668,026	2,737,829	42,267	1,627,403	13,639,596
Oklahoma	51,150	5,184,674	1,738,772	85,853	1,002,553	
Oregon	70,520	1,601,662	866,716	73,709	941,101	666,216
Pennsylvania	134,399	4,632,070	2,751,827	68,680	1,774,166	11,342,418
Rhode Island		227,696	223,383	4,060	451,996	930,060
South Carolina	51,807	1,915,522	1,962,987	34,093	1,229,129	1,665,163
South Dakota	20,000	730,345	875,166	22,800	717,630	
Tennessee	3,000	3,295,015	2,702,251	55,786	1,499,463	5,963,058
Texas	168,576	6,583,174	4,155,102	78,000	1,999,971	674,226
Utah	71,541	865,398	482,172	18,221	602,597	419,442
Vermont	11,075	350,942	394,042	23,918	503,888	136,775
Virginia	38,596	2,265,528	2,229,474	102,330	1,474,986	1,002,065
Washington	95,665	2,037,434	999,869	52,583	1,108,591	1,125,389
West Virginia		1,628,998	1,375,277	64,859	936,445	7,165,682
Wisconsin	81,405	2,105,238	2,105,656	80,864	1,339,810	1,391,169
Wyoming	23,403	159,304	420,508	5,230	517,625	382,006
Puerto Rico		8,749,016	2,026,926		1,409,927	
Virgin Islands		112,140				
Other Territories, etc.[5]		186,226				
Adjustments or undistributed to States		[6] 6,115,382	[7] 11,669,711	32,795	[8] 321,476	−1,501,611
Total	3,651,364	138,448,468	87,924,203	3,231,005	54,246,632	106,029,175

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Agriculture—Continued					
	Forest protection, utilization, and restoration [9]	National forest and school funds—shared revenues [10]	National grass-lands—shared revenues	Removal of surplus agricultural commodities: Value of commodities distributed [11]	Rural water and waste disposal grants	School lunch program [11 12]
	(7)	(8)	(9)	(10)	(11)	(12)
Alabama	$437, 271	$487, 702		$3, 504, 090	$199, 330	$6, 091, 119
Alaska	88, 887	283, 485		110, 293		233, 572
Arizona	14, 305	528, 610		1, 505, 787	10, 000	1, 778, 761
Arkansas	445, 391	835, 764	$322	2, 140, 235	1, 210, 015	3, 616, 298
California	1, 120, 317	6, 135, 009	448	4, 889, 401	2, 900	8, 398, 514
Colorado	114, 445	220, 494	28, 249	917, 570	17, 780	2, 131, 745
Connecticut	220, 646			647, 151		1, 833, 260
Delaware	27, 927			440, 978		419, 374
District of Columbia				191, 601		371, 912
Florida	754, 576	232, 722	11, 932	4, 099, 416	39, 490	8, 337, 572
Georgia	728, 733	317, 968	366	4, 764, 095	332, 300	8, 758, 088
Hawaii	89, 787			436, 899		1, 409, 635
Idaho	256, 966	1, 234, 311	2, 716	337, 228	40, 680	970, 202
Illinois	137, 354	23, 033		2, 958, 894	229, 250	6, 556, 394
Indiana	125, 457	9, 615		2, 029, 144	143, 530	4, 772, 879
Iowa	90, 972		125	1, 825, 870	125, 300	3, 991, 449
Kansas	150, 673		22, 073	1, 037, 179	279, 950	2, 440, 107
Kentucky	428, 540	100, 738	1, 381	2, 628, 648	6, 000	5, 910, 733
Louisiana	568, 680	328, 456		2, 712, 656	17, 410	9, 564, 617
Maine	456, 938	4, 019		602, 226		1, 091, 033
Maryland	200, 681		1, 460	1, 402, 652	30, 780	2, 812, 597
Massachusetts	239, 191			2, 497, 961	47, 135	4, 463, 965
Michigan	1, 147, 543	206, 080	2, 101	3, 172, 985	58, 700	5, 458, 466
Minnesota	526, 840	258, 847		1, 743, 874	30, 200	4, 826, 170
Mississippi	578, 393	967, 800		7, 409, 982	138, 090	4, 963, 522
Missouri	459, 443	125, 062	656	2, 969, 685	62, 550	5, 070, 108
Montana	219, 287	1, 164, 446		380, 579	20, 500	608, 669
Nebraska	73, 100	16, 994	3, 415	582, 820		1, 643, 334
Nevada	116, 659	43, 317		120, 703	17, 000	217, 569
New Hampshire	178, 608	66, 250		368, 232	19, 000	534, 918
New Jersey	230, 081			1, 510, 135	20, 000	2, 634, 072
New Mexico	136, 948	214, 039	6, 939	967, 578	36, 680	1, 510, 475
New York	574, 214		697	8, 698, 088	74, 830	13, 850, 484
North Carolina	651, 101	239, 138		4, 190, 430	313, 200	10, 052, 859
North Dakota	43, 853	118	259, 360	512, 486	133, 770	1, 015, 803
Ohio	313, 835	9, 484	624	3, 168, 048	29, 050	8, 283, 544
Oklahoma	199, 918	121, 264	7, 689	4, 477, 966	606, 905	2, 875, 605
Oregon	765, 819	19, 694, 122	2, 142	1, 383, 344	236, 500	2, 007, 415
Pennsylvania	503, 767	236, 869	1, 645	4, 000, 686	877, 430	8, 255, 901
Rhode Island	88, 353			196, 660		405, 236
South Carolina	559, 808	624, 973		1, 654, 423	167, 790	6, 104, 822
South Dakota	49, 182	62, 617	45, 122	630, 793	52, 200	866, 169
Tennessee	454, 670	83, 045		2, 845, 881	266, 160	6, 139, 658
Texas	521, 366	636, 094	13, 621	5, 685, 841	417, 350	9, 365, 048
Utah	101, 554	131, 527		747, 438		1, 847, 787
Vermont	129, 927	120, 924		303, 107	844, 050	339, 566
Virginia	596, 199	104, 751	53	1, 956, 721	133, 310	5, 934, 581
Washington	705, 255	6, 130, 715		1, 759, 718	77, 700	2, 747, 381
West Virginia	306, 936	175, 432		1, 406, 955	693, 030	2, 329, 473
Wisconsin	749, 496	139, 945		1, 818, 279	404, 800	3, 925, 570
Wyoming	77, 518	133, 878	38, 296	137, 590	100, 770	407, 440
Puerto Rico	15, 292	1, 565		7, 556, 464	81, 160	4, 692, 562
Virgin Islands				96, 855		170, 373
Other Territories, etc.[5]				160, 844		167, 589
Adjustments or undistributed to States				[6] 25, 663, 061		[6] 1, 380, 782
Total	17, 772, 702	42, 451, 222	451, 432	139, 958, 225	8, 644, 575	206, 586, 777

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Agriculture—Con.		Department of Commerce			
			Economic Development Administration			
	Special milk program [13]	Watershed protection, flood prevention, and resource conservation and development [14]	Appalachian assistance [15]	Appalachian regional highways	Development facilities grants	Technical and community assistance [16]
	(13)	(14)	(15)	(16)	(17)	(18)
Alabama	$1,525,478	$1,406,116	$1,221,265	$2,894,167	-----	$8,128
Alaska	34,114	-----	-----	-----	$521,964	55,236
Arizona	475,336	549,510	-----	-----	-----	-----
Arkansas	1,124,088	3,526,972	-----	-----	648,700	73,897
California	8,530,039	5,248,554	-----	-----	1,619,384	-----
Colorado	911,118	296,263	-----	-----	191,300	-----
Connecticut	1,534,864	935,618	-----	-----	-----	-----
Delaware	328,945	233,023	-----	-----	-----	-----
District of Columbia	916,660	-----	-----	-----	-----	-----
Florida	1,861,117	946,304	-----	-----	18,953	-----
Georgia	1,589,565	3,515,330	608,518	1,015,187	374,300	266,854
Hawaii	230,632	1,232,245	-----	-----	-----	30,933
Idaho	187,739	248,983	-----	-----	40,959	-----
Illinois	6,360,790	99,143	70,000	-----	31,529	117,068
Indiana	2,579,129	1,285,585	-----	-----	-----	27,305
Iowa	1,810,575	2,119,990	-----	-----	-----	-----
Kansas	1,160,802	3,920,696	-----	-----	35,772	-----
Kentucky	1,647,752	1,547,111	-----	13,886,632	830,782	107,920
Louisiana	729,145	614,317	-----	-----	1,395,300	107,148
Maine	510,751	109,030	-----	-----	272,024	29,787
Maryland	2,034,453	869,507	25,035	579,563	16,133	45,408
Massachusetts	3,095,001	358,470	-----	-----	10,452	-----
Michigan	5,344,700	444,602	-----	-----	538,789	182,656
Minnesota	2,608,107	492,792	-----	-----	335,511	1,038,041
Mississippi	1,287,553	5,928,311	-----	-----	388,000	79,725
Missouri	2,134,113	631,390	-----	-----	810,078	75,345
Montana	179,039	198,457	-----	-----	-----	41,008
Nebraska	617,933	1,467,264	-----	-----	42,500	-----
Nevada	139,378	40,869	-----	-----	-----	-----
New Hampshire	404,932	550,617	-----	-----	-----	-----
New Jersey	3,515,347	323,095	-----	-----	-----	-----
New Mexico	676,620	315,757	-----	-----	-----	33,942
New York	8,838,240	943,025	100,999	2,041,257	837,217	6,420
North Carolina	2,807,674	1,286,021	67,840	2,260,406	478,416	-----
North Dakota	361,190	706,184	-----	-----	-----	-----
Ohio	6,243,950	1,094,817	411,428	475,357	1,206,528	29,241
Oklahoma	1,039,743	9,154,400	-----	-----	71,800	100,011
Oregon	549,897	1,068,154	-----	-----	151,750	1,800
Pennsylvania	4,726,757	1,012,813	1,194,535	2,298,253	300,003	295,897
Rhode Island	457,291	-----	-----	-----	537,790	-----
South Carolina	704,510	812,930	116,828	-----	957,599	52,117
South Dakota	379,454	159,454	-----	-----	22,741	-----
Tennessee	1,831,536	1,392,422	545,342	2,800,936	527,000	106,065
Texas	3,613,617	9,614,708	-----	-----	26,636	-----
Utah	350,047	553,158	-----	-----	79,479	-----
Vermont	224,273	113,319	-----	-----	-----	-----
Virginia	1,709,537	2,014,659	535,615	7,659, 97	-----	-----
Washington	1,427,367	484,119	-----	-----	910,442	-----
West Virginia	607,481	1,977,183	901,551	3,765,558	499,300	39,532
Wisconsin	3,457,720	937,401	-----	-----	22,575	9,000
Wyoming	125,098	139,266	-----	-----	-----	-----
Puerto Rico	-----	54,100	-----	-----	-----	46,620
Virgin Islands	-----	-----	-----	-----	-----	-----
Other Territories, etc.[5]	-----	-----	-----	-----	-----	-----
Adjustments or undistributed to States	−9,488	-----	317,700	211,559	-----	-----
Total	95,531,709	72,974,054	6,116,656	39,888,472	14,751,702	3,007,103

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Commerce—Continued	Department of Defense			Federal Power Commission	Funds appropriated to the President
		Army				
	State Technical Services	Civil defense	Flood control lands—shared revenues	National Guard centers, construction	Payments to States under Federal Power Act—shared revenues	Accelerated public works program
	(19)	(20)	(21)	(22)	(23)	(24)
Alabama	$36,500	$440,033	$3,563	-----	$2,066	$603,045
Alaska	15,000	118,644	-----	$12	920	40,309
Arizona	29,000	237,551	-----	-----	397	10,740
Arkansas	62,096	415,088	98,073	-----	4	220,955
California	126,483	3,857,665	119,021	3,528	29,294	118,601
Colorado	30,000	292,876	8,564	-----	504	21,924
Connecticut	13,050	214,695	1,538	-----	-----	315,264
Delaware	14,000	122,006	3,751	-----	-----	42,692
District of Columbia	37,700	136,735	-----	-----	-----	-----
Florida	74,917	869,954	7,388	138,982	3	7,488
Georgia	74,864	624,905	58,811	72,126	36	275,906
Hawaii	25,370	338,667	900	-----	-----	-----
Idaho	19,930	134,857	699	21,587	8,706	9,786
Illinois	144,283	730,413	102,489	-----	-----	148,680
Indiana	-----	186,954	14,059	-----	-----	173,112
Iowa	93,003	535,259	220,312	63,112	-----	-----
Kansas	45,924	266,740	262,490	-----	-----	12,762
Kentucky	-----	208,934	45,104	-----	-----	1,479,971
Louisiana	15,000	358,830	18,537	12,509	-----	1,605,391
Maine	27,641	311,604	-----	-----	-----	14,978
Maryland	-----	591,799	228	-----	-----	44,406
Massachusetts	15,000	761,133	3,970	5,996	-----	1,349,919
Michigan	65,452	634,773	8,101	6,153	105	2,015,026
Minnesota	32,516	698,948	7,182	15,760	11	251,650
Mississippi	22,165	189,817	134,859	116,680	24	167,924
Missouri	15,000	628,772	163,717	-----	-----	235,453
Montana	36,109	126,099	6,117	-----	13,127	27,284
Nebraska	18,151	239,856	41,615	-----	-----	-----
Nevada	16,300	118,123	-----	-----	824	-----
New Hampshire	16,000	78,174	2,490	-----	-----	-----
New Jersey	-----	516,905	1,889	-----	-----	2,789,504
New Mexico	15,416	101,056	121	-----	3	-----
New York	123,797	4,391,195	1,184	-----	-----	1,550,536
North Carolina	85,047	772,175	2,692	-----	31	216,021
North Dakota	10,263	155,572	97,467	38,000	-----	296
Ohio	52,925	289,184	12,592	6,720	-----	373,760
Oklahoma	60,236	402,254	538,529	-----	-----	157,108
Oregon	15,000	113,210	21,636	6,540	7,957	-----
Pennsylvania	89,263	869,618	10,585	-----	2	2,522,638
Rhode Island	-----	121,695	-----	-----	-----	159,796
South Carolina	15,000	300,685	9,480	1,800	194	314,802
South Dakota	-----	203,991	53,644	1,377	-----	43,495
Tennessee	-----	229,530	45,905	-----	-----	136,364
Texas	101,039	667,827	267,078	-----	-----	154,010
Utah	64,706	102,788	-----	110,060	1,329	17,092
Vermont	25,000	58,645	245	1,125	-----	9,482
Virginia	49,000	280,117	11,218	9,454	16	77,436
Washington	59,367	339,615	8,836	-----	5,652	37,640
West Virginia	21,087	165,468	1,484	-----	3	1,279,112
Wisconsin	24,627	709,918	3,399	1,608	85	208,936
Wyoming	15,000	193,477	-----	-----	65	-----
Puerto Rico	69,780	264,783	-----	-----	13	179,697
Virgin Islands	14,756	9,719	-----	-----	-----	-----
Other Territories, etc.[5]	25,000	16,001	-----	-----	-----	-----
Adjustments or undistributed to States	-----	-----	-----	-----	-----	-----
Total	2,057,763	25,745,331	2,421,562	633,129	71,374	19,420,990

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Funds appropriated to the President—Continued					
	Disaster relief, and State and local preparedness [18] [19]	Office of Economic Opportunity				
		Adult basic education [20]	Adult work training and development [21]	Community action programs	Neighborhood Youth Corps [21]	Work experience and training programs [20]
	(25)	(26)	(27)	(28)	(29)	(30)
Alabama	$18,159	$523,279	$214,040	$10,721,096	$6,954,843	
Alaska	3,686,092	40,000	60,050	2,863,749	880,772	$403,136
Arizona	1,408,905	193,641	124,110	17,761,314	4,476,158	635,000
Arkansas	3,000	415,435	38,047	7,115,277	6,581,226	3,556,000
California	7,322,720	2,023,170	93,330	71,980,599	18,592,289	5,144,998
Colorado	1,599,720	89,200	24,000	7,751,830	2,742,396	2,750,085
Connecticut	14,702	268,000	50,347	8,160,950	2,738,988	1,872,698
Delaware	−438	92,899		1,483,978	272,453	98,837
District of Columbia	16,718	99,040	314,750	12,421,869	4,276,829	3,596,878
Florida	1,487,264	1,103,815		20,551,008	7,756,053	3,081,400
Georgia	177,046	1,017,604	44,222	16,586,380	7,871,680	1,224,110
Hawaii	1,101	118,819	44,380	2,766,627	775,568	133,055
Idaho	43,044	57,285		1,257,403	392,105	625,000
Illinois	478,803	1,923,336	104,506	35,718,822	12,103,902	721,863
Indiana	172,116	355,033	22,452	8,418,871	4,116,405	948,500
Iowa	853,280	182,513	3,800	5,323,660	1,757,151	1,677,900
Kansas	2,941,734	138,266	184,000	3,592,065	1,720,356	49,730
Kentucky	318	1,085,843	112,424	14,906,579	5,651,858	16,755,976
Louisiana	6,293,919	1,119,144	12,200	12,616,255	6,062,552	2,078,140
Maine	3,319	78,167		3,219,018	1,298,048	1,225,000
Maryland	2,647	279,321		5,688,675	1,979,898	855,200
Massachusetts	7,712	834,645		15,659,198	4,068,705	4,136,000
Michigan	235,637	1,362,081		24,124,749	6,043,429	3,957,990
Minnesota	1,310,119	187,774	13,298	9,359,876	3,773,974	3,898,126
Mississippi	1,676,805	701,018		31,575,737	5,767,855	7,197,675
Missouri	262,856	188,816	127,350	17,925,330	7,528,605	3,292,378
Montana	2,702,864	82,722		2,888,119	889,549	372,391
Nebraska	288,140	44,125	79,200	2,228,423	954,739	886,625
Nevada	9,582	33,830		1,094,688	485,149	1,896,655
New Hampshire	3,246	37,082		1,902,077	332,418	64,084
New Jersey	80,312	812,280		22,805,207	8,105,872	3,064,500
New Mexico	1,213,835	160,565	35,350	8,626,373	2,240,546	1,583,724
New York	34,189	1,869,201	29,000	69,042,978	23,922,755	3,097,803
North Carolina	5,605	1,092,615	21,310	13,830,331	9,400,132	628,113
North Dakota	1,294,332	58,354		2,602,554	660,984	682,183
Ohio	157,883	795,000	155,066	20,041,620	11,044,892	4,916,311
Oklahoma	3,792	261,709	195,090	11,189,539	5,720,449	1,318,101
Oregon	1,053,648	73,382		4,869,327	1,559,791	1,676,000
Pennsylvania	124,998	1,419,445		31,248,083	12,691,413	1,890,782
Rhode Island	898	75,124		5,233,084	1,599,474	1,002,937
South Carolina	7,196	1,039,957	28,200	6,861,953	5,097,786	379,000
South Dakota	82,097	45,000	51,770	4,202,893	1,097,377	956,267
Tennessee	3,938	1,271,263	74,442	11,823,366	7,114,088	2,312,700
Texas	405,657	2,943,597	284,327	28,021,091	18,176,519	1,290,080
Utah	13,169	50,955	5,850	3,320,819	1,313,121	546,916
Vermont	15,476	64,200		1,310,121	506,571	269,500
Virginia	27,176	800,967		10,704,607	4,597,517	512,000
Washington	868,187	177,196	145,110	9,850,590	2,816,960	743,831
West Virginia	6,750	337,593		6,352,265	3,143,914	6,975,874
Wisconsin	97,801	126,000	10,862	7,584,643	2,222,754	1,581,158
Wyoming		50,000		562,772	354,910	1,503,700
Puerto Rico	7,729	354,706		10,565,216	5,791,486	7,467,193
Virgin Islands	12,045	27,600		696,568	505,053	34,000
Other Territories, etc.[5]	14,457,971	43,080		751,032	93,885	18,444
Adjustments or undistributed to States						1,762,209
Total	52,995,813	28,625,692	2,702,883	669,761,255	258,624,202	119,348,756

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Health, Education, and Welfare					
			Office of Education			
	Administration on Aging	American Printing House for the Blind	Arts and humanities educational activities	Colleges of agricultural and the mechanical arts	Construction	
					Assistance to public schools	Higher educational facilities
	(31)	(32)	(33)	(34)	(35)	(36)
Alabama	---	$18,012	$8,000	$277,646	$550,759	$2,149,536
Alaska	---	399	---	205,375	414,223	7,948
Arizona	---	7,534	5,540	230,950	1,263,399	1,303,007
Arkansas	$251,489	10,228	---	242,457	84,966	1,392,442
California	493,928	89,260	---	573,580	6,654,286	12,970,500
Colorado	102,585	11,675	23,803	241,689	1,056,875	2,262,572
Connecticut	147,364	20,357	3,931	260,259	---	681,408
Delaware	54,514	2,944	952	210,607	---	321,968
District of Columbia	71,559	3,044	1,224	---	---	494,829
Florida	154,902	30,086	27,839	317,693	1,120,558	4,210,528
Georgia	36,588	22,652	30,510	293,723	897,858	4,044,341
Hawaii	88,727	3,493	3,590	215,040	1,678,014	361,587
Idaho	---	1,347	2,208	215,858	16,692	647,549
Illinois	183,734	42,859	9,000	439,617	671,387	4,123,462
Indiana	5,746	19,259	7,387	310,822	44,364	4,449,455
Iowa	27,334	13,970	---	265,543	---	1,449,846
Kansas	52,018	17,812	5,329	251,783	181,376	1,610,609
Kentucky	96,829	11,027	11,545	272,213	31,200	2,804,498
Louisiana	158,718	17,064	11,628	277,415	588,925	2,774,947
Maine	64,122	4,490	1,800	223,038	32,760	159,710
Maryland	66,169	24,847	5,970	273,699	3,056,177	2,121,131
Massachusetts	297,950	31,184	---	322,375	---	2,648,021
Michigan	151,370	38,618	---	385,948	608,791	5,614,927
Minnesota	74,155	17,263	2,057	281,143	15,140	2,735,539
Mississippi	---	9,929	7,935	251,771	654,301	1,180,529
Missouri	84,920	15,617	1,656	302,677	229,121	4,121,372
Montana	82,214	2,944	1,642	216,038	290,463	600,324
Nebraska	80,121	6,486	3,988	233,545	687,660	1,106,658
Nevada	45,000	1,746	599	206,780	202,265	343,760
New Hampshire	---	3,992	1,506	214,425	---	586,361
New Jersey	65,550	38,069	7,972	344,200	151,216	4,323,611
New Mexico	101,019	4,989	888	222,604	3,556,198	1,621,794
New York	207,776	96,045	8,834	598,896	41,620	8,908,259
North Carolina	49,145	28,439	17,512	308,294	1,596,047	4,505,962
North Dakota	9,210	1,846	4,513	215,032	1,062,441	301,652
Ohio	199,549	44,854	29,296	430,710	309,175	8,893,781
Oklahoma	91,364	7,284	---	255,340	320,560	1,288,908
Oregon	37,371	12,773	4,333	242,039	66,324	1,918,307
Pennsylvania	506,718	66,808	20,063	469,048	---	7,723,398
Rhode Island	192,798	6,536	1,547	220,429	298,347	205,292
South Carolina	69,993	11,076	8,527	256,631	857,031	2,395,875
South Dakota	---	3,193	---	216,175	133,676	731,964
Tennessee	49,259	18,211	9,100	284,785	190,887	2,785,957
Texas	193,879	40,913	---	427,698	1,834,830	10,417,224
Utah	59,492	6,037	4,038	221,169	1,209,685	1,564,379
Vermont	89,511	898	---	209,267	---	578,757
Virginia	3,014	24,797	11,724	294,289	4,163,515	1,455,066
Washington	121,901	16,265	8,287	267,817	676,636	2,375,727
West Virginia	66,000	12,274	6,650	244,220	---	1,425,981
Wisconsin	160,703	14,070	12,614	293,929	85,984	4,524,663
Wyoming	---	1,796	1,108	207,845	79,395	14,664
Puerto Rico	42,000	5,039	7,330	255,846	---	328,783
Virgin Islands	---	---	---	---	---	1,520
Other Territories, etc.[5]	---	150	---	---	49,439	36,009
Adjustments or undistributed to States	---	---	---	---	---	---
Total	5,188,308	962,500	343,975	14,499,972	37,714,566	137,606,896

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—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—Continued					
	Cooperative vocational education	Defense educational activities	Educational improvement for the handicapped	Elementary and secondary educational activities	Equal education opportunities program [19]	Higher educational activities
	(37)	(38)	(39)	(40)	(41)	(42)
Alabama	$7,143,735	$1,668,437	$312,760	$32,260,506	$301,087	$538,095
Alaska	20,000	85,177	10,000	1,934,750		89,532
Arizona	2,246,348	737,326	350,835	7,747,374		323,955
Arkansas	3,203,835	1,338,793	240,840	24,103,549	87,475	371,200
California	15,103,989	6,640,131	804,617	90,376,294	139,936	1,337,593
Colorado	2,171,557	831,346	458,474	12,414,170		455,094
Connecticut	2,231,324	1,117,867	331,305	10,118,307	70,000	386,388
Delaware	590,863	273,526	60,495	2,857,008	9,700	234,550
District of Columbia	803,642	409,016	396,808	8,663,988		3,779,669
Florida	4,677,276	3,926,339	495,026	33,222,710	943,934	575,903
Georgia	6,360,837	2,221,623	315,536	42,715,674	279,144	695,486
Hawaii	1,619,567	728,054	147,326	4,259,410		334,848
Idaho	1,250,793	505,653	114,372	3,801,783		284,012
Illinois	6,962,587	3,868,545	961,125	50,802,263	34,322	1,288,671
Indiana	5,545,751	1,933,122	464,395	17,636,369	135,000	255,513
Iowa	253,736	393,499	292,833	16,701,317		399,346
Kansas	2,884,933	1,382,823	353,000	11,893,399		413,719
Kentucky	7,017,498	2,280,197	182,348	32,986,587	16,491	547,434
Louisiana	5,810,735	1,670,553	191,800	36,482,674		527,406
Maine	1,447,496	608,831	72,737	4,973,222		366,763
Maryland	3,849,051	2,153,182	89,755	16,866,439	5,000	557,333
Massachusetts	5,998,556	2,533,077	847,468	20,512,199		940,005
Michigan	2,995,497	4,812,784	1,275,536	41,331,289	102,306	775,858
Minnesota	8,108,112	2,298,225	411,395	24,387,557		664,556
Mississippi	5,640,569	1,040,180	185,273	23,302,941	159,164	476,807
Missouri	4,773,602	1,787,446	360,899	28,343,143		606,823
Montana	1,168,393	337,593	103,493	4,710,764		181,167
Nebraska	2,131,770	845,354	224,525	7,723,818		403,152
Nevada	632,090	223,533	65,200	1,191,087	15,426	120,598
New Hampshire	493,972	268,968	109,228	2,261,833		300,916
New Jersey	5,373,974	2,760,301	548,318	25,859,972	9,915	537,592
New Mexico	1,789,791	299,591	210,362	10,913,192		322,507
New York	17,401,189	8,055,742	1,551,706	139,049,687	173,851	1,790,417
North Carolina	9,888,463	2,863,685	281,204	51,148,765	363,760	482,268
North Dakota	1,234,332	619,524	138,652	4,010,997		292,822
Ohio	3,697,760	4,649,558	532,454	47,702,705		838,912
Oklahoma	3,213,860	1,568,949	183,653	19,990,567	39,076	481,961
Oregon	3,795,087	1,634,781	514,467	11,264,507		312,969
Pennsylvania	12,091,926	5,674,834	668,768	56,896,598	27,167	1,380,822
Rhode Island	377,866	472,653	964,962	5,322,602		310,661
South Carolina	5,359,675	1,262,910	81,270	29,907,850		492,785
South Dakota	1,047,313	695,406	115,641	6,014,836		173,733
Tennessee	10,215,677	2,113,693	599,771	27,650,775	62,801	603,581
Texas	15,231,422	6,043,545	662,873	76,070,239	−20,777	788,721
Utah	1,529,247	654,008	237,753	4,263,693		285,929
Vermont	691,274	270,401	61,200	2,404,181		292,051
Virginia	7,545,382	2,088,102	338,535	32,772,717	306,415	396,051
Washington	3,879,647	1,683,092	153,266	13,239,034		529,874
West Virginia	5,812,464	1,071,507	111,606	13,654,067		284,031
Wisconsin	5,846,075	3,119,173	564,153	18,806,964		421,265
Wyoming	375,093	267,100	41,500	2,142,286		265,357
Puerto Rico	3,851,370	806,315	112,260	23,789,659	81,400	168,087
Virgin Islands	168,510	101,114		517,081		61,280
Other Territories, etc.[5]	174,563	125,835	21,600	2,700,155		31,702
Adjustments or undistributed to States	−595,149					3,429,657
Total	233,134,925	97,823,019	18,925,378	1,242,675,553	3,342,593	33,207,427

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—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—Continued		Public Health Service			
	Libraries and community services	Maintenance and operation of schools	Air pollution	Chronic diseases and health of the aged [22]	Communicable disease activities [23]	Community health practice and research [24]
	(43)	(44)	(45)	(46)	(47)	(48)
Alabama	$1, 104, 007	$7, 460, 497	$64, 367	$516, 667	$254, 487	$281, 609
Alaska	522, 230	11, 422, 022	----------	----------	46, 512	33, 146
Arizona	624, 355	7, 077, 291	----------	276, 597	45, 230	178, 040
Arkansas	724, 245	2, 108, 675	----------	412, 912	112, 269	181, 456
California	3, 672, 840	66, 482, 044	155, 080	1, 848, 088	2, 434, 637	1, 395, 000
Colorado	665, 559	11, 535, 417	10, 688	390, 400	115, 000	335, 600
Connecticut	788, 467	2, 727, 036	94, 676	340, 278	44, 905	106, 550
Delaware	273, 371	351, 864	----------	187, 131	28, 073	20, 550
District of Columbia	263, 389	5, 062, 865	----------	104, 086	142, 228	27, 279
Florida	1, 479, 147	14, 040, 527	39, 390	799, 197	271, 221	909, 748
Georgia	1, 434, 672	10, 331, 285	9, 738	685, 431	2, 272, 604	382, 233
Hawaii	354, 102	7, 680, 758	----------	197, 026	134, 309	41, 933
Idaho	375, 925	2, 228, 159	1, 154	200, 786	46, 736	117, 634
Illinois	2, 340, 853	6, 884, 646	92, 926	751, 806	252, 270	399, 236
Indiana	1, 093, 397	2, 562, 936	11, 671	403, 250	44, 309	215, 328
Iowa	1, 176, 647	1, 721, 454	----------	501, 063	145, 669	145, 361
Kansas	725, 393	9, 671, 613	----------	207, 137	175, 546	160, 191
Kentucky	1, 529, 200	2, 570, 932	303, 289	405, 709	120, 754	202, 192
Louisiana	1, 249, 097	2, 916, 982	6, 840	419, 112	254, 449	199, 316
Maine	367, 958	2, 754, 217	----------	125, 246	26, 577	84, 384
Maryland	969, 665	20, 107, 855	126, 697	409, 714	59, 899	197, 674
Massachusetts	1, 834, 741	10, 133, 394	81, 045	442, 565	226, 174	286, 192
Michigan	2, 010, 280	3, 338, 716	45, 632	788, 630	152, 054	490, 783
Minnesota	1, 263, 879	1, 378, 067	11, 365	572, 445	114, 854	236, 595
Mississippi	1, 024, 254	2, 280, 748	----------	616, 221	159, 421	242, 969
Missouri	1, 216, 832	5, 853, 526	----------	510, 655	246, 983	212, 798
Montana	380, 668	3, 240, 749	23, 299	210, 539	44, 878	59, 276
Nebraska	617, 910	3, 733, 710	----------	37, 660	41, 941	133, 905
Nevada	286, 625	2, 951, 784	----------	50, 205	22, 629	36, 735
New Hampshire	348, 630	1, 660, 356	21, 455	153, 248	43, 869	61, 299
New Jersey	1, 881, 479	8, 620, 851	200, 833	331, 946	88, 377	427, 685
New Mexico	320, 497	8, 233, 373	16, 262	183, 111	48, 150	143, 951
New York	3, 463, 262	8, 563, 591	61, 920	1, 259, 487	411, 393	505, 229
North Carolina	1, 363, 687	4, 914, 066	----------	814, 790	249, 576	333, 181
North Dakota	333, 692	2, 577, 423	3, 288	232, 042	29, 448	67, 550
Ohio	2, 428, 059	8, 072, 874	----------	1, 241, 695	124, 369	524, 758
Oklahoma	769, 099	10, 709, 757	3, 975	350, 106	140, 841	189, 802
Oregon	502, 899	2, 354, 997	48, 079	242, 454	22, 666	220, 476
Pennsylvania	3, 434, 928	7, 210, 613	141, 628	1, 562, 325	345, 426	698, 023
Rhode Island	498, 323	2, 805, 461	----------	173, 897	19, 291	65, 446
South Carolina	524, 150	6, 359, 439	----------	408, 784	220, 809	227, 268
South Dakota	308, 864	3, 349, 093	----------	88, 169	54, 601	58, 285
Tennessee	1, 423, 558	4, 608, 118	23, 056	570, 080	277, 554	309, 971
Texas	3, 222, 421	22, 786, 061	70, 628	1, 262, 139	342, 479	809, 508
Utah	373, 997	5, 216, 358	6, 574	220, 330	69, 370	79, 488
Vermont	444, 508	80, 653	----------	169, 632	49, 960	54, 995
Virginia	1, 300, 828	24, 614, 138	----------	614, 494	147, 063	297, 942
Washington	1, 018, 612	10, 793, 881	----------	408, 790	----------	178, 795
West Virginia	689, 629	399, 901	----------	320, 987	164, 017	129, 430
Wisconsin	1, 874, 315	1, 126, 432	----------	429, 828	125, 568	168, 861
Wyoming	218, 872	1, 302, 149	----------	48, 348	----------	31, 426
Puerto Rico	483, 704	----------	121, 595	486, 378	156, 336	208, 448
Virgin Islands	38, 543	94, 441	----------	73, 894	11, 546	9, 237
Other Territories, etc.[5]	55, 824	1, 693, 295	----------	65, 617	----------	9, 161
Adjustments or undistributed to States	−289, 587	----------	----------	----------	----------	----------
Total	57, 402, 501	378, 757, 090	1, 797, 150	24, 123, 127	11, 179, 327	13, 123, 928

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—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					
	Construction	Control of tuberculosis [26]	Control of venereal disease [27]	Dental services and resources	Environmental engineering and sanitation	Medical care services [28]
	Hospital and health research facilities [25]					
	(49)	(50)	(51)	(52)	(53)	(54)
Alabama	$4,436,801	$320,455	$168,522	$8,046		$46,552
Alaska		215,681	3,683			
Arizona	3,803,923	202,762	68,802	8,093		22,836
Arkansas	4,189,549	214,168	80,782	11,341		63,410
California	12,822,517	1,130,660	568,863	77,540	$193,850	110,160
Colorado	2,864,046	88,700	32,761	13,444	20,040	16,800
Connecticut	2,540,361	44,120	42,863	13,162	18,775	15,070
Delaware	352,040	29,869	20,162	12,728		12,915
District of Columbia	260,527	80,307	40,983	12,432		
Florida	8,399,133	583,963	499,775	2,992		47,626
Georgia	5,224,967	743,923	323,349	26,780	14,607	59,557
Hawaii	1,134,182	48,486	2,872	12,637	6,893	1,148
Idaho	1,054,280	27,125	6,926	13,274	10,388	25,604
Illinois	9,836,998	182,263	238,914	17,208		103,155
Indiana	5,812,124	76,260		8,380		19,622
Iowa	2,417,670	51,433	11,438	14,958		28,662
Kansas	3,753,353	111,480	29,223	9,928		15,685
Kentucky	5,354,398	128,870	56,073	16,225	3,744	28,630
Louisiana	6,843,808	115,951	121,859	22,803	602	40,071
Maine	1,603,565	33,350	3,963	4,319	906	25,248
Maryland	2,239,669	107,177	93,642	16,208		34,321
Massachusetts	5,459,940	98,198		17,728	5,065	44,975
Michigan	7,466,934	487,970	184,902	25,690		24,451
Minnesota	4,076,003	76,923	22,957	6,199		33,279
Mississippi	3,097,103	355,834	54,982	9,055		35,821
Missouri	5,320,878	191,820	115,878	36,200		65,199
Montana	1,281,206	53,348	10,899	7,040		31,503
Nebraska	3,323,369	96,923	31,295	8,369		37,661
Nevada	372,956	110,513	15,918	2,449		46,531
New Hampshire	929,946	44,272		17,027		2,383
New Jersey	3,731,248	250,882	228,396	7,724	15,449	30,897
New Mexico	1,714,241	113,002	64,280	12,046		16,253
New York	11,363,551	502,381	669,803	37,487	959	68,540
North Carolina	8,856,238	390,386	251,644	25,182		22,037
North Dakota	1,349,869	57,826	14,456	12,850		14,250
Ohio	6,967,104	283,125	139,008	15,137	27,752	34,627
Oklahoma	3,451,384	134,391	70,922	8,944	6,956	40,429
Oregon	1,287,831	62,503	49,402	10,303	3,434	41,210
Pennsylvania	14,689,379	362,076	181,596	50,581	23,605	137,209
Rhode Island	954,473	114,611		10,491	500	35,929
South Carolina	5,767,935	176,978	117,758	14,997	28,841	33,062
South Dakota	1,565,235	34,569	11,606	2,063		7,254
Tennessee	4,556,123	293,157	103,089	16,651	6,404	11,436
Texas	20,642,168	276,149	288,039	38,031		6,452
Utah	1,323,919	163,838	10,580	8,965		16,937
Vermont	2,398,449	57,924	2,324	12,393		29,046
Virginia	4,763,107	178,638	89,019	15,987	5,814	46,792
Washington	2,234,088	53,429	54,644	4,584	4,584	46,274
West Virginia	2,614,650	263,161	53,138	20,709	10,354	72,481
Wisconsin	5,007,253	26,864	29,860	15,351		46,053
Wyoming	1,498,447	7,252	4,835	14,504		43,513
Puerto Rico	6,143,909	396,984	34,741	17,371		34,741
Virgin Islands		11,546	9,237	4,618		27,710
Other Territories, etc [5]		40,007		6,402		14,741
Adjustments or undistributed to States						
Total	229,152,847	10,304,483	5,330,663	835,626	409,522	1,916,748

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—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			Welfare Administration		
			Vocational Rehabilitation Administration	Bureau of Family Services	Children's Bureau	Miscellaneous health, education, and welfare programs
	Mental health	Radiological health [29]		Public assistance	Maternal and child health and welfare services [30]	
	(55)	(56)	(57)	(58)	(59)	(60)
Alabama	$117, 599	$48, 276	$7, 465, 545	$93, 937, 500	$5, 226, 844	
Alaska	77, 342	11, 049	343, 808	1, 964, 749	439, 479	
Arizona	64, 742	24, 278	2, 400, 701	23, 809, 000	1, 500, 838	
Arkansas	79, 387	34, 023	6, 260, 469	63, 676, 324	2, 789, 797	
California	461, 643	193, 850	18, 724, 111	818, 615, 973	8, 178, 891	
Colorado	64, 045	46, 880	3, 319, 556	54, 594, 421	3, 846, 852	
Connecticut	71, 242	24, 080	1, 939, 151	44, 061, 124	1, 902, 214	
Delaware	65, 000	14, 245	509, 825	6, 102, 320	541, 039	
District of Columbia	64, 499	14, 835	920, 686	13, 284, 693	2, 567, 480	
Florida	176, 965	65, 335	10, 439, 947	103, 087, 348	6, 769, 739	
Georgia	206, 941	80, 342	4, 169, 577	100, 449, 816	5, 994, 933	
Hawaii	78, 695	11, 488	903, 589	11, 282, 359	1, 086, 131	[31] $1, 167, 766
Idaho	53, 095	18, 468	385, 388	12, 698, 709	882, 582	[32] 1, 154
Illinois	286, 663	18, 929	9, 610, 093	171, 624, 225	7, 320, 999	
Indiana	132, 078	43, 572	2, 446, 628	35, 156, 965	2, 468, 417	
Iowa	80, 000	48, 393	3, 797, 908	37, 559, 769	2, 303, 735	
Kansas	64, 740	16, 803	1, 402, 999	36, 372, 702	1, 709, 373	
Kentucky	105, 400	31, 202	2, 166, 917	95, 595, 846	3, 715, 490	
Louisiana	116, 600	50, 165	5, 152, 074	153, 373, 716	3, 320, 355	
Maine	64, 444	16, 611	1, 115, 987	18, 711, 281	989, 006	
Maryland	99, 589	46, 715	3, 981, 960	52, 689, 847	5, 872, 006	
Massachusetts	138, 277	49, 387	4, 048, 463	143, 487, 869	3, 384, 732	
Michigan	237, 000	82, 968	6, 317, 315	129, 888, 432	6, 606, 745	
Minnesota	106, 200	39, 260	4, 242, 589	75, 834, 935	3, 449, 227	
Mississippi	90, 548	15, 091	2, 985, 586	51, 684, 978	2, 851, 184	
Missouri	130, 275	48, 380	4, 070, 184	105, 694, 253	3, 792, 326	
Montana	65, 000	788	1, 300, 471	8, 080, 792	746, 187	
Nebraska	60, 774	16, 738	1, 430, 523	23, 533, 294	1, 253, 261	
Nevada	65, 000	2, 450	445, 947	5, 074, 552	672, 663	
New Hampshire	63, 523	20, 433	372, 428	6, 438, 014	623, 447	
New Jersey	186, 501	47, 891	4, 414, 796	68, 006, 263	2, 709, 214	
New Mexico	56, 616	20, 478	1, 099, 267	25, 819, 121	1, 282, 826	
New York	471, 996	159, 300	10, 364, 519	444, 024, 082	11, 796, 958	
North Carolina	161, 800	67, 799	5, 443, 903	79, 745, 610	5, 632, 264	
North Dakota	69, 604	16, 063	709, 668	12, 200, 545	735, 310	
Ohio	271, 990	85, 778	5, 782, 692	127, 223, 159	7, 579, 912	[32] 2, 523
Oklahoma	70, 555	20, 868	3, 401, 311	139, 719, 051	1, 835, 822	
Oregon	64, 093	20, 605	3, 341, 248	26, 913, 085	1, 539, 800	
Pennsylvania	336, 000	104, 535	18, 576, 384	170, 563, 483	9, 352, 745	
Rhode Island	65, 000	22, 481	1, 463, 241	22, 446, 312	1, 302, 439	
South Carolina	87, 400	14, 997	5, 567, 756	27, 704, 877	3, 606, 859	
South Dakota	64, 697	13, 411	1, 084, 224	11, 156, 060	508, 282	
Tennessee	127, 700	26, 898	5, 076, 209	68, 822, 970	3, 408, 090	
Texas	325, 000	81, 494	7, 697, 386	192, 677, 454	7, 841, 516	
Utah	44, 226	14, 941	1, 672, 779	19, 285, 508	853, 838	
Vermont	65, 000	18, 977	751, 229	8, 725, 000	513, 155	
Virginia	138, 100	52, 321	3, 878, 883	31, 803, 427	3, 908, 691	[32] 2, 907
Washington	123, 781	59, 598	3, 480, 469	63, 849, 857	2, 402, 378	
West Virginia	64, 626	5, 177	4, 776, 979	41, 465, 126	2, 050, 350	
Wisconsin	116, 757	30, 702	6, 143, 932	63, 996, 684	2, 612, 018	[33] 250, 000
Wyoming	53, 183	9, 670	386, 504	3, 719, 102	346, 912	
Puerto Rico	104, 224	17, 371	2, 602, 840	25, 925, 478	6, 760, 157	
Virgin Islands	83, 131		95, 297	671, 351	575, 171	
Other Territories, etc.[5]	56, 015	10, 700	116, 500	229, 692	266, 943	
Adjustments or undistributed to States			49, 338, 315			
Total	6, 695, 301	2, 057, 089	259, 936, 756	4, 175, 059, 103	172, 227, 622	1, 424, 350

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Housing and Urban Development					
	Low income housing demonstration program (61)	Low rent public housing program (62)	Neighborhood facilities (63)	Open space land grants (64)	Urban mass transportation (65)	Urban planning assistance (66)
Alabama		$8,806,136	$41,133	$98,432		$255,497
Alaska	$4,400	264,518			$37,155	135,764
Arizona		952,906	159,703	82,273		107,212
Arkansas		2,388,075	47,647	15,215		193,948
California	34,968	10,253,653		2,894,426	7,911,939	2,143,423
Colorado		1,542,341		187,364		409,548
Connecticut		4,174,997		2,018,585		740,334
Delaware		619,693				145,658
District of Columbia	12,988	4,326,103			46,179	474,797
Florida	40,000	5,563,669		661,434	60,365	390,629
Georgia		10,439,788		84,495	67,686	424,845
Hawaii		912,082		360,000		45,700
Idaho		49,373		37,509		38,073
Illinois		22,495,687		1,991,666	336,873	839,766
Indiana		1,691,936		1,606,555	120,052	368,887
Iowa				281,309	163,793	630,287
Kansas		364,072		177,382	160,000	526,213
Kentucky		4,801,707	145,385	218,897		707,886
Louisiana		7,114,311		13,424	184,218	231,715
Maine		218,215				111,027
Maryland	57,100	4,547,509		225,275	34,925	403,658
Massachusetts	100,883	7,874,181		211,238	3,338,851	611,377
Michigan	90,826	4,077,840		692,415	1,977,861	1,558,190
Minnesota		3,047,069		224,243	172,910	430,284
Mississippi		2,186,601				127,894
Missouri	13,665	5,821,068		313,092		485,177
Montana		288,128		32,500		92,073
Nebraska		1,401,712				68,082
Nevada		610,327				36,376
New Hampshire		808,360				77,432
New Jersey	24,371	16,002,806		1,378,497		431,899
New Mexico		368,381			191,539	46,321
New York	1,050,952	41,090,560		476,458	480,106	950,677
North Carolina	113,750	4,542,814	165,219	195,455		435,876
North Dakota		122,234				48,047
Ohio	12,395	7,883,207		904,604	2,465,490	1,171,620
Oklahoma	44,530	125,929		250,847		349,618
Oregon		565,853		216,185		425,889
Pennsylvania	202,790	16,110,433		1,053,706	6,900,807	1,614,920
Rhode Island		2,080,392		267,456	1,657,008	386,244
South Carolina		1,529,932				150,209
South Dakota	386,236	307,626				23,374
Tennessee		7,776,061	199,109	154,056	145,993	310,930
Texas		11,371,087	76,048	425,583	6,984,489	471,788
Utah		10,379				108,456
Vermont		115,286				57,796
Virginia	72,727	4,631,142		601,133	160,095	88,509
Washington		1,263,803		234,789	8,284,166	403,229
West Virginia		804,675			5,010	410,093
Wisconsin	19,483	1,148,210		473,287		621,724
Wyoming						890
Puerto Rico		9,380,710			378,210	39,532
Virgin Islands		702,454				37,564
Other Territorier, etc.[5]						
Adjustments or undistributed to States					[33a] 123,965	[33b] 451,984
Total	2,282,064	245,576,027	834,244	19,059,785	42,389,683	21,848,942

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Housing and Urban Development—Continued		Department of the Interior			
	Urban renewal	Water and sewer facilities	Bureau of Indian Affairs [34]	Commercial fisheries research and development [35]	Certain special funds—shared revenues [36]	Fish and wildlife restoration and management [37]
	(67)	(68)	(69)	(70)	(71)	(72)
Alabama	$2,572,461	$19,500		$33,603	$492	$345,104
Alaska	4,171,410		$1,217,621	304,373	303,343	903,268
Arizona			3,833,028	6,823	360,005	438,238
Arkansas	7,554,717			11,310		321,492
California	26,887,370	202,500		108,091	196,044	1,053,323
Colorado	576,414		145,965		40,288	749,860
Connecticut	24,073,735			101,204		130,743
Delaware	1,265,876			28,564		142,613
District of Columbia	~~5,970,983~~					
Florida	7,507,916	381,984	25,000	225,734	24	467,517
Georgia	9,610,584			71,688		375,757
Hawaii	2,370,272			31,919		128,588
Idaho			190,251	26,323	60,669	463,151
Illinois	10,761,595			4,991		430,073
Indiana	5,854,274			8,790		378,548
Iowa	3,398,034		77,253	9,160		740,175
Kansas	4,828,417		12,000	11,954	44	565,947
Kentucky	10,424,900	484,200		10,986		264,372
Louisiana	484,935			266,641	1,971	181,186
Maine	2,594,243			181,571		239,662
Maryland	4,617,983			69,027		160,831
Massachusetts	23,290,605			48,427		200,711
Michigan	16,078,309			35,711	66	804,742
Minnesota	7,925,889		509,100	14,044	17	917,223
Mississippi	344,802	353,500		83,415		334,820
Missouri	6,827,082			4,928	8	546,836
Montana		105,210	232,756	20,439	173,329	680,902
Nebraska			170,000		239	254,863
Nevada	91,912		169,385		388,843	314,703
New Hampshire	403,371			13,060		152,713
New Jersey	19,958,221			101,679		147,922
New Mexico	24,300		2,405,073		84,185	745,181
New York	34,972,959			18,762		729,698
North Carolina	9,007,871	703,850	21,550	34,928		505,595
North Dakota	1,501,685		503,551	5,324	2,406	316,541
Ohio	22,393,899	118,800		9,523		601,074
Oklahoma	5,013,973	275,625	614,345	4,425	9,212	562,942
Oregon	1,105,933	1,250,000	25,000	107,844	21,344,959	557,867
Pennsylvania	51,720,406					679,105
Rhode Island	4,642,353			20,769		122,697
South Carolina	705,845	193,300		17,204		341,108
South Dakota			1,054,794	4,109	14,503	360,632
Tennessee	9,321,496			21,940		647,039
Texas	8,734,607	915,600		28,027		1,121,489
Utah	17,000	499,860	93,073		4,915	343,651
Vermont	570,230	36,750				41,499
Virginia	3,999,975			161,791		216,735
Washington	648,483	150,480	162,725	321,931	54,682	448,289
West Virginia	1,269,041			6,075		256,768
Wisconsin	2,783,863		180,000	10,838	20	646,911
Wyoming			47,214		144,039	28,573
Puerto Rico	1,245,035			10,158		13,894
Virgin Islands	251,060				11,073,732	11,178
Other Territories, etc. [5]				35,049		21,108
Adjustments or undistributed to States						
Total	370,376,325	5,691,159	11,689,684	2,653,156	34,258,038	22,155,459

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of the Interior—Continued					
	Land and water conservation fund (73)	Mineral Leasing Act payments—shared revenues (74)	National wildlife refuge fund [38] (75)	Waste treatment works construction [39] (76)	Water resources research (77)	Water supply and pollution control [39] (78)
Alabama	$38,015	$3,165	$19,372	$1,121,591	$152,133	$119,842
Alaska	376,379	7,701,780	93	88,900	94,035	48,939
Arizona	568,217	88,890		946,118	150,865	162,833
Arkansas	138,966	25,472	141,045	2,057,854	70,200	87,713
California	660,095	3,155,538	73,185	7,614,430	211,643	1,206,724
Colorado	477,597	3,326,350	19,406	554,511	169,916	146,349
Connecticut	583,809			1,489,119	87,500	111,515
Delaware	840,188		15,187	533,826	103,000	94,776
District of Columbia	480,000			294,726		150,823
Florida	1,250,000	326	25,609	1,704,970	87,500	405,103
Georgia	1,207,744		63,329	1,308,020	79,626	179,506
Hawaii	281,662			567,560	69,249	57,226
Idaho	341,276	248,064	12,488	319,058	87,500	26,617
Illinois	177,830	15	73,093	3,980,243		454,985
Indiana	51,188			2,736,113	106,750	173,235
Iowa	403,469		11,092	1,514,199	127,095	128,197
Kansas	1,013,054	135,107	17,496	1,561,634	138,285	160,823
Kentucky			3,800	1,550,469	87,500	106,916
Louisiana	886,082	503,136	5,995	1,711,801	163,365	132,444
Maine	305,207		2,521	781,465	93,855	91,580
Maryland	359,946		21,797	1,189,967	138,000	199,750
Massachusetts	50,000		4,285	2,693,090	87,500	446,479
Michigan	230,129	1,561	14,271	3,374,018	97,740	933,232
Minnesota	103,056		53,342	1,376,974	118,989	271,567
Mississippi	165,142		34,053	1,786,350	91,743	124,032
Missouri	1,245,103		34,490	2,910,215	63,333	262,992
Montana	334,988	2,121,226	40,593	93,175	124,428	118,895
Nebraska	1,057,622	848	42,356	1,885,099	125,917	33,758
Nevada	570,498	415,015	15,571	610,160	155,000	15,097
New Hampshire	576,926			808,589	87,500	70,736
New Jersey	247,706		19,747	2,222,374	123,415	294,025
New Mexico	520,052	11,867,898	8,191	562,064	154,462	92,926
New York	1,665,645		14,890	3,690,592	94,595	1,189,169
North Carolina	15,746		44,959	2,954,307	145,121	288,165
North Dakota	298,672	217,735	84,126	374,868	98,770	39,775
Ohio	100,000		18,176	3,475,193	113,207	545,714
Oklahoma	112,355	127,243	13,940	1,103,779	116,861	206,913
Oregon	451,680	2,888	78,466	910,267	122,342	500,818
Pennsylvania	36,928		4,158	2,825,882	140,780	599,575
Rhode Island	79,492			743,164	90,414	110,518
South Carolina	146,488		13,486	1,480,612	97,084	241,250
South Dakota	283,031	52,253	24,560	890,396	87,500	46,831
Tennessee			12,672	2,028,810	87,500	257,256
Texas	1,011,208		48,431	2,363,699	141,878	543,840
Utah	404,892	3,438,742	5,245	678,110	225,290	106,556
Vermont	416,656		1,370	1,212,428	127,850	26,209
Virginia	263,084		8,142	835,775	87,500	134,544
Washington	373,690	146	52,568	1,249,652	174,113	500,837
West Virginia	92,490			688,716	85,270	109,782
Wisconsin	533,932		17,644	2,330,077	50,730	412,052
Wyoming	308,187	14,930,525	23,332	66,260	113,642	22,013
Puerto Rico				1,163,800	145,000	99,636
Virgin Islands						7,952
Other Territories, etc.[5]	112,976					
Adjustments or undistributed to States				1,064,882		
Total	22,249,096	48,363,924	1,238,572	84,079,951	5,793,491	12,899,040

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Justice	Department of Labor		National Foundation on the Arts and the Humanities	Tennessee Valley Authority
	Law enforcement assistance	Manpower development and training activities	Unemployment compensation and employment service administration (trust fund)		Shared revenues [40]
	(79)	(80)	(81)	(82)	(83)
Alabama		$324,726	$6,139,299	$20,678	$2,446,221
Alaska		138,888	2,058,097	16,980	
Arizona	$99,026	250,981	6,453,285	22,123	
Arkansas	27,016	174,038	4,679,133	20,053	
California	212,999	2,971,773	68,240,447	466,690	
Colorado	92,626	208,714	5,162,807	51,970	
Connecticut	58,472	201,958	7,928,304	93,720	
Delaware		28,990	1,122,655	51,653	
District of Columbia	425,936	138,269	4,250,056	244,256	
Florida	27,807	466,277	10,545,320	31,303	
Georgia	7,120	456,919	7,477,115	41,753	114,054
Hawaii	22,381	86,748	2,158,425	26,578	
Idaho	11,484	80,220	3,152,717		
Illinois	23,344	940,039	22,878,072	114,513	10,000
Indiana	6,600	378,561	8,207,109	108,945	
Iowa	37,133	266,211	4,845,554	27,525	
Kansas	25,205	265,729	3,938,783	18,323	
Kentucky	20,361	495,155	4,869,185	82,500	1,588,440
Louisiana	58,621	398,369	7,252,251	139,927	
Maine		107,805	2,479,817	10,625	
Maryland	8,349	331,832	7,746,222	30,513	
Massachusetts	31,250	840,155	19,225,813	321,318	
Michigan	119,641	1,167,527	22,874,901	120,125	
Minnesota	31,651	450,692	7,106,605	95,165	
Mississippi	31,300	866,690	4,768,109	4,460	487,700
Missouri	279,116	582,870	9,987,859	25,515	
Montana		146,214	2,499,961	3,000	
Nebraska	15,000	144,023	2,650,557	14,403	
Nevada	9,556	110,677	2,584,390		
New Hampshire		69,318	1,738,568	22,578	
New Jersey	183,181	980,507	22,273,162	127,165	
New Mexico		130,484	2,890,046	2,120	
New York	162,235	2,440,575	79,121,005	2,667,125	
North Carolina		376,009	9,788,319	51,043	150,290
North Dakota	16,592	106,036	1,918,133	2,220	
Ohio	89,052	965,009	21,075,551	65,943	
Oklahoma	3,735	349,224	5,715,118	14,653	
Oregon	52,143	272,940	6,233,926	5,000	
Pennsylvania	66,024	1,151,630	34,151,443	147,721	
Rhode Island		109,364	4,531,566	55,000	
South Carolina	103,975	305,330	4,872,610	5,890	
South Dakota	6,830	55,204	1,442,196	500	
Tennessee	13,482	346,865	6,137,833	45,805	7,055,904
Texas	4,620	779,149	22,245,262	47,513	
Utah	24,593	186,338	4,762,527	40,301	
Vermont		68,169	1,583,535	25,140	
Virginia	12,296	276,421	5,975,361	59,512	37,424
Washington	67,645	679,942	9,389,805	54,293	
West Virginia	18,750	373,161	3,638,715		
Wisconsin	36,554	213,698	7,676,453	98,328	
Wyoming		57,530	1,454,625	17,173	
Puerto Rico		165,008	4,600,713	26,000	
Virgin Islands		13,002	231,224		
Other Territories, etc.[5]		15,872	39,648	25,370	
Adjustments or undistributed to States	90,083	307,817	9,020,904	2,776,935	
Total	2,633,786	23,815,652	535,791,096	8,587,942	11,890,033

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Transportation [41]				
	Federal Aviation Administration	Federal Highway Administration			
	Federal airport program [42]	Beautification and control of outdoor advertising [43]	Forest and public land highways [44]	Highway safety	Highway trust fund
	(84)	(85)	(86)	(87)	(88)
Alabama	$1,854,675	$129,151	$156,104	---	$90,326,061
Alaska	2,834,508	20,406	2,639,306	$50,000	49,003,489
Arizona	1,306,820	161,110	1,332,675	50,000	78,371,665
Arkansas	420,027	90,407	1,474,455	28,000	48,851,597
California	3,045,694	77,148	3,485,781	---	331,175,680
Colorado	1,307,566	37,752	2,748,349	---	45,603,586
Connecticut	351,549	161,405	---	---	46,954,994
Delaware	8,483	3,436	---	---	14,959,628
District of Columbia	---	9,240	---	---	22,920,740
Florida	7,006,051	42,957	55,597	109,804	77,246,805
Georgia	2,786,480	254,391	272,480	60,000	109,812,739
Hawaii	146,739	---	---	---	23,230,181
Idaho	163,836	27,831	3,562,683	23,246	23,946,816
Illinois	4,697,692	82,117	32,279	---	145,688,705
Indiana	1,308,232	31,916	992	22,500	94,186,418
Iowa	1,359,674	185,548	---	---	55,777,796
Kansas	361,107	192,261	---	---	38,566,276
Kentucky	2,587,431	58,149	---	52,547	80,192,304
Louisiana	513,489	---	247,660	57,729	79,344,014
Maine	28,441	66,904	44,100	15,450	22,145,053
Maryland	405,892	10,164	---	---	39,786,896
Massachusetts	1,758,286	15,000	---	31,000	82,284,317
Michigan	667,469	45,480	9,804	5,924	159,077,609
Minnesota	1,104,716	29,900	241,793	24,411	96,717,896
Mississippi	501,994	74,957	6,701		65,725,859
Missouri	1,757,024	172,383	60,538	---	87,170,875
Montana	712,106	14,140	2,217,178	17,010	49,761,949
Nebraska	534,322	325,693	13,995	---	44,399,080
Nevada	215,617	32,245	1,171,296	---	42,377,701
New Hampshire	238,088	67,033	7,791	---	15,482,942
New Jersey	490,829	---	---	---	103,728,374
New Mexico	318,591	14,820	1,587,227	36,965	54,129,889
New York	3,284,523	41,250	---	---	176,574,115
North Carolina	903,473	113,966	1,021,441	---	57,123,305
North Dakota	198,766	38,404	60,491	28,000	24,395,459
Ohio	1,673,987	63,926	9,873	---	198,139,427
Oklahoma	1,060,682	---	1,456,222	---	52,881,968
Oregon	270,460	56,063	4,746,414	40,000	49,993,545
Pennsylvania	1,743,083	---	80,476	---	186,505,488
Rhode Island	324,865	---	---	---	14,247,668
South Carolina	592,476	11,747	71,861	---	38,294,056
South Dakota	513,980	---	650,402	---	31,742,733
Tennessee	2,091,551	3,338	1,082,202	---	91,049,908
Texas	4,403,299	49,585	39,085	---	204,991,776
Utah	273,532	42,635	1,261,104	37,554	50,975,967
Vermont	54,286	101,066	32,539	50,000	24,867,494
Virginia	950,631	79,994	283,566	9,700	113,158,366
Washington	249,226	22,358	2,946,975	---	88,693,182
West Virginia	586,274	955	853,137	---	67,228,285
Wisconsin	1,208,611	222,451	237,683	---	49,825,667
Wyoming	156,015	19,146	2,193,844	24,791	34,768,766
Puerto Rico	1,334,377	---	---	---	6,733,343
Virgin Islands	1,479,645	---	---	---	---
Other Territories, etc.[5]	---	---	---	---	---
Adjustments or undistributed to States	---	---	365,439	---	[44a] 38,502,643
Total	64,147,171	3,300,739	38,761,538	774,631	3,919,641,096

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART A. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS—Continued

States, Territories, etc.	Department of Transportation [41]—Continued: Landscaping and scenic enhancement	Veterans' Administration [45]	Water Resources Council	Miscellaneous	Total Part A
	(89)	(90)	(91)	(92)	(93)
Alabama	$263,949	$26,948			$329,203,127
Alaska	184,395	1,200		[46] $6,539,988	107,162,639
Arizona	588,072	10,872			183,637,754
Arkansas	627,253	13,621	$40,910		223,467,801
California	3,080,248	1,630,218	41,660	[47] 12,224,573	1,724,787,769
Colorado	664,328	99,260	40,320		187,089,401
Connecticut	338,873	616,525			181,373,766
Delaware	138,110		32,820		38,081,400
District of Columbia	475,889		7,380	[48] 58,789,913	160,455,189
Florida	377,609	49,374	26,240		370,362,518
Georgia	254,191	346,878			397,327,200
Hawaii			34,600	[49] 6,563,588	80,114,374
Idaho	43,501	72,458	43,450		65,668,593
Illinois	655,618	636,666	26,300		581,055,543
Indiana	420,926	252,578			232,507,154
Iowa	435,868	381,797	38,130		168,017,994
Kansas	537,527	87,741	39,200		149,384,201
Kentucky	313,961	28,644	45,280		348,734,465
Louisiana	59,579	51,209	33,000		380,515,353
Maine	51,779		19,000	[50] 157,871	74,973,148
Maryland	42,709		34,050		197,718,792
Massachusetts	681,320	738,249	36,500	[50] 95,399	390,864,060
Michigan	1,737,279	804,126	45,420		499,622,736
Minnesota	73,785	321,142	26,000		291,284,641
Mississippi	168,547	18,708			265,153,096
Missouri	416,118	118,575	41,720		339,135,326
Montana	573,595	47,931	40,350		95,776,052
Nebraska	400,413	226,349	37,980		114,278,096
Nevada	332,753		36,490		68,685,535
New Hampshire	219,719	52,921	27,000		41,816,747
New Jersey	27,939	335,305	38,120		350,628,258
New Mexico	357,748	10,212	19,370		156,868,298
New York	677,640	25,596	53,850	[50] 150,019	1,178,990,083
North Carolina	40,233	28,698	43,900		330,533,043
North Dakota	166,867	78,850	16,650		67,913,166
Ohio	172	495,359	47,590		571,546,546
Oklahoma	255,591	597,727	24,930		306,223,232
Oregon	599,620	10,855	44,560		185,996,918
Pennsylvania	122,479	200,827	47,000	[51] 546,933	715,224,223
Rhode Island		289,431	24,920		79,850,442
South Carolina	145,184	16,317	45,170		173,617,221
South Dakota	138,135	140,298	21,300		77,057,357
Tennessee	90,729	34,287			316,683,211
Texas	214,940	57,110	68,450	[50] 151,181	733,211,791
Utah	118,714	10,112	38,580	[52] 94,500	115,016,870
Vermont	230,154	133,135	25,150		53,503,698
Virginia	1,352,798	17,874	45,130		299,605,493
Washington	158,281	402,588	25,000		259,393,400
West Virginia		17,509	18,000		194,409,463
Wisconsin	466,360	328,181	39,890		216,573,437
Wyoming	301,627	20,207	26,680		71,153,796
Puerto Rico			30,000	[53] 83,233,892	230,875,909
Virgin Islands				[54] 3,600,000	21,642,147
Other Territories, etc.[5]				[55] 25,946,424	47,820,869
Adjustments or undistributed to States	883				150,552,347
Total	19,613,998	9,884,468	1,538,041	198,094,281	15,193,145,683

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES

States, Territories, etc.	Department of Agriculture					
	Agricultural conservation program	Appalachian region conservation program	Commodity Credit Corporation			
			Cotton domestic allotment program [56]	Feed grain program [57]	Wheat program [58]	Wool act program [59]
	(94)	(95)	(96)	(97)	(98)	(99)
Alabama	$6,031,119	$395,431	$49,324,011	$21,010,053	$503,205	$5,070
Alaska	60,272	----	----	----	----	712
Arizona	1,766,257	----	37,541,455	3,026,588	663,888	370,687
Arkansas	4,693,580	----	76,249,343	3,178,863	822,046	12,902
California	5,717,343	----	70,459,889	8,937,660	4,202,113	1,763,027
Colorado	4,428,259	----	----	11,893,050	28,731,048	1,483,876
Connecticut	456,630	----	----	192,578	277	4,498
Delaware	221,246	----	----	1,199,056	223,517	1,507
District of Columbia	----	----	----	----	----	----
Florida	3,477,109	----	1,122,224	5,471,657	145,261	1,259
Georgia	7,812,572	154,316	34,109,201	24,243,672	1,263,457	2,353
Hawaii	175,399	----	----	----	----	95
Idaho	2,047,708	----	----	2,315,670	22,383,983	1,227,578
Illinois	8,462,839	----	143,339	103,033,521	16,317,807	395,799
Indiana	4,884,387	----	----	75,487,328	11,776,004	281,807
Iowa	10,463,818	----	----	212,828,231	586,461	918,340
Kansas	7,887,443	----	326	66,114,566	141,172,886	425,447
Kentucky	6,311,299	183,415	468,948	31,158,671	1,611,068	132,001
Louisiana	4,182,886	----	33,287,371	3,243,702	373,884	13,531
Maine	958,793	----	----	63,180	2,339	18,851
Maryland	1,077,963	23,484	----	3,262,157	930,689	17,096
Massachusetts	503,173	----	----	58,740	343	7,988
Michigan	5,163,520	----	----	34,505,775	14,177,321	283,953
Minnesota	5,870,264	----	----	110,302,602	9,764,192	610,279
Mississippi	6,881,410	----	104,231,672	14,398,186	460,837	9,134
Missouri	9,183,895	----	20,716,678	84,018,194	16,910,406	366,299
Montana	5,096,193	----	----	3,877,358	46,978,403	1,484,120
Nebraska	6,712,159	----	----	128,618,817	40,235,067	368,636
Nevada	651,694	----	315,156	31,782	249,389	203,745
New Hampshire	473,929	----	----	9,208	----	4,944
New Jersey	627,973	----	----	3,451,230	536,957	5,784
New Mexico	2,840,343	----	11,694,019	9,653,334	5,459,871	855,114
New York	4,660,792	261,345	----	9,111,320	4,217,699	114,380
North Carolina	7,167,245	333,246	20,230,772	30,644,902	3,151,593	9,473
North Dakota	4,038,308	----	----	22,796,944	90,631,252	480,637
Ohio	5,785,574	182,895	----	52,871,556	16,245,785	690,212
Oklahoma	7,870,531	----	21,677,665	10,424,422	57,630,208	111,186
Oregon	2,538,104	----	----	2,245,815	14,715,308	676,544
Pennsylvania	4,704,954	310,635	----	10,950,585	3,208,811	162,981
Rhode Island	71,094	----	----	1,983	41	1,339
South Carolina	3,797,838	54,818	28,672,622	12,516,179	1,675,638	512
South Dakota	3,583,109	----	----	39,325,419	24,622,457	1,618,371
Tennessee	5,388,788	402,573	34,262,727	22,240,019	1,299,945	61,564
Texas	20,901,645	----	247,349,069	108,177,942	46,395,944	9,968,943
Utah	1,466,369	----	----	1,124,288	3,196,010	951,603
Vermont	1,111,782	----	----	134,434	70	5,950
Virginia	4,547,696	163,476	761,865	8,624,029	2,030,847	204,158
Washington	2,533,308	----	----	1,856,282	39,936,838	237,739
West Virginia	1,508,852	336,375	52	1,141,778	123,565	180,506
Wisconsin	5,901,907	----	----	39,741,079	464,602	145,916
Wyoming	2,014,407	----	----	801,244	3,022,656	2,290,415
Puerto Rico	916,841	----	----	----	----	----
Virgin Islands	13,381	----	----	----	----	----
Other Territories, etc.[5]	----	----	----	----	----	----
Adjustments or undistributed to States	----	----	----	----	----	−166
Total	215,644,000	2,802,009	792,618,404	1,340,315,649	679,051,988	29,188,695

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Agriculture—Continued					
	Conservation reserve program	Cropland adjustment program	Cropland conversion program [19]	Emergency conservation measures [19]	Great Plains conservation program	Indemnity payments to dairy farmers
	(100)	(101)	(102)	(103)	(104)	(105)
Alabama	$3,195,230	$1,763,526	$32,484	$3,078		
Alaska				38,740		
Arizona	24,825	120,256		277,782		$1,266
Arkansas	2,753,958	289,085	32,252			
California	567,205	378,585	18,328	183,751		5,238
Colorado	7,171,659	966,273	47,897	348,206	$1,827,400	
Connecticut	16,178	171,240				
Delaware	93,469	43,339				
District of Columbia						
Florida	1,723,215	855,202	8,390	140,128		
Georgia	9,425,002	3,398,743	73,205	160,959		
Hawaii						
Idaho	1,386,193	101,910	21,977	644,522		
Illinois	860,964	1,353,950	12,932	−47,650		
Indiana	1,260,226	996,948	18,428	40,125		
Iowa	805,666	1,572,024	130,797	11,688		
Kansas	9,151,888	875,632	88,184	87,536	1,371,332	13,031
Kentucky	2,008,655	2,158,947	4,064	59		
Louisiana	1,606,238	175,225	149,504	716,423		
Maine	761,165	25,398	74,310	90,488		
Maryland	229,579	139,434				
Massachusetts	11,747	32,724	350	7,282		
Michigan	2,474,938	3,218,781	7,602	−8,979		
Minnesota	8,031,814	2,484,239	31,902	−103,195		
Mississippi	1,351,615	705,556	232,220	110,653		1,268
Missouri	3,993,606	2,827,108	50,098	73,822		
Montana	3,199,882	486,572	3,280	−26,536	906,505	
Nebraska	3,574,248	2,334,571	54,173	164,491	1,804,431	2,038
Nevada				104,087		
New Hampshire	121,797	447	−100	51,457		
New Jersey	70,223	140,245				
New Mexico	3,795,981	1,882,538	11,043	275,138	914,033	
New York	2,758,885	759,892	1,957			
North Carolina	1,938,662	1,289,274	70,404	2,202		
North Dakota	13,928,066	2,008,031	69,928	8,893	814,786	
Ohio	1,514,206	2,337,772	9,727	31,692		
Oklahoma	7,422,636	770,777	26,834	508,298	1,190,047	
Oregon	1,007,977	104,808	13,426	774,074		
Pennsylvania	1,538,324	1,265,394	3,319	2,256		
Rhode Island	165					
South Carolina	6,324,639	1,503,173	17,909			
South Dakota	7,362,306	1,710,626	144,043	8,742	809,101	
Tennessee	3,175,409	1,659,808	27,628	−13		
Texas	16,836,182	4,746,344	106,906	307,307	5,782,227	130,193
Utah	1,227,628	30,607	21,014	42,915		
Vermont	316,196	24,171		42,350		
Virginia	538,457	760,560	57	272,094		
Washington	1,751,376	208,719	5,258	14,039		
West Virginia	296,790	69,808		84,017		
Wisconsin	2,606,712	4,203,388	20,215	22,460		13,432
Wyoming	523,343	50,951	13,365	234,863	227,499	
Puerto Rico				1,725		
Virgin Islands						
Other Territories, etc.[5]						
Adjustments or undistributed to States	−617					
Total	140,734,508	53,002,601	1,655,310	5,701,969	15,647,361	166,466

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Agriculture—Continued		Atomic Energy Commission	Department of Commerce	Department of Defense	
	Rural water and waste disposal grants	Sugar Act program	Grants, fellowships, and other aid [60]	Economic Development Administration [21]	Air Force National Guard	Army National Guard
	(106)	(107)	(108)	(109)	(110)	(111)
Alabama	...	...	$31,078	$6,282	$4,071,405	$9,575,021
Alaska	...	...	61	13,856	1,638,761	2,273,735
Arizona	...	...	84,374	4,469	3,635,180	2,039,672
Arkansas	$168,100	...	35,075	11,431	3,540,942	4,686,118
California	29,000	$10,144,421	755,427	16,581	9,295,014	17,478,153
Colorado	...	5,321,130	182,792	3,899	4,466,717	2,098,523
Connecticut	...	...	47,092	1,354	2,572,244	5,522,852
Delaware	...	...	11,502	1,479	2,014,322	2,185,267
District of Columbia	...	...	149,386	...	3,199,146	1,153,738
Florida	111,850	6,070,407	138,478	5,086	1,898,378	4,323,892
Georgia	161,545	...	151,959	18,094	6,084,765	6,512,876
Hawaii	...	10,847,211	17,266	1,912	4,922,323	6,686,683
Idaho	52,600	5,426,501	23,235	4,600	2,180,175	3,029,192
Illinois	...	19,392	1,028,461	7,213	5,250,998	8,673,786
Indiana	63,950	...	282,767	11,611	3,448,092	6,681,904
Iowa	5,600	38,110	329,877	1,543	4,004,288	4,905,921
Kansas	...	708,004	170,950	1,428	3,298,853	4,731,209
Kentucky	...	...	67,158	28,925	2,024,977	3,147,207
Louisiana	25,450	8,133,562	118,604	14,800	2,236,489	4,838,864
Maine	127,630	64,702	16,129	3,739	1,814,043	2,264,147
Maryland	48,150	...	62,435	3,800	2,730,638	6,851,306
Massachusetts	...	...	380,408	4,295	4,551,943	9,540,795
Michigan	...	2,584,969	389,497	25,459	4,685,170	7,576,863
Minnesota	...	3,446,098	140,506	10,781	3,760,371	7,995,975
Mississippi	552,300	...	69,025	13,311	3,984,935	7,409,340
Missouri	...	...	183,465	8,843	5,406,502	6,978,977
Montana	...	2,405,796	28,070	4,430	2,695,170	2,270,325
Nebraska	...	2,794,805	69,921	1,570	1,500,941	2,654,358
Nevada	49,000	31,857	6,131	1,460	1,812,116	901,909
New Hampshire	...	...	33,469	1,494	1,457,653	1,905,957
New Jersey	...	...	217,753	8,755	5,794,059	9,066,005
New Mexico	23,000	102,793	65,827	6,000	2,154,577	3,282,787
New York	...	165,744	1,251,222	14,350	10,357,064	18,340,460
North Carolina	61,090	...	175,257	12,234	2,056,526	6,395,344
North Dakota	...	1,885,218	19,321	2,205	2,380,123	2,173,579
Ohio	...	1,331,000	249,867	14,010	9,055,509	9,935,274
Oklahoma	...	...	52,255	23,370	3,452,535	5,771,537
Oregon	...	994,948	192,279	5,636	2,629,751	4,036,705
Pennsylvania	8,250	...	239,151	18,010	7,407,697	13,772,780
Rhode Island	...	...	21,533	...	1,754,471	2,808,251
South Carolina	11,115	...	140,207	2,404	2,160,005	5,632,196
South Dakota	...	...	44,781	...	2,154,913	2,486,310
Tennessee	8,460	...	636,885	9,200	5,474,736	6,281,741
Texas	900,200	1,138,791	459,340	12,404	6,745,588	12,484,421
Utah	50,000	1,247,383	87,413	8,878	2,570,675	3,478,212
Vermont	...	...	10,127	2,175	2,519,430	2,163,782
Virginia	...	...	219,391	1,634	1,610,528	7,862,910
Washington	...	2,925,869	251,561	8,589	3,674,695	5,969,641
West Virginia	33,800	...	22,137	8,007	2,667,937	2,336,472
Wisconsin	...	...	210,162	5,512	4,458,984	5,586,944
Wyoming	...	1,859,213	14,330	1,594	1,418,048	1,317,331
Puerto Rico	11,100	11,895,833	1,409,800	10,349	2,312,041	3,571,864
Virgin Islands	...	105,722	...	...	...	...
Other Territories, etc.[5]	...	...	...	...	...	...
Adjustments or undistributed to States	...	...	...	...	[60a] 166,948,132	194,579,042
Total	2,502,190	81,689,479	10,995,197	409,061	355,940,575	486,228,153

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Defense—Continued	Funds appropriated to the President		General Services Administration	Department of Health, Education, and Welfare
		Office of Economic Opportunity			Office of Education
					Construction
	Civil defense [61]	Adult basic education [20]	Job Corps [21]	National historical grants	Higher education facilities
	(112)	(113)	(114)	(115)	(116)
Alabama	$226,572	$509,291	$131,847		$911,109
Alaska	36,498	40,000	30,240		
Arizona	157,342	193,641	107,775		556,550
Arkansas	66,409	399,845	145,829		586,818
California	144,004	2,023,170	569,000		5,516,939
Colorado	55,446	92,200	67,673		956,817
Connecticut	28,906	268,000	28,864		276,260
Delaware	18,377	92,899	6,300		127,915
District of Columbia	36,064	1,154,040	9,232	$62,878	202,295
Florida	76,116	1,103,815	220,351		1,791,655
Georgia	1,081,750	1,017,604	142,225		1,729,003
Hawaii	24,634	118,819	23,100		153,995
Idaho	25,954	57,285	20,700		264,882
Illinois	91,559	1,923,336	77,850	11,250	1,716,538
Indiana	53,127	322,066	68,500	11,650	1,894,052
Iowa	46,103	147,513	57,500		609,674
Kansas	55,485	138,266	65,201	15,899	678,689
Kentucky	53,507	1,085,843	156,348	15,000	1,192,916
Louisiana	68,718	1,119,144	243,102		1,175,228
Maine	25,567	78,167	26,535		66,304
Maryland	123,770	278,630	18,100		902,628
Massachusetts	62,185	834,645	32,163	7,235	1,115,962
Michigan	13,418	1,395,048	122,467	3,904	2,370,905
Minnesota	119,214	187,774	70,000	15,400	1,163,802
Mississippi	64,650	701,018	160,385		491,151
Missouri	83,453	188,816	112,907		1,741,760
Montana	33,665	82,722	40,308		249,953
Nebraska	32,881	44,125	42,907	−3,950	457,570
Nevada	103,692	33,830	16,150		145,292
New Hampshire	17,285	37,082	18,699	29,381	245,669
New Jersey	107,341	812,280	161,195	36,049	1,761,587
New Mexico	37,365	160,565	76,789	15,509	676,122
New York	614,802	1,869,201	148,600	43,302	3,762,111
North Carolina	90,673	1,092,615	4,953	15,570	1,906,826
North Dakota	34,078	120,623	38,000		115,070
Ohio	213,524	795,000	92,254		3,795,163
Oklahoma	102,421	261,709	150,725		528,636
Oregon	35,507	73,382	60,855		800,174
Pennsylvania	642,930	1,419,445	124,500	9,752	3,281,837
Rhode Island	788	75,124	11,065	8,420	82,856
South Carolina	45,685	1,039,957	133,518	26,044	1,013,946
South Dakota	33,713	45,000	15,995		302,151
Tennessee	567,129	2,071,263	125,000	30,578	1,181,647
Texas	71,505	2,143,597	496,147	19,039	4,425,919
Utah	45,691	50,955	23,932		664,234
Vermont	17,780	64,200	3,541		241,610
Virginia	50,736	800,967	145,000	22,469	606,170
Washington	43,657	177,196	152,790		1,000,316
West Virginia	398,931	337,593	60,098		595,683
Wisconsin	211,209	126,000	14,497	9,884	1,921,998
Wyoming	20,209	50,000	22,411		1,888
Puerto Rico	127,874	204,706	11,777		98,035
Virgin Islands		27,600	11,095		
Other Territories, etc.[5]		43,080			11,829
Adjustments or undistributed to States		−2,813,326	71,222		
Total	6,539,898	26,717,366	4,988,217	405,263	58,068,140

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Office of Education—Continued					
	Cooperative research	Cooperative vocational education	Defense educational activities	Educational improvement for the handicapped	Educational television	Equal education opportunities program
	(117)	(118)	(119)	(120)	(121)	(122)
Alabama	-----	$26,367	$697,298	$6,171	$258,678	$275,300
Alaska	-----	-----	260,195	-----	198,732	-----
Arizona	-----	124,899	763,358	-----	145,515	-----
Arkansas	-----	38,744	243,841	-----	-----	146,796
California	$323,412	2,461,012	6,566,944	293,637	119,264	235,441
Colorado	30,204	351,061	349,109	-----	-----	-----
Connecticut	28,682	519,768	824,432	11,562	180,676	-----
Delaware	10,930	45,130	58,137	-----	-----	38,245
District of Columbia	47,542	583,331	624,886	132,200	4,474	-----
Florida	10,480	412,811	1,852,529	-----	362,665	544,793
Georgia	-----	138,088	1,089,751	3,000	275,350	150,144
Hawaii	-----	46,132	658,316	20,000	184,479	-----
Idaho	-----	76,980	112,870	-----	48,149	-----
Illinois	103,865	702,268	2,636,320	7,948	230,152	-----
Indiana	64,321	146,520	3,851,013	-----	106,845	49,548
Iowa	8,227	389,915	688,628	-----	-----	-----
Kansas	10,795	100,755	884,406	16,731	123,623	-----
Kentucky	32,630	73,397	634,310	-----	-----	429,827
Louisiana	3,748	100,831	645,170	-----	-----	7,570
Maine	-----	-----	130,929	-----	-----	-----
Maryland	-----	229,807	364,323	5,295	-----	36,926
Massachusetts	114,628	428,112	2,647,179	42,064	362,595	-----
Michigan	70,832	840,615	3,286,138	68,518	288,547	56,989
Minnesota	34,443	541,302	982,451	-----	262,218	-----
Mississippi	-----	66,662	307,198	-----	-----	118,043
Missouri	8,174	106,270	672,816	6,876	27,000	18,594
Montana	7,507	76,950	491,593	-----	-----	-----
Nebraska	4,495	188,527	539,536	-----	313,977	-----
Nevada	5,769	69,567	67,653	-----	-----	-----
New Hampshire	6,500	18,822	258,262	-----	309,586	-----
New Jersey	14,321	303,420	1,070,529	-----	-----	-----
New Mexico	13,823	64,990	350,080	-----	-----	47,917
New York	155,214	1,958,577	5,367,351	122,621	591,894	174,902
North Carolina	5,110	744,534	824,401	3,000	194,668	189,797
North Dakota	2,148	60,023	240,469	-----	153,233	-----
Ohio	70,057	1,701,508	2,284,966	13,853	88,488	-----
Oklahoma	6,274	161,069	523,076	4,525	223,486	356,202
Oregon	81,670	340,667	1,929,580	-----	-----	52,889
Pennsylvania	411,520	1,148,757	1,880,316	7,380	659,815	43,638
Rhode Island	4,134	243,873	283,867	-----	-----	-----
South Carolina	-----	33,582	217,907	-----	148,110	-----
South Dakota	-----	-----	135,407	3,000	215,974	-----
Tennessee	8,566	170,011	520,401	75,662	256,148	235,759
Texas	62,942	182,740	1,485,070	22,744	369,093	141,764
Utah	9,330	77,992	262,091	7,500	85,003	-----
Vermont	4,000	-----	52,906	-----	287,891	-----
Virginia	10,368	76,987	675,383	-----	255,424	174,420
Washington	19,442	410,680	1,572,406	-----	104,866	-----
West Virginia	2,995	19,456	320,161	-----	261,437	23,410
Wisconsin	49,535	455,221	1,106,003	23,646	197,975	-----
Wyoming	-----	62,905	416,707	-----	-----	-----
Puerto Rico	8,878	-----	201,665	28,000	83,129	-----
Virgin Islands	-----	-----	56,883	-----	-----	-----
Other Territories, etc.[5]	-----	-----	38,773	-----	-----	-----
Adjustments or undistributed to States	-----	-----	52,561,300	-----	-----	-----
Total	1,867,511	17,121,635	107,567,289	925,933	7,979,159	3,548,914

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Office of Education—Continued				Public Health Service	
	Foreign language and area studies	Maintenance and operation of schools	National Teacher Corps	Research and training	Accident prevention [19]	Air pollution
	(123)	(124)	(125)	(126)	(127)	(128)
Alabama				$126,652	$15,124	$138,034
Alaska				17,422		47,404
Arizona	$3,598		$62,697	89,660	12,903	105,631
Arkansas	6		373,395	260,523		29,180
California	256,378	$96,042	1,121,253	7,594,733	620,969	2,137,964
Colorado	13,764			993,638		323,642
Connecticut	15,798		156	300,373		321,863
Delaware		975,840		56,075		7,499
District of Columbia	102,239	7,500	483,355	537,743	24,649	325,440
Florida	50,368	48,879	360,493	1,435,199	44,984	194,519
Georgia	5,599		191,450	1,613,691		131,480
Hawaii	30,920		70,004	196,529		7,839
Idaho	11,078					
Illinois	158,527	48,191	745,414	2,102,676		817,085
Indiana	54,252	7,500	412,938	639,397	3,883	167,104
Iowa	26,658	4,680		544,852	9,910	10,399
Kansas	24,700			136,051		136,025
Kentucky	6,021	24,177	653,717	171,192	12,913	
Louisiana	27,062		156,171	61,100	73,953	118,826
Maine	8,056		479	3,319		27,823
Maryland	12,761		1,879	308,065		225,913
Massachusetts	85,447	669,182	537,131	4,308,275	156,738	221,301
Michigan	71,111	7,500	363,855	1,877,123	63,763	643,514
Minnesota	20,998	11,463	95,119	1,260,727	107,602	263,704
Mississippi			329,831	2,577	−9,506	2,368
Missouri	56,494			2,796,031	4,400	395,589
Montana	1,225			3,836		28,191
Nebraska	2,606		286,887	77,488		43,854
Nevada				50,580		79,307
New Hampshire	11,605			29,523	8,767	20,077
New Jersey	47,687		19,548	164,210	117,344	167,417
New Mexico	29,589		231,082	1,025,812		94,426
New York	246,891	36,614	1,222,450	6,292,434	420,655	1,583,394
North Carolina	6,183		334,049	939,098	17,210	185,827
North Dakota	3,866			114,443		
Ohio	146,620	26,256	685,632	1,054,641	59,512	452,575
Oklahoma	8,580		80,363	9,097		31,734
Oregon	43,819	26,825	271,110	2,165,793	1,474	208,356
Pennsylvania	148,884	287,282	838,619	3,198,983	90,727	1,949,819
Rhode Island	82,249		279,916	167,972		44,119
South Carolina	258		153,110	3,636		89,986
South Dakota	946	5,098		9,000	40,328	
Tennessee	624	3,907	320,721	379,883		91,146
Texas	84,056	42,126	808,742	2,268,647		304,599
Utah	21,214		770	59,757	8,192	194,021
Vermont	4,097	53,769		27,110	9,780	
Virginia	19,893		240,607	210,948		112,768
Washington	30,855			182,198		431,401
West Virginia	10,305		300,351	932,954		321,120
Wisconsin	47,987	7,500	299,915	1,797,279	3,966	51,658
Wyoming				8,212		2,309
Puerto Rico	6		187,900	43,386	−3,576	
Virgin Islands						
Other Territories, etc [5]				17,052		96,964
Adjustments or undistributed to States [62]	229,810			5,583	−5,096	−112,728
Total	2,271,690	2,390,331	12,521,109	48,673,178	1,911,568	13,272,486

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Public Health Service—Continued					
	Allergy and infectious disease activities	Arthritis and metabolic disease activities	Child health and human development [19]	Chronic disease and health of the aged	Communicable disease activities [19]	Community health practice and research
	(129)	(130)	(131)	(132)	(133)	(134)
Alabama	$187,414	$833,883	$284,302	$717,038	---	$238,760
Alaska	---	---	---	---	---	59,400
Arizona	148,973	50,699	2,928	103,536	$8,977	368,302
Arkansas	25,259	537,641	100,510	63,782	---	124,238
California	8,636,305	9,851,926	6,252,410	2,788,167	154,846	4,604,621
Colorado	957,762	987,761	1,565,628	367,769	---	209,992
Connecticut	1,054,247	1,861,327	830,515	288,168	108,471	780,833
Delaware	12,265	---	−1,705	52,049	---	13,266
District of Columbia	877,476	1,133,575	298,677	858,860	−1,727	528,102
Florida	958,218	1,532,487	1,292,809	571,163	39,236	300,444
Georgia	682,612	816,491	448,110	948,596	75,675	327,242
Hawaii	366,313	143,828	323,468	62,232	---	456,898
Idaho	---	---	9,716	64,026	---	43,348
Illinois	3,483,055	4,399,766	2,471,281	1,390,257	437,520	1,563,014
Indiana	534,084	954,244	608,340	547,699	---	633,515
Iowa	460,074	974,827	746,458	399,282	36,683	433,553
Kansas	705,671	620,753	827,028	310,230	−186	275,222
Kentucky	160,701	845,682	317,884	545,731	9,703	498,861
Louisiana	965,141	638,462	326,658	452,543	58,247	942,168
Maine	8,166	28,619	325,793	118,638	---	12,944
Maryland	2,026,049	3,648,777	2,120,140	321,330	7,333	1,499,104
Massachusetts	4,472,795	12,253,188	3,507,131	1,602,987	111,783	2,274,890
Michigan	1,307,055	2,958,886	1,546,811	1,101,602	38,215	2,623,839
Minnesota	1,095,172	3,021,275	1,069,729	922,692	483	1,184,886
Mississippi	287,485	254,746	6,257	370,870		161,394
Missouri	811,528	3,154,004	1,010,563	1,037,818	---	1,210,144
Montana	305,626	31,958	29,454	36,220	---	18,624
Nebraska	86,403	507,651	836,550	127,425	---	304,122
Nevada	---	---	48,538	37,231	---	26,654
New Hampshire	129,361	331,035	121,803	32,970	---	32,100
New Jersey	909,839	1,101,512	578,224	338,306	61,158	379,183
New Mexico	50,513	220,105	263,431	154,344	---	81,954
New York	7,561,131	17,569,219	6,124,533	4,412,872	264,831	3,835,070
North Carolina	1,146,870	3,179,519	1,202,362	318,581	---	1,886,163
North Dakota	---	86,455	---	12,043	---	93,539
Ohio	1,275,070	3,206,448	2,224,520	1,149,664	−2,651	1,068,625
Oklahoma	391,004	848,619	373,186	291,265	17,413	352,155
Oregon	402,916	1,267,262	353,842	423,282	---	329,046
Pennsylvania	4,241,275	5,816,729	3,200,426	1,402,718	62,284	2,586,219
Rhode Island	52,472	126,366	556,058	68,699	---	180,374
South Carolina	36,397	343,722	17,870	140,660	---	25,455
South Dakota	65,487	61,302	4,057	6,347	---	54,393
Tennessee	883,877	2,185,050	976,495	851,971	8,763	645,689
Texas	1,404,454	2,981,290	872,554	1,047,574	83,479	1,492,674
Utah	310,181	1,329,579	192,330	119,817	29,352	140,283
Vermont	---	442,795	85,016	80,965	---	83,035
Virginia	319,567	859,090	408,895	388,138	43,192	323,425
Washington	1,314,105	3,331,867	1,208,790	717,411	---	375,390
West Virginia	123,073	438,563	94,121	66,447	19,008	210,620
Wisconsin	1,650,772	2,210,835	1,057,589	525,486	39,681	450,006
Wyoming	5,927	---	---	28,826	---	8,744
Puerto Rico	128,275	327,246	34,043	108,846	12,954	742,762
Virgin Islands	---	---	---	---	---	---
Other Territories, etc [5]	1,559,107	2,046,597	1,122,598	3,813	88,518	13,326
Adjustments or undistributed to States [62]	−77,848	−96,327	−16,291	−23,940	−13,447	−50,432
Total	54,499,674	102,257,334	48,262,435	28,875,046	1,799,794	37,058,178

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Public Health Service—Continued					
	Comprehensive health planning services	Control of tuberculosis	Control of venereal disease	Construction		Dental services and resources
				Health research facilities	Hospital [19]	
	(135)	(136)	(137)	(138)	(139)	(140)
Alabama		$226,835		$552,524	$23,378	$188,631
Alaska				22,474		
Arizona		61,267		651,072		
Arkansas	$2,564					
California		107,423	$61,193	3,757,405	180,116	258,718
Colorado		41,775		159,812		
Connecticut				848,273	106,187	
Delaware				164,598		
District of Columbia		325,172	523		25,000	
Florida				944,812	19,713	97,291
Georgia				2,319	10,295	
Hawaii	5,669					44,761
Idaho						
Illinois	2,156	44,035	72,215	3,864,155	152,458	300,080
Indiana		105,900		80,347	139,335	82,555
Iowa				200,000	150,401	85,625
Kansas			4,145	211,086	3,916	
Kentucky		25,976		108,544		178,894
Louisiana					64,576	44,511
Maine						
Maryland	10,772	57,499	13,081	860,622	129,077	48,559
Massachusetts	1,972	67,853		1,802,072	277,172	283,626
Michigan	4,726			865,319	244,016	309,267
Minnesota		100,058		902,157	1,167	42,946
Mississippi				46,972		
Missouri		190,788		652,297	56,106	158,141
Montana				43,175		
Nebraska						92,316
Nevada						
New Hampshire						
New Jersey				142,934		87,058
New Mexico				872,729		
New York	6,564	416,856	171,520	5,630,918	119,420	316,982
North Carolina				2,405,203	104,244	353,827
North Dakota						
Ohio				980,094	125,147	300,614
Oklahoma						
Oregon		32,783		198,304	−18,894	105,900
Pennsylvania		421,523	84,190	1,543,306	49,234	296,694
Rhode Island				15,848		
South Carolina						
South Dakota				2,516		
Tennessee		272,675		1,006,133		102,469
Texas		235,661	2,231	3,361,006	146,625	125,528
Utah				929,260		
Vermont				1,087,031		
Virginia		84,565		896,108		37,955
Washington				472,423		40,091
West Virginia						31,286
Wisconsin		124,686		1,433,899	8,627	51,521
Wyoming						
Puerto Rico	2,764					21,924
Virgin Islands						
Other Territories, etc [5]						7,249
Adjustments or undistributed to States [62]					−47,466	−5,720
Total	37,187	2,943,330	409,098	37,717,747	2,069,850	4,089,299

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Public Health Service—Continued					
	Environmental engineering and sanitation [19]	Environmental health services [19]	General medical sciences	General research and services [19]	General research support grants	Manpower education and utilization
	(141)	(142)	(143)	(144)	(145)	(146)
Alabama	$88,455	$44,705	$339,889	$391,353	$358,820	$7,373
Alaska	--------	31,814	213,435	--------	--------	--------
Arizona	101,815	2,262	388,300	10,025	53,533	--------
Arkansas	--------	--------	214,797	300,863	205,460	4,806
California	1,163,270	1,160,923	16,699,687	5,397,500	4,783,822	34,094
Colorado	7,542	837	1,195,847	666,046	400,921	3,878
Connecticut	390,538	481	3,456,215	764,428	365,576	5,336
Delaware	5,478	--------	75,977	−1,942	29,440	--------
District of Columbia	236,842	63,284	498,324	1,173,203	842,186	19,838
Florida	913,259	381,692	1,807,639	551,326	594,023	8,718
Georgia	120,772	168,372	852,167	1,003,957	604,727	14,701
Hawaii	244,327	--------	649,140	100,805	83,996	--------
Idaho	--------	--------	5,300	--------	--------	--------
Illinois	500,544	297,509	7,364,748	2,777,199	2,606,472	35,502
Indiana	83,861	284,178	2,470,048	525,216	449,516	15,530
Iowa	353,126	160,060	1,744,851	260,503	255,222	11,105
Kansas	36,421	−922	1,218,853	329,395	233,781	5,933
Kentucky	54,950	16,408	725,109	230,362	331,850	5,105
Louisiana	33,221	193,402	1,094,410	1,800,038	474,010	8,768
Maine	--------	--------	107,053	47,468	27,912	--------
Maryland	43,058	148,891	4,814,447	2,400,035	1,017,303	12,297
Massachusetts	523,200	651,072	9,856,214	3,441,319	4,510,029	16,391
Michigan	202,701	363,118	3,857,007	1,019,152	1,198,035	19,639
Minnesota	118,943	95,216	2,303,901	692,427	498,198	11,800
Mississippi	--------	39,005	234,593	131,113	33,848	5,486
Missouri	77,294	808,620	1,827,655	1,243,243	930,161	18,960
Montana	25,614	--------	94,847	−600	--------	1,359
Nebraska	74,816	--------	175,036	18,196	239,215	12,810
Nevada	--------	--------	--------	--------	--------	--------
New Hampshire	−6,871	--------	896,246	33,929	217,164	1,607
New Jersey	356,161	310,659	1,284,496	235,902	440,545	6,745
New Mexico	5,452	--------	60,093	--------	103,521	1,939
New York	486,300	1,164,294	15,066,227	5,293,389	7,812,193	42,062
North Carolina	180,471	1,000,892	3,957,214	1,122,657	864,982	11,966
North Dakota	--------	--------	134,156	22,265	58,241	1,475
Ohio	132,827	346,372	3,562,277	1,555,030	1,503,446	24,992
Oklahoma	74,934	113,790	586,489	195,944	347,465	5,967
Oregon	310,245	353,385	1,280,537	1,493,933	290,746	8,320
Pennsylvania	290,827	53,109	7,061,740	3,449,294	4,282,716	41,469
Rhode Island	20,552	60,787	643,989	63,483	88,594	1,657
South Carolina	58,559	75,387	116,450	10,745	126,381	--------
South Dakota	21,516	--------	40,734	--------	60,466	1,830
Tennessee	22,296	28,759	1,337,659	991,108	874,596	8,634
Texas	101,856	263,481	4,314,171	1,907,889	1,897,977	22,854
Utah	90,999	--------	948,117	372,137	117,337	3,878
Vermont	--------	18,789	269,675	145,928	160,853	1,773
Virginia	120,200	85,168	654,359	218,242	818,319	11,469
Washington	392,402	141,509	3,219,294	1,417,170	372,156	8,552
West Virginia	96,608	21,571	124,864	9,758	190,646	5,568
Wisconsin	567,142	116,315	3,494,989	1,323,674	490,457	15,497
Wyoming	--------	--------	48,965	--------	--------	--------
Puerto Rico	43,783	--------	28,834	339,218	248,291	--------
Virgin Islands	--------	--------	--------	--------	--------	--------
Other Territories, etc.[5]	25,704	53,338	1,865,179	570,567	--------	--------
Adjustments or undistributed to States [62]	−4,893	−7,524	−42,954	−85,684	--------	--------
Total	8,787,117	9,111,008	115,239,289	45,959,208	42,495,148	507,683

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued					
	Public Health Service—Continued					
	National Cancer Institute	National Heart Institute	National Institute of Dental Research [19]	National Library of Medicine	National Institute of Mental Health	Neurology and blindness activities
	(147)	(148)	(149)	(150)	(151)	(152)
Alabama	$225,211	$1,538,056	$767,419	$11,424	$767,849	$178,454
Alaska	—	—	—	—	100,000	—
Arizona	59,916	51,316	101,087	9,817	719,010	113,270
Arkansas	71,313	242,576	2,355	8,893	608,393	127,204
California	6,765,614	9,325,304	993,185	301,653	18,756,471	9,244,221
Colorado	560,330	1,121,056	110,510	12,768	2,738,595	390,199
Connecticut	2,015,281	1,307,212	43,667	92,033	3,682,825	1,467,042
Delaware	51,129	19,081	—	—	315,254	6,314
District of Columbia	555,121	2,178,987	183,963	66,918	3,883,740	596,326
Florida	838,934	1,429,697	337,387	22,365	2,202,038	2,434,121
Georgia	384,576	1,779,084	273,184	14,009	1,763,895	613,502
Hawaii	16,997	86,342	—	7,374	685,889	77,409
Idaho	3,087	—	—	—	442,786	—
Illinois	2,890,296	6,188,591	1,950,040	341,709	9,463,595	4,213,221
Indiana	630,892	1,482,119	427,773	12,831	2,359,506	998,000
Iowa	213,705	837,947	250,272	18,414	1,283,142	1,567,518
Kansas	277,513	449,364	44,511	12,797	2,941,096	655,121
Kentucky	409,981	1,132,480	235,118	11,287	1,599,310	391,392
Louisiana	1,077,167	1,805,847	5,492	16,083	1,724,436	1,341,835
Maine	514,418	117,491	—	3,471	184,858	27,456
Maryland	1,811,768	3,066,407	373,266	88,844	4,661,531	2,953,227
Massachusetts	5,937,614	9,443,008	2,047,733	55,490	13,384,046	7,662,838
Michigan	1,730,408	2,635,632	744,464	67,211	7,242,689	2,631,400
Minnesota	1,085,239	4,432,370	464,219	88,970	3,429,170	3,168,900
Mississippi	101,947	1,066,291	—	8,002	497,791	308,490
Missouri	1,450,193	2,203,370	229,942	74,274	3,954,289	3,353,454
Montana	32,060	26,191	—	—	300,845	23,163
Nebraska	226,551	499,580	84,774	12,324	1,048,991	215,043
Nevada	—	39,220	—	—	192,677	—
New Hampshire	134,907	299,355	−214	2,122	242,385	150,697
New Jersey	723,126	1,052,183	59,883	49,146	3,255,812	603,650
New Mexico	132,203	404,809	4,807	71,989	654,956	148,131
New York	16,057,870	14,588,605	2,969,694	234,316	26,275,076	14,623,994
North Carolina	1,214,554	4,329,528	341,382	21,307	4,671,945	1,485,008
North Dakota	1,853	58,075	—	—	314,326	—
Ohio	1,402,355	4,805,732	318,025	45,642	4,650,489	1,837,883
Oklahoma	296,927	1,746,364	6,710	2,360	1,730,993	306,353
Oregon	862,628	3,864,650	211,459	8,983	2,092,914	1,568,480
Pennsylvania	6,237,267	7,882,384	1,439,782	150,721	9,804,869	4,131,795
Rhode Island	566,639	134,074	48,675	—	916,367	570,690
South Carolina	69,531	534,621	17,879	3,570	479,320	115,900
South Dakota	18,538	84,772	9,444	3,512	237,920	21,960
Tennessee	828,071	2,815,837	80,375	60,209	2,222,999	1,208,813
Texas	5,065,920	4,612,529	570,038	60,617	3,839,563	958,577
Utah	516,973	506,409	66,918	1,727	997,221	719,654
Vermont	188,679	616,083	—	6,448	492,447	183,571
Virginia	456,714	1,649,572	248,806	11,146	1,051,754	1,139,533
Washington	826,052	2,137,026	620,727	9,035	2,209,616	1,505,515
West Virginia	132,860	371,824	2,246	2,124	670,574	220,469
Wisconsin	3,587,135	1,280,991	351,468	28,662	2,927,807	1,602,153
Wyoming	—	—	—	2,318	367,727	36,092
Puerto Rico	81,452	67,666	−3,053	—	523,080	176,182
Virgin Islands	—	—	—	—	—	—
Other Territories, etc [5]	1,305,954	1,252,358	195,814	—	1,149,471	1,267,044
Adjustments or undistributed to States [62]	−125,329	−209,479	−36,278	—	−483,235	−56,138
Total	70,520,140	109,390,587	17,194,948	2,134,915	162,231,113	79,285,126

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued				
	Public Health Service—Continued				Vocational Rehabilitation Administration
	Nursing services and resources	Occupational health [19]	Radiological health	Regional medical programs	
	(153)	(154)	(155)	(156)	(157)
Alabama	$190,472		$43,175		$158,579
Alaska					53,417
Arizona	111,334	$9,840		$10,822	33,371
Arkansas	71,865		85,461	32,743	72,173
California	1,713,332	222,905	61,879	292,996	208,805
Colorado	716,625	93,334	189,422	131,628	83,871
Connecticut	527,166	108,895	87,210		75,529
Delaware	5,000				
District of Columbia	602,580	87,123	39,000	42,983	675,594
Florida	352,422	47,508	231,130		131,924
Georgia	340,587	73,150	162,012	46,512	517,281
Hawaii				98,180	11,088
Idaho	11,565				11,655
Illinois	724,641	26,273	177,621		252,391
Indiana	406,234		204,035	139,908	132,721
Iowa	285,002		40,620	132,430	54,358
Kansas	238,649	−882	48,492		157,403
Kentucky	108,559		2,102	126,092	7,000
Louisiana	109,212		43,701	178,344	21,337
Maine	32,670		1,067		
Maryland	473,092	50,686	163,509	188,524	119,464
Massachusetts	1,651,554	103,649	323,239	16,160	536,270
Michigan	1,325,081	251,621	155,630		282,390
Minnesota	455,408	84,607	61,950	134,872	132,087
Mississippi	12,685				31,371
Missouri	532,399		104,531	314,455	151,452
Montana	283,333				4,500
Nebraska	131,973			85,819	38,837
Nevada	30,592		5,092		
New Hampshire	91,205				6,971
New Jersey	190,571	43,141	80,252		163,290
New Mexico	24,030		9,455		39,540
New York	2,623,984	597,298	707,257	451,611	524,108
North Carolina	416,980	7,210	114,131	54,028	161,081
North Dakota	18,253		93,372		22,628
Ohio	1,261,782	144,608	115,495	9,947	257,692
Oklahoma	54,310	65,377	138,905		97,878
Oregon	210,210	40,416	99,144	19,924	158,174
Pennsylvania	1,594,967	241,197	362,219	251,461	572,471
Rhode Island	120,160	19,699	14,514		25,226
South Carolina	96,696			23,964	18,898
South Dakota	37,048		12,541		
Tennessee	61,783	20,601	97,317	15,738	29,195
Texas	334,122	92,007	192,751		283,057
Utah	130,430	13,385	72,192	85,893	32,601
Vermont	24,900			10,708	3,456
Virginia	58,170		12,742	105,980	199,932
Washington	795,127	26,864	126,202		101,838
West Virginia	85,770	21,925	4,315	54,832	43,714
Wisconsin	561,384	94,779		109,402	182,248
Wyoming					5,800
Puerto Rico	71,993				
Virgin Islands					
Other Territories, etc.[5]	1,211	46,430	111,730		
Adjustments or undistributed to States [62]	−100,313	−2,829	−19,605		
Total	20,208,805	2,630,817	4,575,807	3,165,956	6,884,666

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Health, Education, and Welfare—Continued				Department of the Interior	
	Welfare Administration				Commercial fisheries	Water supply and pollution control and grants for waste treatment works [64]
	Aid for refugees in the United States	Aid for repatriated U.S. nationals [19]	Children's Bureau: Maternal and child health and welfare services [19, 63]	Juvenile delinquency and youth development [19]	Management and investigations of resources	
	(158)	(159)	(160)	(161)	(162)	(163)
Alabama	$1,104	$500	$65,022		$5,017	$7,348
Alaska						11,179
Arizona			2,446	$51,514		87,708
Arkansas			−1,500			7,543
California	1,073,156	28,859	1,170,541	98,122	18,890	520,121
Colorado	64,432	227	57,233	−5,725		61,745
Connecticut	134,915	−409	2,360			12,873
Delaware	1,381		−5,728			303
District of Columbia	22,036	294,297	477,930	825,836		109,595
Florida	14,045,381	17,480	93,083	−7,108	20,425	134,786
Georgia	36,349	330	53,553		9,468	28,448
Hawaii			16,076	−555	4,726	5,394
Idaho						1,050
Illinois	883,192	240	451,507	−28,772		132,092
Indiana	28,004	240			4,428	31,649
Iowa	15,574		21,712		4,460	56,586
Kansas	12,752		148,381	−5,974		46,448
Kentucky	5,167	15	62,183	93,135		9,123
Louisiana	334,494	9,391	260,891			15,427
Maine	2,058					16,756
Maryland	39,098	206	715,334			66,688
Massachusetts	212,910	696	951,831	114,864	14,226	111,925
Michigan	137,953	136	109,238	−42	26,942	330,102
Minnesota	31,242		229,535	−13,049		88,738
Mississippi	2,146		66,573		5,039	9,797
Missouri	11,335		62,108			92,968
Montana	1,364					29,116
Nebraska	14,000		48,966		4,918	
Nevada	77,214					
New Hampshire	410			−130		11,681
New Jersey	2,094,461	2,874	38,529	−12,477	5,277	89,995
New Mexico	8,678	326				19,523
New York	780,669	33,207	1,517,848	−16,457		403,146
North Carolina	12,115		293,431	−3,374	20,158	56,773
North Dakota					8,695	9,593
Ohio	31,179		633,865	115,763	5,200	280,527
Oklahoma	23,470		56,397			86,002
Oregon	77,776	613	11,907		8,932	179,461
Pennsylvania	54,286	1,071	484,635	−24,746		216,433
Rhode Island			30,314		9,000	19,843
South Carolina	2,229			−218		87,655
South Dakota						7,319
Tennessee	5,609		460,946			46,542
Texas	32,474	7,181	324,973	−1,165	4,200	157,758
Utah	95		186,707	−607		82,542
Vermont						
Virginia	36,782		864			19,611
Washington	13,533	2,217	159,448		14,975	173,108
West Virginia	738					19,578
Wisconsin	10,354		45,027	−1,779	15,515	186,192
Wyoming						4,063
Puerto Rico		15	233,128	−8,463		
Virgin Islands						
Other Territories, etc.[5]						
Adjustments or undistributed to States			1,976,418			
Total	20,372,115	399,712	11,513,712	1,168,593	210,492	4,182,853

Footnotes at end of table.

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TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Department of Justice	Department of Labor		National Science Foundation	Veterans' Administration [65]
	Law enforcement assistance	Manpower development and training activities [66]	Unemployment compensation for Federal employees and ex-servicemen	Research grants and fellowship awards	Automobiles, etc., for disabled veterans
	(164)	(165)	(166)	(167)	(168)
Alabama	$4,945	$3,435,206	$1,314,062	$1,150,483	$9,582
Alaska		311,014	1,239,885	1,357,071	
Arizona		1,599,093	1,124,000	4,562,727	11,070
Arkansas		1,580,200	500,000	846,732	20,800
California	76,936	23,661,724	19,338,000	43,022,707	84,345
Colorado	8,931	1,517,429	672,578	7,125,254	8,000
Connecticut		2,188,509	330,500	7,730,852	12,800
Delaware		566,289	110,000	569,656	
District of Columbia	64,425	3,752,350	1,988,536	7,518,634	12,800
Florida	29,000	3,556,431	585,000	9,365,308	70,400
Georgia	65,000	2,164,482	1,149,000	3,935,519	14,400
Hawaii		504,364	1,347,000	2,376,638	
Idaho		534,965	563,375	458,918	1,600
Illinois	350,909	10,635,677	1,823,000	21,445,203	33,581
Indiana	49,000	3,456,832	558,609	10,079,576	4,800
Iowa		2,844,284	317,000	4,870,285	4,800
Kansas		2,254,694	520,000	3,582,965	16,000
Kentucky	48,583	3,429,248	1,541,000	1,413,054	3,200
Louisiana		4,565,118	926,103	3,956,457	14,400
Maine		1,279,761	250,000	737,496	4,800
Maryland		1,169,875	800,000	5,673,475	1,600
Massachusetts	38,811	6,034,690	2,768,697	27,419,215	22,150
Michigan	180,423	7,683,418	3,127,000	12,524,203	40,000
Minnesota		6,363,018	1,005,000	6,741,153	25,600
Mississippi		6,329,135	473,000	1,237,339	12,800
Missouri		4,305,899	1,105,000	5,905,984	12,800
Montana	12,000	543,248	475,000	1,124,873	3,200
Nebraska		1,234,095	366,849	874,689	12,550
Nevada		325,813	428,000	535,025	
New Hampshire		506,799	90,000	1,428,087	6,400
New Jersey	6,369	9,396,025	2,611,221	8,336,071	22,400
New Mexico		854,455	622,000	2,257,245	3,200
New York	92,960	24,551,792	5,417,511	38,410,878	49,249
North Carolina	13,964	2,816,468	981,132	7,460,489	12,800
North Dakota		1,192,759	325,000	911,967	3,200
Ohio	45,187	7,763,481	2,479,816	11,154,198	39,690
Oklahoma	6,900	2,212,372	710,000	2,603,542	9,600
Oregon	16,727	995,690	1,172,000	5,700,635	26,910
Pennsylvania	65,791	9,747,589	4,575,000	14,934,313	44,800
Rhode Island	16,008	804,241	564,960	3,629,907	22,395
South Carolina		2,271,963	567,000	1,496,914	8,000
South Dakota		704,224	264,000	974,043	1,600
Tennessee		5,074,517	2,225,000	3,017,400	16,000
Texas	49,471	5,183,052	2,748,000	10,931,988	38,295
Utah		1,203,996	754,167	2,718,826	
Vermont		493,855	100,000	454,673	3,146
Virginia	10,011	2,080,051	475,000	3,588,341	6,400
Washington		2,807,545	2,920,000	8,868,321	11,200
West Virginia		1,487,194	684,000	1,090,074	6,400
Wisconsin		4,113,445	1,106,000	10,604,102	22,250
Wyoming	13,750	356,632	173,000	948,743	3,185
Puerto Rico	32,758	1,916,947	693,000	599,058	12,800
Virgin Islands		46,128	1,500		
Other Territories, etc [5]		91,395		14,676	
Adjustments or undistributed to States	381,136	−1,678			
Total	1,679,994	196,497,798	79,005,501	340,275,982	827,998

Footnotes at end of table.

TABLE 85.—*Federal grants in aid to State and local governments and to individuals and private institutions within the States, fiscal year 1967*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS AND PRIVATE INSTITUTIONS IN THE STATES—Continued

States, Territories, etc.	Veterans' Administration [65]—Con. Readjustment benefits and vocational rehabilitation	Miscellaneous [19]	Total Part B	Grand total, Parts A and B
	(169)	(170)	(171)	(172)
Alabama	$5, 187, 047		$118, 813, 751	$448, 016, 878
Alaska	193, 538		8, 249, 855	115, 412, 494
Arizona	4, 081, 999		66, 572, 297	250, 210, 051
Arkansas	2, 262, 221		106, 883, 973	330, 351, 774
California	39, 723, 380	[67] $1, 858, 944	404, 486, 413	2, 129, 274, 182
Colorado	4, 607, 724		99, 036, 019	286, 125, 420
Connecticut	4, 731, 618		47, 201, 756	228, 575, 522
Delaware	369, 970		9, 790, 126	47, 871, 526
District of Columbia	9, 065, 677		48, 763, 924	209, 219, 113
Florida	10, 554, 674		90, 507, 409	460, 869, 927
Georgia	5, 340, 193		125, 982, 424	523, 309, 624
Hawaii	1, 122, 242		33, 026, 257	113, 140, 631
Idaho	956, 880		44, 572, 013	110, 240, 606
Illinois	15, 550, 168		266, 153, 471	847, 209, 014
Indiana	4, 700, 129		146, 307, 947	378, 815, 101
Iowa	2, 686, 297		260, 922, 599	428, 940, 593
Kansas	2, 953, 154	[68] −52, 588	257, 566, 563	406, 950, 764
Kentucky	3, 221, 690		71, 752, 670	420, 487, 135
Louisiana	4, 516, 024		90, 935, 070	471, 450, 423
Maine	889, 397	[69] 262, 005	11, 652, 390	86, 625, 538
Maryland	5, 011, 711		64, 491, 507	262, 210, 299
Massachusetts	8, 818, 943	[69] 97, 435	160, 146, 318	551, 010, 378
Michigan	9, 677, 954	[68] −1, 757	155, 190, 600	654, 813, 336
Minnesota	6, 437, 622		203, 989, 746	495, 274, 387
Mississippi	2, 199, 712		156, 579, 726	421, 732, 822
Missouri	5, 888, 028		199, 876, 876	539, 012, 202
Montana	1, 039, 737		74, 910, 425	170, 686, 477
Nebraska	2, 662, 412		202, 958, 040	317, 236, 136
Nevada	411, 545		7, 087, 767	75, 773, 302
New Hampshire	747, 592		10, 579, 124	52, 395, 871
New Jersey	6, 783, 170		66, 529, 603	417, 157, 861
New Mexico	2, 002, 110		54, 912, 005	211, 780, 303
New York	23, 033, 579	[70] 1, 666, 244	328, 514, 943	1, 507, 505, 026
North Carolina	4, 742, 013		127, 050, 812	457, 583, 855
North Dakota	995, 323		146, 482, 462	214, 395, 628
Ohio	14, 905, 230		181, 491, 389	753, 037, 935
Oklahoma	5, 219, 329		138, 352, 218	444, 575, 450
Oregon	3, 722, 747		63, 909, 463	249, 906, 381
Pennsylvania	19, 150, 455		176, 539, 864	891, 764, 087
Rhode Island	1, 348, 992		16, 683, 843	96, 534, 285
South Carolina	2, 259, 607		74, 420, 149	248, 037, 370
South Dakota	907, 129		88, 279, 488	165, 336, 845
Tennessee	4, 896, 214		120, 347, 255	437, 030, 466
Texas	16, 728, 288	[69] 62, 295	567, 909, 471	1, 301, 121, 262
Utah	2, 451, 903		32, 137, 979	147, 154, 849
Vermont	382, 745		12, 433, 722	65, 937, 420
Virginia	3, 487, 025		50, 906, 968	350, 512, 461
Washington	5, 678, 001		105, 517, 231	364, 910, 631
West Virginia	1, 904, 307		20, 629, 667	215, 039, 130
Wisconsin	5, 654, 622		115, 748, 519	332, 321, 956
Wyoming	462, 289		16, 839, 961	87, 993, 757
Puerto Rico	2, 400, 882		29, 957, 718	260, 833, 627
Virgin Islands			262, 309	21, 904, 456
Other Territories, etc.[5]	1, 478, 541		14, 478, 318	62, 299, 187
Adjustments or undistributed to States		[71] 163, 697, 030	576, 010, 330	726, 562, 677
Total	296, 203, 779	167, 589, 608	6, 671, 332, 744	21, 864, 478, 427

Footnotes at end of table.

Footnotes to table 85

[1] Consists of: $675,963 Cooperative State Research Service (excluded from column 5); $256,285 Commodity Credit Corp. fund; $2,275,904 Agricultural Research Service; $4,500 Economic Research Service; and $438,-712 Forest Protection and Utilization, Forest Service.
[2] Cost to Federal Government of food commodities acquired through price-support operations.
[3] Consists of $1,481,005 cooperative extension work, Extension Service and $1,750,000 Agricultural Consumer and Marketing Service.
[4] Consists of: $105,531,923 Federal share of the value of food stamps redeemed; $1,998,863 Federal payment to State agencies for certification assistance; and −$1,501,611 adjustment from a food stamps issued to a checks-issued basis.
[5] Includes: American Samoa, Guam, Trust Territory of the Pacific, and certain other foreign countries.
[6] Adjustment from a commodities distributed to a checks-issued basis.
[7] Consists of: $3,113,000 penalty mail costs for State extension directors and cooperative extension agents; $8,299,901 retirement costs of cooperative extension agents; $53,858 reimbursement for benefits paid from the employees' compensation fund; and $202,952 undistributed to States.
[8] Consists of: $310,000 penalty mail costs of State experiment station directors and $11,476 undistributed to States.
[9] Consists of $16,843,496 forest protection and utilization and $929,206 assistance to States for tree planting.
[10] Consists of: $42,203,476 payments to States, National forest fund; $144,815 payment to Minnesota (Cook, Lake, and St. Louis counties) from the National forests fund; and $102,931 payments to school funds, Arizona ($102,572) and New Mexico ($359).
[11] Cost to the Federal Government of commodities acquired.
[12] Includes $4,791,895, paid directly to participating private schools. In addition, the program receives some of the commodities distributed or donated under programs reported in columns 2 and 10 of this table.
[13] Cash payments to increase consumption of fluid milk by children in nonprofit schools. Includes $7,029,851 paid directly to private schools and other outlets.
[14] Soil Conservation Service, consists of: $53,789,634 watershed protection; $18,038,598 flood prevention; and $1,145,822 resource conservation and development. Total includes contributions of $39,403,873 and grants-in-kind of $33,570,181.
[15] Consists of $1,021,892 grants to local development districts for research and demonstration and $5,094,764 supplemental grants in aid (including $43,500 administered by the Department of Labor and $1,856,135 administered by the Department of Health, Education, and Welfare).
[16] Consists of: $1,193,125 technical and community assistance; $183,796 area redevelopment assistance; and $1,630,182 grants for public facilities.
[17] Consists of: $3,364,513 disbursed by the Department of Commerce; $11,422,463 disbursed by the Department of Housing and Urban Development; $3,678,847 disbursed by the Department of Health, Education, and Welfare; $841,398 disbursed by the Department of the Interior; and $113,769 disbursed by the Department of Transportation.
[18] Consists of $52,593,782 disaster relief and $402,031 State and local preparedness.
[19] Credit amounts (−) other than "Adjustments or undistributed to States" are refunds of advances from prior years.
[20] Administered by the Department of Health, Education, and Welfare.
[21] These grants administered by the Department of Labor.
[22] Consists of $3,008,599 cancer; $7,185,148 heart; and $13,929,380 for other diseases. Total includes $48,329 grants-in-kind (supplies and services).
[23] Includes $2,970,276 grants-in-kind (supplies and services).
[24] Includes $4,360 grants-in-kind (supplies and services).
[25] Includes $1,054,398 grants for health research facilities construction, $28,584,466 for health educational facilities construction, and $3,993,762 for construction of community mental health centers.
[26] Includes $1,476,445 grants-in-kind (supplies and services).
[27] Includes $3,271,394 grants-in-kind (supplies and services).
[28] Includes $14,741 grants-in-kind (supplies and services).
[29] Includes $10,700 grants-in-kind (supplies and services).
[30] Consists of: $44,821,823 child welfare services; $28,355,864 grants for maternity and infant care; $12,552,815 grants for school and pre-school children; $44,167,846 maternal and child health services; and $42,329,274 services for crippled children.
[31] Hospital and medical care, Public Health Service.
[32] Nursing services and resources, Public Health Service.
[33] Indian Health, Public Health Service.
[33a] Joint transportation projects: Bi-State Development Agency, St. Louis, Mo., $17,757; New York Transit Authority $33,349; New York State and Metropolitan Commuter Transportation Authority $14,687; and Washington D.C., Metropolitan Area Transit Commission $58,172.
[33b] Disbursed to the Appalachian Regional Commission for special studies and plans.
[34] Consists of $10,770,526 education and welfare services and $919,158 resources management.
[35] Consists of: $2,466,915 Federal Aid for Commercial Fisheries, Research and Development, Bureau of Commercial Fisheries and $186,241 Anadromous and Great Lakes Fisheries Conservation, Bureau of Commercial Fisheries.
[36] Consists of: $242,772 payments to States (proceeds of sales receipt limitation); $4,130 payments to Oklahoma (royalties); $277,030 payments to States from grazing receipts, public lands (outside grazing districts); $315,306 payments to States from grazing receipts, etc., public lands (within grazing districts); $1,130 payments to Arizona (grazing fees); $4,170 payments to States from grazing receipts, etc., public lands (within grazing districts, miscellaneous); $20,965,264 payments to counties, Oregon and California grant lands; $114,814 payments due counties, national grasslands; $244,641 payments to Coos and Douglas counties, Oreg., in lieu of taxes on Coos Bay Wagon Road grant lands; $11,073,732 internal revenue collections, Virgin Islands; $22,674 payment to Wyoming in lieu of taxes on lands in Grand Teton National Park, National Park Service; $300,017 payment to Alaska from Pribilof Islands Fund; $600,000 payments to Arizona and Nevada, Colorado River Dam fund, Boulder Canyon project; $73,524 payments to local units, Klamath reclamation area; $9,279 payments in lieu of taxes to Trinity County, Calif.; and $9,555 payments in lieu of taxes to four counties in Washington.
[37] Bureau of Sport Fisheries and Wildlife, consists of $6,125,386 fish restoration and management, $16,003,980 wildlife restoration, and $26,093 Anadromous and Great Lakes Fisheries conservation.
[38] Functions transferred from Migratory Bird Conservation and Alaska game law, shared revenues.
[39] Previously administered by Public Health Service, Department of Health, Education, and Welfare.
[40] Payments in lieu of taxes.
[41] The Department of Transportation was established pursuant to Public Law 89-670, Oct. 15, 1966. Certain programs previously administered by the Department of Commerce and the Federal Aviation Agency were transferred to the new department and are reported here beginning with this report.

Footnotes to table 85—Continued

[42] Consists of: $58,493,633 grants in aid for airports and $5,653,538 grants in aid for airports, liquidation of contract authority.
[43] Consists of $2,066,957 control of outdoor advertising and junkyards and $1,233,782 highway beautification.
[44] Consists of $28,947,311 forest highways and $9,814,227 public land highways.
[44a] Consists of $38,368,976 emergency flood relief and $133,667 bridges over Federal dams.
[45] On an accrual basis: consists of $8,727,584 grants for State homes for disabled soldiers and sailors; $1,079,413 approval and supervision of training establishments; and $77,471 construction of State nursing homes, Vermont.
[46] Consists of: $3,938,988 Alaska Centennial, 1967; $1,000 transitional grants to Alaska; and $2,600,000 Alaska mortgage indemnity grants.
[47] Consists of $138,122 State marine schools, Maritime Administration, Department of Commerce and $12,086,451 general construction, Corps of Engineers.
[48] Consists of $58,000,000 Federal payments to the District of Columbia and $789,913 President's Commission on Law Enforcement and the Administration of Justice and on Crime in the District of Columbia.
[49] Center for cultural and technical interchange between East and West, State Department.
[50] State marine schools, Maritime Administration, Department of Commerce.
[51] Consists of $154,511 drainage of anthracite mines and $392,422 Appalachian region mining area restoration.
[52] Grant to Settlement Canyon Irrigation Company, Utah, for fish conservation.
[53] Consists of $59,333,892 IRS collections and $23,900,000 refunds, transfers, and expenses of operations, Bureau of Customs.
[54] Refunds, transfers, and expenses of operations, Bureau of Customs.
[55] Administration of Territories, Department of the Interior.
[56] Consists of $303,381,598 acreage diversion payments and $489,236,806, price support payments.
[57] Consists of $541,765,122 acreage diversion payments and $798,550,527 price support payments.
[58] Consists of $27,144,648 acreage diversion payments and $651,907,340 value of wheat marketing certificates issued to producers.
[59] Net of deductions made from producer payments for promotional and advertising programs.
[60] On an accrual basis. Consists of: $498,783 equipment grants; $3,662,888 student fellowships; $3,036,975 faculty training; and $3,796,551 for materials, services, and other costs.
[60a] On an obligations basis.
[61] Includes $6,500,018 spent by the Department of Health, Education, and Welfare for civil defense adult education.
[62] Credit amounts (—) represent refunds which cannot be identified by States.
[63] Consists of: $3,484,588 maternal and child health services; $4,334,900 services for crippled children; $1,282,220 child welfare research demonstration projects; $2,030,273 research projects; and $381,731 child welfare training grants.
[64] Consists of $3,786,821 water supply and pollution control and $396,032 construction grants for waste treatment works and sewer overflow.
[65] On an accrual basis.
[66] Consists of: $73,781,243 administered by the Department of Health, Education, and Welfare and $122,716,555 administered by the Department of Labor.
[67] Consists of: $1,725,000 construction, Corps of Engineers, Department of the Army; $134,337 subsistence to cadets, State marine schools, Maritime Administration, Department of Commerce; and —$393 hospital and medical research facilities, Public Health Service, Department of Health, Education, and Welfare.
[68] Hospital and medical research facilities, Public Health Service, Department of Health, Education, and Welfare.
[69] Subsistence to cadets, State marine schools, Maritime Administration, Department of Commerce.
[70] Consists of $1,304,766 grants for cancer research facilities, Public Health Service, Department of Health, Education, and Welfare and $361,478 subsistence to cadets, State marine schools, Maritime Administration, Department of Commerce.
[71] Higher educational activities, Office of Education, Department of Health, Education, and Welfare, for which no distribution by States is available.

NOTE.—Compiled from figures furnished by the departments and agencies, pursuant to Treasury Department Circular No. 1014, Aug. 8, 1958 (see 1958 annual report, exhibit 70, p. 381).

Customs Operations

TABLE 86.—*Merchandise entries, fiscal years 1966 and 1967*

Entries	1966	1967	Percentage increase, or decrease (−)
Consumption free	399,742	456,984	14.3
Consumption dutiable	1,517,450	1,604,079	5.7
Warehouse and rewarehouse	85,754	84,609	−1.3
Other formal	7,603	6,518	−14.3
Total formal entries	2,010,549	2,152,19	7.0
Warehouse withdrawals	432,226	437,210	1.2
Appraisement	1,758	1,584	−9.9
Drawback	19,819	24,767	25.0
Outbound-immediate transportation; transportation and exportation; etc	679,400	724,319	6.6
Mail	1,560,388	1,549,231	−.7
Informal	820,392	890,973	8.6
Passenger declarations—total	3,879,132	4,175,784	7.6
Crew declarations—total	1,013,607	1,125,612	11.1
Military declarations—total	1,173,456	1,424,342	21.4
Passenger declarations—dutiable	319,911	449,280	40.4
Crew declarations—dutiable	186,248	195,424	4.9
Military declarations—dutiable	47,614	52,653	10.6
Other informal	1,488,050	1,282,849	−13.8

TABLE 87.—*Principal commodities on which drawback was paid, fiscal years 1966 and 1967*

Commodity	1966	1967	Percentage increase, or decrease (−)
Aluminum	$1,497,161	$2,981,384	99.1
Animal and vegetable oils, fats, and greases	[1] 22,668	277,609	1,124.7
Automobiles, aircraft, and parts	123,694	26,456	−78.6
Barley	41,164	31,713	−23.0
Brass and bronze manufactures	12,561	2,527	−79.9
Burlap	63,209	103,014	63.0
Chemicals	1,406,277	1,233,734	−12.3
Chromium and alloys	153,932	30,282	−80.3
Citrus fruit juices	1,086,545	2,462,128	126.6
Coal-tar products	990,323	2,687,561	171.5
Copper and manufactures	392,449	379,170	−3.4
Cotton cloth	338,723	285,261	−15.8
Cotton, unmanufactured	38,942	16,607	−57.4
Diesel engines	73,749	100,668	36.5
Electrical machinery and apparatus	422,795	160,641	−62.0
Feathers	28,763	26,743	−7.0
Ferroalloying ores and metals	38,105	120,463	216.1
Fish and fish products	43,409	10,275	−76.3
Fruits and preparations	68,873	255,366	270.8
Glass and glass products	133,583	112,052	−16.1
Iron and steel semimanufactures	17,158	2,478	−85.6
Knit fabrics, cotton	33,371	1,434	−95.7
Lead ore, matte, pigs, and bars	392,747	655,334	66.9
Leather and leather products	11,397	------------	−100.0
Machinery, other than electric	154,740	143,060	−7.6
Magnesite	8,339	61,584	638.5
Manganese ore	46,229	145,689	215.1
Medicinal preparations	393,555	185,021	−53.0
Nickel	115,904	98,757	−14.8
Paper and manufactures	117,768	175,913	49.4
Petroleum and products	97,175	21,437,215	(2)
Pigments, paints, and varnishes	50,794	31,947	−37.1
Quicksilver or mercury	33,697	11,961	−64.5
Rayon and other synthetic textiles	106,109	233,183	119.8
Steel mill products	4,042,928	4,147,574	2.6
Sugar	648,085	815,616	25.9
Tires and tubes, rubber and synthetic	48,270	83,983	74.0
Tobacco and manufactures	844,657	896,342	6.1
Tungsten ore	294,198	501,864	70.6
Vegetables and vegetable products	20,029	1,927	−90.4
Watch movements and parts	599,640	751,418	25.3
Whiskey	3,599	58,847	1,535.1
Wool and semimanufactures	36,044	7,610	−78.9
Wool fabrics	44,495	34,129	−23.3
Zinc ore and manufactures	173,893	107,302	−38.3
Other	2,407,194	732,799	−69.6
Total	17,718,940	42,626,641	140.6

[1] Figures for 1966 show only vegetable oils and waxes.
[2] Percentage comparison is so large it is inappropriate.

NOTE.—Includes Puerto Rico.

TABLE 88.—*Carriers and persons arriving in the United States, fiscal years 1966 and 1967* [1]

Type of entrant	1966	1967	Percentage increase, or decrease (−)
Carriers arriving:			
Vessels entering direct from foreign ports	50,159	51,189	2.1
Vessels entering via U.S. ports	[2] (40,797)	[2] (42,880)	5.1
Vessels reporting only from foreign ports:			
Government	1,612	1,471	−8.8
Ferries	62,749	56,948	−9.3
Other	47,244	42,251	−10.6
Commercial planes	123,870	142,233	14.8
Commercial planes entering via U.S. ports	[2] (11,161)	[2] (13,573)	21.6
Military planes	38,931	46,205	18.7
Private planes	74,877	87,185	16.4
Autos, empty trucks	53,329,307	56,435,528	5.8
Buses	276,549	188,292	−31.9
Trucks	880,591	927,381	5.3
Other vehicles	503,434	582,458	15.7
Passenger trains	11,815	8,629	−27.0
Freight cars	2,019,042	1,973,538	−2.3
Total carriers	57,420,180	60,543,308	5.4
Persons arriving:			
Passengers arriving on:			
Vessels entering direct from foreign ports	681,630	619,778	−9.1
Vessels entering via U.S. ports	84,919	99,364	17.0
Vessels reporting only from foreign ports:			
Government	360,668	383,524	6.3
Ferries	1,206,727	1,253,584	3.9
Other	219,226	96,455	−56.0
Commercial planes	5,891,901	6,913,686	17.3
Military planes	1,040,852	1,325,586	27.4
Private planes	225,883	283,787	25.6
Autos, empty trucks	141,228,565	149,194,151	5.6
Buses	5,517,154	3,831,639	−70.6
Trucks	169,600	268,080	58.1
Other vehicles	468,020	1,374,334	193.6
Passenger trains	441,141	374,544	−15.1
Pedestrians	34,495,560	36,010,733	4.4
Total persons	192,031,846	202,029,245	5.2

[1] Excludes Puerto Rico.
[2] Not included in totals, already counted under entering direct from foreign ports.

TABLE 89.—*Aircraft and aircraft passengers entering the United States, fiscal years 1966 and 1967*

Regions and districts	Aircraft		Aircraft passengers		Percentage increase, or decrease (−)	
	1966	1967	1966	1967	Aircraft	Passengers
Boston region:						
District offices:						
Boston	5,817	6,378	163,814	169,672	9.6	3.6
Bridgeport	297	438	2,711	3,682	47.5	35.8
Buffalo	6,579	7,732	594,668	708,611	17.5	19.2
Ogdensburg	1,622	1,739	4,677	5,195	7.2	11.1
Portland, Maine	2,829	3,062	14,224	15,733	8.2	10.6
Providence	349	407	8,493	8,494	16.6	----------
St. Albans	2,125	3,415	379,933	499,115	60.7	31.4
Total Boston region	19,618	23,171	1,168,520	1,410,502	18.1	20.7
New York regional office	47,259	53,312	2,359,064	2,626,888	12.8	11.4
Baltimore region:						
District offices:						
Baltimore	2,610	2,810	83,741	107,774	7.7	28.7
Norfolk	839	878	16,149	16,077	4.6	−.5
Philadelphia	5,588	7,004	293,304	357,319	25.3	21.8
Total Baltimore region	9,037	10,692	393,194	481,170	18.3	22.4
Miami region:						
District offices:						
Charleston	1,537	1,659	53,916	57,222	7.9	6.1
Miami	47,384	53,861	1,030,872	1,194,150	13.7	15.8
Savannah	661	374	3,758	8,574	−43.4	128.2
Tampa	2,239	3,295	27,734	30,428	47.2	9.7
Wilmington	1,246	570	48,956	12,573	−54.3	−74.3
Total Miami region	53,067	59,759	1,165,236	1,302,947	12.6	11.8
New Orleans region:						
District offices:						
Mobile	268	270	3,230	3,939	.7	22.0
New Orleans	1,988	2,005	86,865	91,776	.9	5.7
Total New Orleans region	2,256	2,275	90,095	95,715	.8	6.2
Houston region:						
District offices:						
El Paso	2,281	2,410	9,065	10,644	5.7	17.4
Galveston	160	250	2,223	3,774	56.2	69.8
Houston	1,766	2,232	68,242	88,281	26.4	29.4
Laredo	9,879	11,544	127,559	149,924	16.9	17.5
Port Arthur	14	13	16	25	−7.2	56.2
Total Houston region	14,100	16,449	207,105	252,648	16.7	22.0
Los Angeles region:						
District offices:						
Los Angeles	4,516	5,998	284,073	389,171	32.8	37.0
Nogales	5,520	5,888	21,050	24,742	6.7	17.5
San Diego	7,537	8,341	27,742	31,806	10.7	14.6
Total Los Angeles region	17,573	20,227	332,865	445,719	15.1	33.9
San Francisco region:						
District offices:						
Great Falls	2,364	2,918	27,750	41,303	23.4	48.8
Honolulu	12,002	13,978	339,458	420,312	16.5	23.8
Juneau	5,740	9,259	41,160	101,947	61.3	147.7
Portland, Oregon	534	666	2,324	2,769	24.7	19.1
San Francisco	9,719	13,403	390,491	490,778	37.9	25.7
Seattle	11,520	14,373	245,496	383,712	24.8	56.3
Total San Francisco region	41,879	54,597	1,046,679	1,440,821	30.4	37.7
Chicago region:						
District offices:						
Chicago	6,450	6,967	212,448	255,972	8.0	20.5
Cleveland	6,764	7,342	47,040	52,279	8.5	11.1
Detroit	6,763	7,241	57,933	69,702	7.1	20.3
Duluth	6,229	7,294	18,542	22,171	17.1	19.6
Milwaukee	503	464	2,999	2,735	−7.8	−8.8
Minneapolis	707	1,328	4,772	5,622	87.8	17.8
Pembina	5,132	4,223	44,455	51,268	−17.7	15.3
St. Louis	341	282	7,689	6,900	−17.3	−10.3
Total Chicago region	32,889	35,141	395,878	466,649	6.8	17.9
Total all regions	237,678	275,623	7,158,636	8,523,059	16.0	19.1
San Juan	37,826	37,049	606,050	641,004	−2.1	5.8
Grand total	275,504	312,672	7,764,686	9,164,063	13.5	18.0

TABLE 90.—*Seizures for violations of customs laws, fiscal years 1966 and 1967* [1]

Seizures	1966 total	1967			
		Seizures by Customs	Seizures by other agencies	Joint seizures by Customs and other agencies	Total
Automobiles:					
Number	939	1,231	161	22	1,414
Value	$2,286,270	$1,221,514	$213,614	$29,391	$1,464,519
Trucks:					
Number	106	89	8	3	100
Value	$308,196	$224,349	$8,050	$6,075	$238,474
Aircraft:					
Number	16	16			16
Value	$747,800	$1,219,270			$1,219,270
Boats:					
Number	109	81	1		82
Value	$22,500,559	$46,997,985	$75		$46,998,060
Narcotics:					
Number	1,459	1,939	6	35	1,980
Value	$582,601	$1,093,080	$1,120	$36,051	$1,130,251
Liquors:					
Number	9,726	10,380	24	237	10,641
Gallons	15,597	14,748	26	213	14,987
Value	$330,264	$252,647	$742	$4,568	$257,957
Prohibited articles (obscene, lottery, etc.):					
Number	7,453	11,049	13	23	11,085
Value	$145,641	$1,062,543	$1,735	$471	$1,064,749
Other seizures:					
Number	8,550	8,833	101	45	8,979
Value:					
Cameras	$75,065	$49,695			$49,695
Edibles and farm products	68,951	253,445	$194	$114	253,753
Furs—skins and manufactures	46,418	89,607			89,607
Guns and ammunition	47,273	135,239	125	293	135,657
Jewelry, including gems	578,639	1,134,912	2,672	170	1,137,754
Livestock	16,144	25,009	6,266		31,275
Tobacco and manufactures	22,717	43,371	8	8	43,387
Watches and parts	136,161	339,142			339,142
Wearing apparel	182,674	180,857	224	694	181,775
Miscellaneous	7,002,071	5,802,527	22,851	9,291	5,834,669
Total value of other seizures	8,176,113	8,053,804	32,340	10,570	8,096,714
Grand total:					
Number [2]	27,188	32,201	144	340	32,685
Value	$35,077,444	$60,125,192	$257,676	$87,126	$60,469,994

[1] Includes Puerto Rico and the Virgin Islands.
[2] Excludes number of carriers confiscated in connection with seizures of liquor, narcotics ,etc.

TABLE 91.—*Investigative activities, fiscal years 1966 and 1967*

Activity	1966	1967	Percentage increase, or decrease (−)
Drawback	1,222	1,265	3.5
Classification	208	229	10.1
Market value	899	608	−32.4
Smuggling, narcotics	6,158	7,246	17.7
Smuggling, all other	3,205	2,809	−12.4
Undervaluation, false invoicing	2,247	2,886	28.4
Prohibited importations	327	485	48.3
Navigation, aircraft, and vehicle violations	1,376	1,624	18.0
Baggage declarations	1,681	1,392	−17.2
Customs brokers, cartmen, and lightermen	319	397	24.5
Petitions for relief	1,445	1,760	21.8
Personnel	2,016	2,640	31.0
Customs procedure	479	467	−2.5
Collection of duties and penalties	250	188	−24.8
Cooperation with other agencies	1,027	1,260	22.7
Neutrality	398	345	−13.3
Pilferages and shortages	604	664	9.9
Export control	414	398	−3.9
Federal tort claims	181	139	−23.2
Miscellaneous	132	152	15.2
Dumping	16	24	50.0
Port security	1	15	1400.0
Total	24,605	26,993	9.7

Engraving and Printing Production

TABLE 92.—*New postage stamp issues delivered, fiscal year 1967*

Issues	Denominations	Number of stamps delivered (in thousands)
Commemoratives:		
Bill of Rights	$0.05	114,160
Polish Millennium	.05	127,975
National Park Service	.05	119,035
Marine Corps Reserve	.05	125,110
General Federation of Women's Clubs	.05	112,110
Johnny Appleseed	.05	124,290
Beautification of America	.05	127,955
Great River Road	.05	126,320
Servicemen-Savings Bonds	.05	114,770
American Painting (Mary Cassatt)	.05	114,015
Alaska Purchase (Airmail)	.08	54,710
National Grange	.05	120,105
Canada Centennial	.05	127,400
Special:		
Christmas—Series 1966	.05	1,173,590
Regular:		
George Washington (432 subject)	.05	4,221,645
John Bassett Moore	5.00	3,960
Albert Gallatin	.01¼	52,030
Frederick Douglas	.25	43,470
Andrew Jackson	.10	99,400
Columbia Jay (Airmail)	.20	67,385
John F. Kennedy	.13	43,300

TABLE 93.—*Deliveries of finished work by the Bureau of Engraving and Printing, fiscal years 1966 and 1967*

Class	Number of pieces 1966	Number of pieces 1967	Face value 1967
Currency:			
U.S. notes	3,200,000		
Federal Reserve notes	2,278,448,000	1,985,664,000	$10,877,280,000
Specimens	44	6,600	
Total	2,281,648,044	1,985,670,600	10,877,280,000
Military payment certificates	130,058,000	123,600,000	288,968,000
Specimens	1,596	1,848	
Total	130,059,596	123,601,848	288,968,000
Bonds, notes, bills, certificates, and debentures:			
Bonds:			
Treasury	233,950	135,521	2,740,712,100
Treasury, special series	802	500	
Kingdom of Greece		1	13,155,921
Consolidated Federal Farm Loan bonds	156,124	219,220	2,929,350,000
Consolidated bonds of the Federal Home Loan banks	41,230	161,196	5,614,000,000
Notes:			
Treasury	791,812	1,016,241	51,375,700,000
Treasury, special series	301	653	
U.S. International Monetary Fund—Special		100	
Consolidated notes of the Federal Home Loan banks—bearer	223,200		
Bills:			
Treasury	3,818,000	5,424,004	235,203,000,000
Certificates:			
Treasury certificates of indebtedness, coupon	97,601	94,212	8,192,000,000
Treasury certificate of indebtedness, special series	2,601	3,802	
Participation certificates in Government mortgage liquidation trust	109,838	135,235	6,599,000,000
Participation certificates in Export-Import Bank of Washington		17,101	1,226,500,000
Participation certificates in Export-Import Investment Portfolio		53,213	2,263,000,000
Commodity Credit Corporation—special series, certificate of interest	19,024		
Debentures:			
Consolidated collateral trust for the:			
Twelve Federal intermediate credit banks	179,000	168,000	4,650,000,000
Thirteen banks for cooperatives	58,000	69,000	2,280,000,000
Federal National Mortgage Association secondary market operations	63,747	98,382	2,138,800,000
Federal Housing Administration	244,029		
Total	6,039,259	7,596,381	325,225,218,021
Stamps:			
Customs		3,272,100	
U.S. Internal Revenue:			
To office of issue	2,306,941,880	2,267,407,480	52,801,447
To Smithsonian Institution	53,000	19,416	
Puerto Rican Internal Revenue	239,471,850	227,642,240	
Virgin Islands Internal Revenue		82,900	
U.S. postage:			
Ordinary	18,822,967,864	21,258,529,064	1,210,635,125
Airmail	1,225,605,000	1,403,914,400	131,352,370
Commemorative	1,694,445,848	1,896,864,400	96,484,300
Special issue	1,616,740,000	1,600,164,220	80,008,171
Special delivery	34,830,000	35,470,000	10,641,000
Postage due	109,360,000	125,730,000	13,805,600
Postal insurance books	29,710	323,710	64,740
Canal Zone postage:			
Ordinary	3,415,800	8,294,000	752,210
U.S. savings	106,189,500	117,186,500	18,984,500
Federal migratory bird hunting	3,108,240	2,658,000	7,974,000
Food coupons	163,168,750	276,487,750	374,577,000
Total	26,326,327,442	29,224,046,180	1,998,080,463
Miscellaneous:			
Cards, certificates, etc., to office of issue	8,075,958	12,075,238	
Grand total	28,752,150,299	31,352,990,247	338,389,546,484

International Claims

TABLE 94.—*Status of Class III awards of the Mixed Claims Commission, United States and Germany, and Private Law 509 as of June 30, 1967*

Description	Class III awards—over $100,000	Private Law 509, approved July 19, 1940
AWARDS [1]		
Principal of awards	$117,387,252.24	$160,000.00
Less amounts paid by Alien Property and others	266,072.77	....
Interest to Jan. 1, 1928, as specified in awards	53,245,392.03	64,000.00
Interest thereon to date of payment or, if unpaid, to June 30, 1967, at 5 percent per annum, as specified in the Settlement of War Claims Act of 1928	81,526,247.28	178,192.02
Total due claimants	251,892,818.78	402,192.02
PAYMENTS		
Principal of awards	76,955,283.40	101,053.06
Interest to Jan. 1, 1928	53,245,392.03	64,000.00
Interest at 5 percent from Jan. 1, 1928, to date of payment	63,345,937.02	138,830.00
Total payments [2]	193,546,612.45	303,883.06
BALANCE DUE		
Principal of awards	40,165,896.07	58,946.94
Interest to Jan. 1, 1928	....	....
Accrued interest from Jan. 1, 1928, through June 30, 1967	18,180,310.26	39,362.02
Balance due claimants	58,346,206.33	98,308.96
Total reimbursement for administrative expenses [3]	967,723.65	1,519.39

[1] Excludes Class I awards (on account of death and personal injury) which have been paid in full; and also Class II awards on which there remain balances totaling $42,830.84. For details concerning all classes of awards, including claims of U.S. Government, see 1962 annual report, pp. 138 and 826.

[2] Amounts shown are gross; deductions for administrative expenses are shown below (see footnote 3).

[3] 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.

NOTE.—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, 1967, $53,500,000 has been paid under the agreement.

TABLE 95.—*Status of claims of American nationals against certain foreign governments as of June 30, 1967*

	Bulgaria	Hungary	Rumania	Poland	War Claims Fund
Awards certified to the Treasury:					
Number of awards	231	1,301	565	7,363	8,774
Amount of awards:					
Principal	$4,684,186.46	$58,181,408.34	$60,011,347.78	$100,737,681.63	$340,444,553.47
Interest	1,887,637.43	22,114,638.98	24,717,942.92	51,051,825.01	
Total	6,571,823.89	80,296,047.32	84,729,290.70	151,789,506.64	340,444,553.47
Deposits in claims funds	2,817,088.93	2,355,513.69	21,225,487.01	14,000,000.00	223,250,000.00
Statutory deduction for administrative expenses	140,854.44	117,775.73	1,061,274.33	(1)	(2)
Amounts available for payment on awards	2,676,234.49	2,237,737.96	20,164,212.68	14,000,000.00	223,250,000.00
Payments on awards:					
Principal	2,674,753.65	1,686,096.12	20,050,433.45	12,736,072.74	24,528,222.92
Interest					
Combined principal and interest					
Balances in claims funds	1,480.84	551,641.84	113,779.23	1,263,927.26	198,721,777.08

[1] Statutory deductions of 5 percent are made from each payment to cover administrative expenses.

[2] Statutory deductions of 5 percent are made by the Foreign Claims Settlement Commission prior to the funds being transferred to the Treasury.

International Financial Transactions

TABLE 96.—*U.S. net monetary gold transactions with foreign countries and international institutions, fiscal years 1945–67*

[In millions of dollars at $35 per ounce. Negative figures represent net sales by the United States; positive figures, net purchases]

	1945–62	1963	1964	1965	1966	1967
Afghanistan	−5.3	-------	(*)	(*)	−3.2	−1.9
Algeria	-------	-------	−15.0	-------	−.8	−.8
Argentina	859.9	-------	−30.0	-------	-------	−39.7
Australia	-------	-------	-------	-------	−8.3	-------
Austria	−230.5	−136.3	−87.5	−62.5	−62.5	-------
Bank for International Settlements	−513.3	-------	-------	-------	-------	-------
Belgium	−574.5	-------	-------	−101.7	−21.0	-------
Bolivia	18.8	-------	−.1	−.1	-------	-------
Brazil	−25.4	103.6	54.4	54.3	−3.8	−1.7
Burma	−8.8	−16.0	-------	-------	-------	-------
Cambodia	−15.1	−4.0	3.2	-------	-------	-------
Cameroon Republic	-------	−1.9	-------	-------	−.2	−.2
Canada	796.3	-------	-------	-------	150.0	100.0
Central African Republic	-------	−.7	-------	-------	−.1	−.1
Ceylon	−7.5	-------	(*)	−4.3	−4.2	−.1
Chad	-------	−.7	-------	-------	−.1	−.1
Chile	18.1	-------	-------	−3.3	−5.4	−7.5
Colombia	62.8	37.8	(*)	40.0	6.2	−.4
Congo (Kinshasa)	28.8	-------	−3.1	1.6	−.6	−2.4
Costa Rica	−2.3	−.6	−.6	−1.9	−.4	−1.8
Cyprus	−2.0	-------	-------	-------	-------	-------
Dahomey	-------	−.8	-------	-------	−.1	−.1
Denmark	−113.4	15.0	-------	-------	−13.3	-------
Dominican Republic	−16.3	−.2	−2.5	−.2	−.6	−.8
Ecuador	2.1	−5.5	-------	-------	−1.3	−.2
Egypt	−136.8	−1.6	−10.4	−3.7	−3.3	-------
El Salvador	−20.9	-------	−2.2	−1.5	-------	-------
Ethiopia	-------	-------	-------	-------	−1.0	-------
Finland	−16.7	-------	−5.0	-------	-------	-------
France	−377.0	−517.6	−517.7	−832.5	−577.7	−277.3
Gabon	-------	−.7	-------	-------	−.1	−.1
Germany, Federal Republic of	−431.9	-------	−200.0	−25.0	-------	-------
Ghana	−5.6	-------	-------	-------	-------	-------
Greece	−136.4	-------	-------	-------	−.4	−.6
Guinea	-------	-------	−2.8	-------	-------	−1.0
Haiti	-------	-------	-------	-------	−.2	−.2
Honduras	-------	-------	-------	-------	−1.0	−.1
Iceland	−9.5	-------	(*)	-------	-------	-------
Indonesia	−113.1	-------	-------	−.4	-------	−1.8
International Bank	18.8	-------	-------	-------	-------	-------
International Monetary Fund [1]	[2] 1,139.4	-------	-------	[3] −258.8	[4] 182.8	[4] 50.1
Iran	−16.2	−5.9	-------	−.1	−7.5	−15.0
Iraq	−29.8	-------	-------	−10.0	−4.0	−.2
Ireland	-------	(*)	(*)	−2.3	−2.3	−1.3
Israel	−15.5	-------	−9.0	-------	-------	-------
Italy	−363.1	-------	200.0	−80.0	-------	−60.0
Ivory Coast	-------	−1.5	-------	-------	−.2	−.2
Jamaica	-------	-------	-------	-------	−2.5	-------
Japan	−202.7	-------	-------	-------	−56.3	-------
Jordan	-------	-------	-------	-------	−.6	-------
Korea	−3.5	-------	-------	-------	−1.3	-------
Kuwait	−9.8	−12.5	-------	-------	-------	-------
Laos	−1.9	-------	-------	-------	-------	-------
Lebanon	−53.9	−21.0	-------	−10.5	−10.8	−.6
Liberia	-------	-------	-------	-------	−2.4	−.3
Malagasy	-------	-------	−2.3	-------	−1.0	-------

Footnotes at end of table.

TABLE 96.—*U.S. net monetary gold transactions with foreign countries and international institutions, fiscal years 1945–67*—Continued

[In millions of dollars at $35 per ounce. Negative figures represent net sales by the United States; positive figures, net purchases]

	1945–62	1963	1964	1965	1966	1967
Mali	--------	--------	--------	--------	−1.0	--------
Mauritania	--------	--------	−.8	--------	−.1	−.1
Mexico	14.9	--------	−4.0	--------	--------	--------
Morocco	−21.0	--------	−.1	--------	3.8	−.9
Netherlands	−641.3	--------	--------	−95.0	--------	--------
Nicaragua	19.9	--------	--------	−.1	−2.1	−.2
Niger	--------	−.8	--------	--------	--------	−.1
Nigeria	−20.0	--------	--------	--------	--------	--------
Norway	11.7	--------	--------	--------	--------	--------
Pakistan	--------	--------	--------	--------	−.6	−.8
Panama	−.1	--------	--------	−2.7	--------	--------
Paraguay	--------	--------	--------	--------	−.9	--------
Peru	−27.2	−.6	−10.6	--------	--------	25.0
Philippines	38.8	24.6	9.6	9.7	--------	−1.3
Portugal	−41.6	--------	--------	--------	--------	--------
Republic of Congo (Brazzaville)	--------	−.7	--------	--------	−.1	−.1
Rwanda	--------	--------	--------	--------	−.2	−.2
Saudi Arabia	−64.2	--------	--------	--------	--------	--------
Senegal	−.8	−1.7	--------	--------	--------	--------
Somalia	--------	−1.9	(4)	−.1	−.9	−.2
South Africa	1,121.3	--------	--------	--------	--------	--------
Spain	−312.4	−170.0	−2.0	−180.0	−30.0	--------
Sudan	−.1	(*)	--------	−7.6	−3.1	−.5
Surinam	−5.0	2.5	2.5	--------	--------	.1
Sweden	246.4	--------	--------	--------	−18.7	--------
Switzerland	−764.7	5.0	−30.0	−101.0	18.0	−50.0
Syria	−11.5	−.3	−3.0	−.7	−4.0	−.6
Togo	−1.1	--------	--------	--------	--------	--------
Tunisia	−.5	−.5	−.5	−.1	−3.5	−.4
Turkey	48.2	6.0	9.8	−30.7	−20.9	−5.8
United Kingdom	−1,389.5	68.8	535.0	241.2	169.9	75.2
Upper Volta	--------	−.8	--------	--------	−.1	−.1
Uruguay	−11.7	8.0	−.1	−.2	−.3	−.2
Vatican City	−1.6	--------	1.0	--------	4.5	--------
Venezuela	−360.9	--------	--------	--------	−25.0	--------
Vietnam	--------	--------	--------	--------	−.3	−1.3
Yugoslavia	−18.1	−1.6	−2.3	−2.3	−2.6	−2.8
All other	−156.3	−1.4	−1.9	−.6	−.7	−.1
Total	−2,861.9	−636.5	−128.0	−1,473.1	−378.4	−232.2

*Less than $50,000.

[1] International Monetary Fund (IMF) figures prior to 1961 include gold purchases by the IMF on behalf of member countries for their payments to the IMF.

[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 IMF, 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.

[3] Public Law 89–31, approved June 2, 1965, authorized an increase of $1,035 million in the quota of the United States in the IMF. On June 30, 1965, the United States made the required payment of 25 percent of its quota increase in gold in the amount of $258,750,004.03.

[4] This amount constitutes a deposit by IMF with the United States under the mitigation program connected with payment of gold portion of country quota increases.

TABLE 97.—*U.S. reserve assets: Gold stock, holdings of convertible foreign currencies, and reserve position in the International Monetary Fund, fiscal years 1958–67*

[In millions of dollars]

End of fiscal year or month	Total reserve assets	Gold stock [1]		Convertible foreign currencies [3]	Reserve position in International Monetary Fund [4]
		Total [2]	Treasury		
1958	23,496	21,412	21,356		2,084
1959	21,514	19,746	19,705		1,768
1960	21,170	19,363	19,322		1,807
1961	19,308	17,603	17,550	186	1,519
1962	18,490	16,527	16,435	554	1,409
1963	17,065	15,830	15,733	126	1,109
1964	16,591	15,623	15,461	182	786
1965	15,762	[5] 14,049	[5] 13,934	546	[5] 1,167
1966	14,958	13,529	13,433	722	707
1967	14,274	13,169	13,110	738	367
1966—July	15,148	13,413	13,332	1,093	642
August	15,015	13,319	13,259	1,299	397
September	14,876	13,356	13,258	1,148	372
October	14,880	13,311	13,257	1,213	356
November	14,715	13,262	13,159	1,108	345
December	14,882	13,235	13,159	1,321	326
1967—January	14,196	13,202	13,157	645	349
February	13,998	13,161	13,107	480	357
March	13,855	13,184	13,107	314	357
April	13,906	13,234	13,109	315	357
May	13,943	13,214	13,109	363	366
June	14,274	13,169	13,110	738	367

[1] Includes gold sold to the United States by the International Monetary Fund (IMF) with the right of repurchase, and gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the Fund under quota increases.

[2] Includes gold in Exchange Stabilization Fund, which is not included in Treasury gold figures shown in daily Treasury statements.

[3] Includes holdings of Treasury and Federal Reserve System.

[4] In accordance with Fund policies the United States has the right to draw foreign currencies equivalent to its reserve position in the Fund virtually automatically if needed. Under appropriate conditions the United States could draw additional amounts equal to the U.S. quota, which amounted to $5,160 million as of June 30, 1967.

[5] Reserve position includes, and gold stock excludes, $259 million gold subscription to the Fund in June 1965 for a U.S. quota increase which became effective on February 23, 1966. In figures published by the Fund from June 1965 through January 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

TABLE 98.—*U.S. liquid liabilities to foreigners, fiscal years 1958–67*

[In millions of dollars]

End of fiscal year or month	Total liquid liabilities to all foreigners	Liabilities to International Monetary Fund arising from gold transactions			Liabilities to foreign countries							Liabilities to nonmonetary international and regional organizations [5]		
					Official institutions [3]				Banks and other foreigners					
		Total	Gold deposit [1]	Gold investment [2]	Total	Short-term liabilities reported by banks in the United States	Marketable U.S. Government bonds and notes [4]	Nonmarketable convertible U.S. Treasury bonds and notes	Total	Short-term liabilities reported by banks in the United States	Marketable U.S. Government bonds and notes [4]	Total	Short-term liabilities reported by banks in the United States [6]	Marketable U.S. Government bonds and notes [4]
1958	[7] 16,056	200		200	n.a.	7,931	n.a.		n.a.	5,886	n.a.	n.a.	589	n.a.
1959	[7] 18,065	200		200	n.a.	8,967	n.a.		n.a.	6,706	n.a.	n.a.	542	n.a.
1960	20,472	500		500	10,482	9,511	971		8,145	7,524	621	1,345	590	755
1961	21,296	800		800	10,875	10,038	837		7,999	7,464	535	1,622	689	933
1962	23,699	800		800	11,869	11,205	664		8,870	8,357	513	2,160	1,119	1,041
1963	25,807	800		800	13,915	12,377	1,036	502	9,011	8,634	377	2,081	1,016	1,065
1964	26,478	800		800	14,168	12,102	1,241	825	9,655	9,300	355	1,855	848	1,007
1965	28,086	800		800	14,456	12,201	1,126	1,129	11,200	10,732	468	1,630	831	799
1966	28,819	983	183	800	14,425	12,661	1,106	658	12,373	11,883	490	1,038	605	433
1967	29,605	1,033	233	800	14,075	12,784	917	374	13,705	13,167	538	792	562	230
1966—July	29,511	984	184	800	14,469	13,033	853	583	12,978	12,481	497	1,080	647	433
August	29,697	1,003	203	800	14,264	12,905	852	507	13,391	12,870	521	1,039	650	389
September	29,432	1,011	211	800	13,799	12,515	852	432	13,608	13,121	487	1,014	625	389
October	30,212	1,011	211	800	13,966	12,909	852	205	14,245	13,739	506	990	600	390
November	30,548	1,011	211	800	14,018	12,953	860	205	14,546	14,027	519	973	612	361
December [8]	29,904	1,011	211	800	13,600	12,484	860	256	14,387	13,859	528	906	581	325
	29,776	1,011	211	800	13,656	12,540	860	256	14,204	13,676	528	905	580	325
1967—January	28,956	1,012	212	800	13,332	12,144	860	328	13,657	13,129	528	955	651	304
February	28,910	1,013	213	800	13,349	12,156	865	328	13,693	13,163	530	855	608	247
March	28,984	1,028	228	800	13,556	12,363	865	328	13,531	13,001	530	869	637	232
April	29,373	1,030	230	800	14,100	12,871	901	328	13,381	12,852	529	862	629	233
May	29,582	1,030	230	800	14,355	13,090	917	348	13,356	12,827	529	841	607	234
June	29,605	1,033	233	800	14,075	12,784	917	374	13,705	13,167	538	792	562	230

Footnotes on the following page.

Footnotes to table 98

[1] Represents liability on gold deposited by the International Monetary Fund to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the Fund under quota increases.

[2] U.S. Government obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the International Monetary Fund to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be reacquired by the International Monetary Fund.

[3] Includes Bank for International Settlements and European Fund.

[4] Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1960-63. Includes securities issued by corporations and other agencies of the U.S. Government, which are guaranteed by the United States.

[5] Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

[6] Includes difference between cost value and face value of securities in IMF gold investment account. Liabilities data reported to the Treasury include the face value of these securities, but in this table the cost value of the securities is included under "Gold investment." The difference, which amounted to $29 million as of the end of June 1967, is included in this column.

n.a. Not available.

[7] Includes total foreign holdings of U.S. Government bonds and notes, for which breakdown by type of holder is not available.

[8] Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage to those shown for the preceding periods; figures on the second line are comparable to those shown for the following periods.

NOTE.—Based on Treasury Department data and on data reported to the Treasury Department by banks and brokers in the United States. International Monetary Fund "holdings of dollars," and holdings of U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by other international and regional organizations are excluded. The liabilities figures are used by the Department of Commerce in the statistics measuring the balance of international payments of the United States on the liquidity basis; however, the balance-of-payments statistics include certain adjustments to Treasury data prior to 1963 and some rounding differences, and may differ because of varying timing in incorporating revisions of Treasury data. Certain nonliquid liabilities to foreign official institutions which enter into the calculation of the official reserve transactions balance by the Department of Commerce are excluded.

TABLE 99.—*International investment position of the United States, total 1950; by area, 1965–66*

[In millions of dollars]

Type of investment	Total			Western Europe		Canada		Latin American Republics		Other foreign countries		International organizations and unallocated	
	1950	1965	1966 p	1965	1966 p	1965	1966 p	1965	1966 p	1965	1966 p	1965	1966 p
U.S. assets and investments abroad, total	31,539	106,174	111,874	29,688	32,187	26,041	27,529	18,241	19,387	27,108	28,207	5,096	4,56
Gold stock (not included in total)	22,820	[1] 13,806	13,235										
Private investments	19,004	81,051	86,235	21,258	23,353	26,033	27,519	14,421	15,183	16,206	17,037	3,133	3,143
Long-term	17,488	70,898	75,565	19,187	20,726	24,740	26,394	11,798	12,335	12,040	12,967	3,133	3,143
Direct	11,788	49,328	54,562	13,985	16,200	15,223	16,840	9,391	9,854	8,744	9,652	[2] 1,985	[2] 2,016
Foreign dollar bonds	1,692	9,115	9,512	822	790	5,091	5,503	561	560	1,493	1,532	1,148	1,127
Other foreign bonds [3]	1,466	1,050	1,030	80	64	736	748	163	174	71	44		
Foreign corporate stocks	1,175	5,048	4,324	1,893	1,570	2,865	2,474	75	78	215	202		
Banking claims	390	[4] 4,317	[4] 3,980	1,598	1,212	146	114	1,247	1,308	1,326	1,346	(*)	(*)
Other	977	[5] 2,040	[5] 2,157	809	890	679	715	361	361	191	191		
Short-term assets and claims	1,516	10,153	10,670	2,071	2,627	1,293	1,125	2,623	2,848	4,166	4,070	(*)	(*)
Reported by banks	886	[6] 7,735	[6] 7,911	1,175	1,361	669	608	2,204	2,398	3,687	3,544	(*)	(*)
Other	630	2,418	2,759	896	1,266	624	517	419	450	479	526	(*)	(*)
U.S. Government credits and claims	12,535	25,123	25,639	8,430	8,834	8	10	3,820	4,204	10,902	11,170	1,963	1,421
Long-term credits [7]	10,768	20,318	21,182	7,403	7,308			3,679	4,094	8,141	8,690	1,095	1,090
Repayable in dollars [8]	n.a.	14,968	15,999	6,230	6,120			3,255	3,585	4,388	5,204	1,095	1,090
Repayable in foreign currencies, etc. [9]	n.a.	5,350	5,183	1,173	1,188			424	509	3,753	3,486		
Foreign currencies and short-term claims	322	3,161	2,810	253	215	2	1	141	110	2,760	2,479	5	5
IMF gold tranche position and monetary authorities' holding of convertible currencies	1,445	[1] 1,644	1,647	774	1,311	6	9			1	1	863	326
Foreign assets and investments in the United States, total	17,635	58,739	60,389	33,953	35,168	8,192	8,093	6,017	5,861	7,909	8,701	2,668	2,566
Long-term	7,997	26,374	27,000	18,304	17,851	4,498	4,539	1,811	1,939	1,325	1,878	436	793
Direct	3,391	8,797	9,054	6,076	6,273	2,388	2,439	161	177	172	165		
Corporate stocks	2,925	14,599	12,643	10,530	8,743	1,930	1,933	1,172	1,076	872	800	95	91
Corporate, U.S. Government agency, State, and municipal bonds	181	875	2,042	625	1,535	(*)	(*)	73	85	46	54	131	368
Other	1,500	2,103	3,261	1,073	1,300	180	167	405	601	235	859	210	334
Short-term assets and U.S. Government obligations	9,638	32,365	33,389	15,649	17,317	3,694	3,554	4,206	3,922	6,584	6,823	2,232	1,773
By type:													
Private obligations	6,477	18,163	20,796	7,139	9,713	1,887	2,042	3,700	3,691	5,045	5,061	392	289
Reported by banks	5,751	17,195	19,532	6,584	8,965	1,778	1,879	3,590	3,558	4,851	4,841	392	289
Other	726	968	1,264	555	748	109	163	110	133	194	220	(*)	(*)

Footnotes at end of table.

TABLE 99.—*International investment position of the United States, total 1950; by area, 1965–66*—Continued

[In millions of dollars]

Type of investment	Total			Western Europe		Canada		Latin American Republics		Other foreign countries		International organizations and unallocated	
	1950	1965	1966 p	1965	1966 p	1965	1966 p	1965	1966 p	1965	1966 p	1965	1966 p
Foreign assests and investments in the United States, total—Continued													
By type—Continued													
U.S. Government obligations	3,161	14,202	12,593	8,510	7,604	1,807	1,512	506	231	1,539	1,762	1,840	1,484
Associated with Government grants and capital outflows [10]	--------	344	131	--------	--------	--------	--------	179	62	7	27	158	42
Associated with military sales contracts [10]	183	1,575	1,916	1,450	1,705	35	52	5	2	85	157	--------	--------
Associated with other specific transactions [10]		198	186	4	3	174	145	6	3	14	35	--------	--------
Nonmarketable, nonconvertible securities not associated with specific transactions [11]	--------	165	116	161	113	1	--------	--------	--------	3	3	--------	--------
Marketable or convertible bonds and notes	1,470	3,530	1,969	1,876	854	801	692	78	81	96	92	679	250
Bills and certificates	1,508	8,356	8,064	5,019	4,929	796	623	238	83	1,334	1,448	969	981
Gold deposits of IMF	--------	34	211	--------	--------	--------	--------	--------	--------	--------	--------	34	211
By holder:													
Foreign central banks and governments and international and regional organizations	n.a.	19,919	17,921	10,233	9,317	1,738	1,386	1,863	1,343	3,853	4,102	2,232	1,773
Foreign commercial banks [12]	2,100	7,419	9,932	3,498	5,875	1,541	1,709	409	454	1,971	1,894	--------	--------
Other private holders and unallocated	n.a.	5,027	5,536	1,918	2,125	415	459	1,934	2,125	760	827	(*)	(*)

p Preliminary. n.a. Not available. * Negligible.

[1] Reflects payment of $259 million gold portion of increased U.S. subscription to the IMF in the second quarter of 1965.

[2] Represents the estimated investment in shipping companies registered primarily in Panama and Liberia.

[3] Consists primarily of securities payable in foreign currencies, but includes some dollar obligations including prior to 1963 participations and loans made by the International Bank for Reconstruction and Development. Effective 1963, participations in IBRD loans are included under banking claims and "other" long-term, according to country of obligor.

[4] Excludes $200 million netted against a related inflow of U.S. direct investment capital.

[5] Includes $254 million loaned to Canada in connection with Columbia River power development.

[6] New series. For details see "Treasury Bulletin," August 1967, p. 89.

[7] Excludes World War I debts that are not currently being serviced.

[8] Includes indebtedness repayable in U.S. dollars, or optionally in foreign currencies when option rests with U.S. Government.

[9] Includes indebtedness which the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

[10] For detail see "Survey of Current Business," September 1967, section B, table 5, p. 26.

[11] For detail see "Survey of Current Business," September 1967, section C, table 5, p. 26.

[12] As reported by U.S. banks; ultimate ownership is not identified.

SOURCE.—Department of Commerce, "Survey of Current Business," September 1967.

TABLE 100.—*U.S. balance of payments, calendar years 1964–66 and January–June 1967*

[In millions of dollars]

PART I.—SEASONALLY ADJUSTED

	1964	1965	1966	1967	
				Jan.-Mar.	Apr.-June p
Trade	6,676	4,772	3,658	999	1,136
Exports	25,297	26,244	29,168	7,691	7,723
Imports	−18,621	−21,472	−25,510	−6,692	−6,587
Travel (including fares)[1]	−1,499	−1,613	−1,644	−410	−655
Receipts	1,357	1,545	1,768	474	438
Payments	−2,856	−3,158	−3,412	−884	−1,093
Military	−1,880	−1,823	−2,747	−695	−635
Receipts [2]	981	1,098	947	350	417
Payments	−2,861	−2,921	−3,694	−1,045	−1,052
Other services and transfers (excluding direct investment income)	829	875	880	203	180
Government grants and capital, net	−3,331	−3,432	−3,479	−1,128	−860
Outflows	−4,263	−4,277	−4,680	−1,419	−1,237
(Dollar outflow)	(−685)	(−708)	(−720)	(−174)	(−187)
Debt repayments	694	832	1,188	198	262
U.S. Government nonliquid liabilities	238	13	13	93	115
Direct investment	1,239	545	502	377	283
Capital outflows	−2,435	−3,418	−3,543	−622	−684
Investment income	3,674	3,963	4,045	999	967
Bank claims	−2,464	93	253	62	−176
Short-term	−1,523	325	−84	−88	−329
Long-term	−941	−232	337	150	153
Nonbank claims	−966	340	−441	−135	−99
Short-term	−623	428	−329	−68	44
Long-term	−343	−88	−112	−67	−143
U.S. transactions in foreign securities	−677	−758	−482	−263	−171
New issues	−1,063	−1,206	−1,210	−353	−338
Outstanding issues and redemptions	386	448	728	90	167
Foreign capital (excluding liquid liabilities)	222	81	2,445	736	1,061
Errors and omissions	−949	−415	−302	−284	−576
Balance on liquidity basis, seasonally adjusted	−2,800	−1,335	−1,357	−538	−512
Less: seasonal adjustment				−303	−319
Balance on liquidity basis (seasonally unadjusted)	−2,800	−1,335	−1,357	−235	−193
Balance on official reserve transactions basis (seasonally adjusted)[3]	−1,549	−1,304	225	−1,827	−814

Footnotes at end of table.

TABLE 100.—*U.S. balance of payments, calender years 1964–66 and January-June 1967*—Continued

[In millions of dollars]

PART II.—SEASONALLY UNADJUSTED

	1964	1965	1966	1967	
				Jan.-Mar.	Apr.-June p
Balance on liquidity basis (seasonally unadjusted)	2,800	1,335	1,357	235	193
Increase in short-term official and banking liabilities and in foreign holdings of marketable U.S. Government bonds and notes	2,253	−9	1,734	−864	566
Foreign holders other than official	1,554	131	2,384	−709	94
Foreign official holders	699	−140	−650	−155	472
Net sales of nonmarketable, medium-term, convertible securities	376	122	−945	72	46
Decrease in U.S. monetary reserve assets	171	1,222	568	1,027	−419
IMF gold tranche position	266	−94	537	−31	−10
Convertible currencies	−220	−349	−540	1,007	−424
Gold	125	1,665	571	51	15

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[1] Fares are estimated for 1967.
[2] Total receipts from foreign governments, including advance receipts on military sales contracts and principal repayments on Defense Department credits financing military sales.
[3] Balance on official reserve transactions basis equals balance on liquidity basis minus changes in liquid dollar liabilities to foreigners other than official national institutions plus changes in certain nonliquid liabilities to official national institutions.

SOURCE.—Department of Commerce, "Survey of Current Business," June and September 1967.

TABLE 101.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1966 and June 30, 1967*

Assets and liabilities	June 30, 1966	June 30, 1967 p	Fiscal year 1967, increase or decrease(−)
ASSETS			
Cash:			
Treasurer of the United States, checking account	$1,043,744.27	$441,519.03	−$602,225.24
Federal Reserve Bank of New York, special account			
Imprest fund	500.00	500.00	
Total cash	1,044,244.27	442,019.03	−602,225.24
Special account of the Secretary of the Treasury in the Federal Reserve Bank of New York-gold (schedule 1)	95,132,855.67	59,644,322.03	−35,488,533.64
Foreign exchange due from foreign banks:			
Oesterreichische Nationalbank	3,956.35	3,954.88	−1.47
Banque Nationale de Belgique	15,983.64	128,005.89	112,022.25
Banque Nationale de Belgique (IMF)	294,525.00		−294,525.00
Banco do Brasil	8,240,000.00		−8,240,000.00
Bank of Canada	783,774.41	814,169.50	30,395.09
Banco Central de Chile	12,330,006.30		−12,330,006.30
Banco de la Republica, Colombia	7,705,479.45	7,743,150.68	37,671.23
Deutsche Bundesbank	2,492,402.47	222,950.74	−2,269,451.73
Deutsche Bundesbank (IMF)	2,116.81	11,754.31	9,637.50
Banco Central de la Republica, Dominicana	3,083,765.05		−3,083,765.05
Bank of England	171,006,165.49	85,379,510.82	−85,626,654.67
Banca d' Italia	255,309.36	2,731,381.97	2,476,072.61
Banca d' Italia (IMF)	1,500,000.00	1,500,000.00	
De Nederlandsche Bank	263,837.39	263,837.39	
Sveriges Riksbank	4,952.77	4,952.77	
Banque Nationale Suisse	50,043.58	4,129.14	−45,914.44
Bank for International Settlements	17,578,367.60	6,793,569.86	−10,784,797.74
Investments in U.S. Government securities (schedule 2)	643,290,447.52	1,431,474,592.09	788,184,144.57
Investments in foreign securities (schedule 2)	46,446,138.21	61,743,434.50	15,297,296.29
Interest purchased	7,683.42	44,244.80	36,561.38
Accrued interest receivable	3,958,320.27	4,289,679.97	331,359.70
Accrued interest receivable—foreign	118,128.60	335,440.73	217,312.13
Accounts receivable	84,051.33	36,118.22	−47,933.11
Deferred charges	92,406.48		−92,406.48
Office equipment and fixtures, less allowance for depreciation	63,539.19	79,603.62	16,064.43
Land and structures	150,000.00	150,000.00	
Total assets	1,015,998,500.63	1,663,840,822.94	647,842,322.31
LIABILITIES AND CAPITAL			
Liabilities: [1]			
Vouchers payable	20,652.02	47,629.23	26,977.21
Accounts payable	397,109.94	842,983.69	445,873.75
Deferred credits		46,465.46	46,465.46
Undistributed credits		19,164.81	19,164.81
Special accounts	24,772,478.08	278,855,975.37	254,083,497.29
Advance from U.S. Treasury (U.S. drawings on IMF)	583,000,000.00	925,000,000.00	342,000,000.00
Total liabilities	608,190,240.04	1,204,812,218.56	596,621,978.52
Capital:			
Capital account	200,000,000.00	200,000,000.00	
Cumulative net income (schedule 3)	207,808,260.59	259,028,604.38	51,220,343.79
Total capital	407,808,260.59	459,028,604.38	51,220,343.79
Total liabilities and capital	1,015,998,500.63	1,663,840,822.94	647,842,322.31

[1] For contingent liabilities under outstanding stabilization agreements, see schedule 4.
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TABLE 101.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1966 and June 30, 1967*—Continued

SCHEDULE 1.—SPECIAL ACCOUNT OF THE SECRETARY OF THE TREASURY IN THE FEDERAL RESERVE BANK OF NEW YORK—GOLD

Gold Accounts	June 30, 1966		June 30, 1967 p	
	Ounces	Dollars	Ounces	Dollars
Federal Reserve Bank of New York	1,067,574.770	37,365,116.95	569,948.022	19,948,180.76
Federal Reserve Bank of New York, Account No. 1 (Bank of Canada)	1,428,770.580	50,006,970.30	------------	------------
Federal Reserve Bank of New York, Account No. 4 (Bank of England)	174,276.414	6,104,552.59	1,106,326.936	38,633,875.21
U.S. Assay Office, New York	47,320.310	1,656,215.83	30,350.317	1,062,266.06
Total gold	2,717,942.074	95,132,855.67	1,706,625.275	59,644,322.03

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SCHEDULE 2.—INVESTMENTS HELD BY THE EXCHANGE STABILIZATION FUND, JUNE 30, 1967 p

Securities	Face value	Cost (in dollars)	Accrued interest
Investments in public debt securities:			
Special issues, Exchange Stabilization Fund Certificate series:			
3.25% maturing July 1, 1967	$572,694,634.91	$572,694,634.91	$3,043,157.34
3.73% maturing July 1, 1967	50,000,000.00	50,000,000.00	152,868.90
3.95% maturing July 1, 1967	10,000,000.00	10,000,000.00	4,316.92
4.150% maturing July 1, 1967	10,317.95	10,317.95	51,434.40
4.999% maturing Sept. 1, 1967	200,000,000.00	200,000,000.00	54,535.52
Total special issues	832,704,952.86	832,704,952.86	3,306,313.08
Public issues:			
Treasury bonds:			
2½% of 1964–69 (dated Apr. 15, 1943)	2,200,000.00	2,199,625.00	2,254.10
2½% of 1964–69 (dated Sept. 15, 1943)	400,000.00	399,875.00	409.83
2½% of 1965–70	10,000,000.00	10,000,000.00	72,690.22
2½% of 1966–71	2,400,000.00	2,398,843.75	17,445.65
2½% of 1967–72 (dated Nov. 15, 1945)	10,000,000.00	10,000,000.00	10,245.90
Treasury bills	431,000,000.00	423,507,770.42	------------
Total public issues	456,000,000.00	448,506,114.17	103,045.70
Investments in agency securities:			
F.H.L.B. bonds:			
4⅜% maturing Mar. 1, 1968	7,500,000.00	7,504,687.50	82,942.71
5⅜% maturing Apr. 25, 1968	30,000,000.00	30,305,468.75	291,145.82
5⅜% maturing Mar. 25, 1969	7,500,000.00	7,628,125.00	101,901.04
F.L.B. bonds:			
4¼% maturing Aug. 20, 1968	2,500,000.00	2,493,750.00	26,857.65
4⅜% maturing Mar. 20, 1969	2,500,000.00	2,500,000.00	27,647.56
4¾% maturing Jan. 20, 1969	25,000,000.00	24,950,000.00	125,347.23
F.N.M.A. debentures:			
4.65% maturing May 12, 1969	25,000,000.00	24,976,562.50	161,458.35
4¾% maturing June 14, 1968	25,000,000.00	24,987,500.00	59,375.00
Total agency securities	125,000,000.00	125,346,093.75	876,675.36
Purchases of F.N.M.A. participation certificates:			
5¼% maturing Sept. 29, 1969	25,000,000.00	25,000,000.00	3,645.83
Subtotal	1,438,704,952.86	------------	------------
Unamortized discount	7,577,859.95	------------	------------
Unamortized premium	347,499.18	------------	------------
Total	1,431,474,592.09	1,431,557,160.78	4,289,679.97
Foreign securities:			
British Government, Treasury bills	£21,645,000.00	60,176,856.38	------------
Republic of Germany, Treasury bills (IMF)	DM6,300,000.00	1,566,578.12	------------
Total foreign securities	------------	61,743,434.50	------------

p Preliminary.

TABLE 101.—*Assets and liabilities of the Exchange Stabilization Fund as of June 30, 1966 and June 30, 1967*—Continued

SCHEDULE 3.—INCOME AND EXPENSE

Classification	Jan. 31, 1934 through— June 30, 1966	Jan. 31, 1934 through— June 30, 1967 [p]
Income:		
Profits on transactions in:		
Gold and exchange (including profits from handling charges on gold)	$145,374,968.26	$145,654,526.64
Sale of silver to U.S. Treasury	3,473,362.29	3,473,362.29
Silver	102,735.27	102,735.27
Investments	2,638,546.28	2,638,546.28
Miscellaneous	139,301.72	145,740.10
Interest on:		
Investments	78,021,845.76	126,832,187.23
Foreign balances	24,873,706.98	31,691,169.42
Total income	254,624,466.56	310,538,267.23
Expense:		
Personnel compensation and benefits	34,918,856.64	38,464,069.81
Travel	2,149,902.35	2,340,647.89
Transportation of things	2,450,338.17	2,557,611.50
Rent, communications, and utilities	1,029,286.52	1,162,384.17
Supplies and materials	299,454.33	332,847.40
Other	5,968,367.96	6,652,102.08
Total expense	46,816,205.97	51,509,662.85
Cumulative net income	207,808,260.59	259,028,604.38

[p] Preliminary.

SCHEDULE 4.—CURRENT U.S. STABILIZATION AGREEMENTS, JUNE 30, 1967

Country	Effective dates: Original	Effective dates: Renewal	Effective dates: Expiration	Amounts (in millions): Original agreement	Amounts (in millions): Advances by the United States	Amounts (in millions): Repayments to the United States
Argentina	May 2, 1967		May 1, 1968	$75.0		
Brazil	May 16, 1961		May 15, 1963 [1]	70.0	$130.0	$130.0
Chile	Mar. 13, 1964		Feb. 4, 1965 [1]	15.0	12.0	12.0
Chile	Feb. 4, 1965		Jan. 30, 1966 [1]	16.1	16.1	16.1
Colombia	Apr. 1, 1966		Mar. 31, 1967 [1]	12.5	10.8	3.0
Dominican Republic	Aug. 10, 1964		Aug. 10, 1965 [1]	6.3	6.3	6.3

[1] No further drawings permitted after expiration.

TABLE 102.—*Summary of receipts, withdrawals, and balances of foreign currencies acquired by the United States without purchase with dollars, fiscal year 1967*

[In U.S. dollar equivalents]

Balance held by Treasury Department, July 1, 1966		$1,276,652,224.82
Receipts:		
Sale of surplus agricultural commodities pursuant to:		
Title I, Public Law 480, Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704-1705)	$794,707,236.18	
Commodity Credit Corporation Charter Act (15 U.S.C. 713a)	292,464.40	
Loans and other assistance:		
Title I, Public Law 480, loans repayments, including interest:		
Sec. 104(e), loans to private enterprises	24,224,231.41	
Sec. 104(g), loans to foreign governments	92,149,844.44	
Sec. 612, Foreign Assistance Act of 1961 (22 U.S.C. 2362) loan repayments including interest:		
Development Loan Fund and Mutual Security Program	177,872,556.26	
Informational media guaranties (22 U.S.C. 1442), principal	2,574,411.35	
Lend-lease and surplus property agreements (22 U.S.C. 412b) and (50 App. U.S.C. 1641(b)(1), 1946 ed.) [1]	9,005,627.21	
Bilateral agreements 5% and 10% counterpart funds (22 U.S.C. 1852(b)) [1]	2,436,730.15	
Interest on public deposits	24,841,839.83	
All other sources	[2] 148,260,544.10	
Total collections		1,276,365,485.33
Total available		2,553,017,710.15
Withdrawals:		
Sold for dollars, proceeds credit to: [3]		
Miscellaneous receipts of the general fund	148,796,447.91	
Commodity Credit Corporation, Agriculture	155,551,570.82	
Informational media guaranties fund, USIA	2,437,854.47	
Other fund accounts	[2] 170,015,223.18	
Total sold for dollars	476,801,096.38	
Requisitioned for use without reimbursement to the Treasury pursuant to:		
Sec. 104, Public Law 480, as amended (7 U.S.C. 1704)	635,206,474.58	
Other authority	1,703,915.73	
Total requisitioned without reimbursement	636,910,390.31	
Total withdrawals		1,113,711,486.69
Adjustment for rate differences		2,598,318.37
Balances held by Treasury Department, June 30, 1967		1,441,904,541.83
Analysis of balance held by Treasury Department June 30, 1967:		
Proceeds for credit to miscellaneous receipts of the general fund		476,144,806.67
Proceeds for credit to agency accounts:		
Commodity Credit Corporation, Agriculture		458,665,263.92
Information media guaranties fund, USIA		396,684.24
Other		−79,649,894.35
For program allocations:		
Sec. 104, title I, Public Law 480, as amended		586,347,681.35
Total		[4] 1,441,904,541.83
Balances held by other executive agencies June 30, 1967, for purpose of:		
Economic and technical assistance under Mutual Security Act		14,467,922.10
Programed uses under Agriculture Trade Development and Assistance Act		667,718,100.02
Military family housing in foreign countries		1,504,774.28
Trust agreements with foreign countries		46,631,922.80
Other		6,225,070.68
Total		736,547,789.88
Grand total		2,178,452,331.71

Footnotes on the next page.

Footnotes to table 102

[1] 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.
[2] Includes Special Letters of Credit activity amounting to $108,000,000.00.
[3] 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.
[4] 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, 1967, are stated at the end of summary.

NOTE.—For the purpose of providing a common denominator, the currencies of 94 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 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 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, 1967, market rates.
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, 1967"

TABLE 103.—*Balances of foreign currencies acquired by the United States without purchase with dollars, June 30, 1967*

Country	Currency	In Treasury accounts		In Agency accounts	
		Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Afghanistan	Afghani	−18,595,454.14	−$246,297.40	99,982,419.18	$1,324,270.45
Argentina	Peso	−1,605,594.64	−4,587.41	1,605,594.64	4,587.41
Australia	Dollar	−12,663.38	−14,168.02	12,663.38	14,168.02
Austria	Schilling	−107,082.96	−4,160.18	107,082.96	4,160.18
Bahamas	B. dollar	−424.75	−416.42	424.75	416.42
Barbados	W.I. dollar	−1,129.18	−659.57	1,129.18	659.57
Belgium	Franc	−674,037.00	−13,456.52	753,150.00	15,035.94
Bermuda	Pound	−23.89	−66.76	23.89	66.76
Bolivia	Peso	17,550,070.59	1,456,437.39	182,877,908.12	15,176,589.89
Brazil	Cruzeiro	−25,098,948.99	−9,295,907.03	27,978,171.48	10,362,285.73
British Honduras.	B.H. dollar	−215.47	−150.89	215.47	150.89
Burma	Kyat	53,124,816.25	11,255,257.68	43,332,644.65	9,180,645.06
Cambodia	Riel	−293,398.80	−8,399.62	12,205,466.22	349,426.46
Cameroon	C.F.A. franc			17,287,270.00	70,273.46
Ceylon	Rupee	36,478,039.96	7,666,675.06	18,216,069.02	3,828,513.87
Chile	Escudo	−5,592,843.33	−1,024,330.28	42,872,105.81	7,852,034.04
China	N.T. dollar	−81,323,849.24	−2,025,078.54	205,730,217.58	5,135,237.74
Colombia	Peso	−5,119,057.72	−315,018.94	5,127,407.72	315,532.79
Congo, Republic of the.	Franc	453,291,914.00	906,583.83	757,995,125.00	1,515,990.24
Costa Rica	Colon	−527,017.36	−74,227.80	528,336.36	74,413.57
Cyprus	Pound	−50,754.65	−142,369.29	149,912.23	420,511.16
Czechoslovakia	Koruna	7,153,346.71	994,088.54	8,210.29	572.15
Denmark	Krone	−34,634.92	−5,002.88	34,634.92	5,002.88
Dominican Republic.	Peso	−400,341.94	−400,341.94	474,918.33	474,918.33
Ecuador	Sucre	−523,618.69	−26,180.93	802,161.89	40,108.09
El Salvador	Colon	−9,430.88	−3,772.35	9,430.88	3,772.35
Ethiopia	E. dollar	649,548.89	261,809.30	1,869,474.60	753,516.56
Finland	New Markka	260,520.75	81,134.41	13,835.94	4,311.60
France	Franc	−161,046.66	−32,766.36	161,046.66	32,766.36
Germany, Federal Republic of	W.D. Mark	−5,783,182.51	−1,455,621.07	5,805,079.54	1,461,132.52
Germany, East	E.D. Mark	32,042.69	2,584.09		
Ghana	New Cedi	397,769.96	556,866.80	2,822,946.98	3,952,046.73
Greece	Drachma	−17,625,747.50	−587,524.92	75,950,067.50	2,531,668.92
Guatemala	Quetzal	1,392.71	1,392.71	1,392.71	1,392.71
Guinea	Franc	1,735,991,894.00	7,042,563.46	5,495,070,828.00	22,292,376.58
Guyana	G. dollar	−1,389.00	−811.33	1,389.00	811.33
Honduras	Lempira	−1,625.00	−812.50	1,625.00	812.50
Hong Kong	H. K. dollar	−18,443.88	−3,202.06	18,443.88	3,202.06
Hungary	Forint	460,440.00	9,592.50	106,049.80	2,209.37
Iceland	Krona	2,024,713.73	47,141.18	607,375.00	14,141.44
India	Rupee	4,991,318,674.20	656,752,457.13	1,979,210,209.63	260,422,396.01
(Nepal, U.S.D.O.)	Indian rupee			33,085,433.34	4,353,346.49
Indonesia	Rupiah	20,883,167.15	172,079.32	15,317,891.99	124,650.67
Iran	Rial	−251,207,153.60	−3,349,428.71	436,334,066.90	5,817,787.56
Ireland	Pound	−127.61	−357.15	609.73	1,706.50
Israel	Pound	61,956,290.13	20,652,096.71	46,864,037.17	15,621,345.72
Italy	Lira	−264,856,567.00	−423,770.50	7,534,687,963.00	12,055,500.73
Ivory Coast	C.F.A. franc	−229,097,382.00	−931,290.17	229,760,991.00	933,987.77

Footnotes at end of table.

TABLE 103.—*Balances of foreign currencies acquired by the United States without purchase with dollars, June 30, 1967*—Continued

Country	Currency	In Treasury accounts		In Agency accounts	
		Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Jamaica	Pound	5,238.77	$14,657.98	531.93	$1,488.36
Japan	Yen	9,143,323,282.00	25,398,120.23	6,750,032.00	18,750.09
Jordan	Dinar	266,794.01	749,000.58	911,550.11	2,559,096.35
Kenya	Shilling	−311,139.75	−43,723.97	311,139.75	43,723.97
Korea	Won	−1,040,432,124.32	−3,896,749.53	1,443,316,101.92	5,405,678.29
Laos	Kip	−511,972.61	−2,133.22	1,431,882,864.12	5,966,178.60
Lebanon	Pound	−4,084.66	−1,276.46	4,084.66	1,276.46
Libya	Pound	1,488,853.94	4,153,009.59	15,488.51	43,203.67
Malawi	Pound	−9,331.77	−26,205.49	9,331.77	26,205.49
Malaysia	M. dollar	−12,958.57	−4,251.50	12,958.57	4,251.50
Mali	Franc	−39,894,803.00	−81,086.99	373,575,628.00	759,300.05
Mexico	Peso	−32,248.50	−2,581.95	32,248.50	2,581.95
Morocco	Dirham	38,791,720.89	7,698,297.45	68,679,566.08	13,629,602.31
Nepal	N. rupee			6,916.75	913.10
Netherlands	Guilder	−2,330,374.66	−647,686.12	2,330,748.78	647,790.10
New Zealand	Pound	−1,477.52	−4,130.63	1,477.52	4,130.63
Nicaragua	Cordoba	−7,307.00	−1,043.86	7,307.00	1,043.86
Nigeria	Pound	−98.20	−274.85	11,659.58	32,632.49
Norway	Krone	−61,166.79	−8,587.22	61,166.79	8,587.22
Pakistan	Rupee	514,908,431.49	107,160,963.89	359,157,182.50	74,746,552.06
Paraguay	Guarani	−83,871,200.00	−665,644.44	645,410,619.76	5,122,306.50
Peru	Sol	−99,159,515.98	−3,699,981.94	108,323,084.49	4,041,906.14
Philippines	Peso	−1,933,817.98	−494,709.12	13,180,621.03	3,371,865.19
Poland	Zloty	11,367,716,745.63	473,654,864.40	92,852.08	3,868.84
Portugal	Escudo	−286,521.04	−9,983.31	287,197.54	10,006.88
Rumania	Lei			3,676.56	309.47
Senegal	C.F.A franc	−351,513,622.00	−1,428,917.16	351,513,622.00	1,428,917.17
Somali	S. Shilling	395.31	55.68	502,983.61	70,842.76
South Africa	Rand	−1,136.85	−1,591.56	1,136.85	1,591.56
Spain	Peseta	−57,293,463.00	−955,209.46	109,585,679.67	1,827,037.00
Sudan	Pound	−51,527.00	−278,577.18	2,989,465.15	8,757,475.15
Surinam	Florin	−847.50	−453.45	847.50	453.45
Sweden	Krona	−8,403.04	−1,631.66	56,853.04	11,039.43
Switzerland	Franc	−60,423.87	−14,009.71	60,423.87	14,009.71
Syrian Arab Republic	Pound	−6,313,347.67	−1,517,631.65	27,293,347.67	6,560,900.88
Thailand	Baht	3,486,468.59	169,492.88	18,552,960.25	901,942.64
Trinidad	T. & T. dollar	−1,037.10	−605.78	1,037.10	605.78
Tunisia	Dinar	4,837,736.55	9,285,482.81	5,060,127.66	9,712,339.09
Turkey	Lira	−151,203,322.11	−16,800,369.13	209,756,421.20	23,306,269.02
Uganda	Shilling	−275,208.35	−38,674.59	275,208.35	38,674.59
United Arab Republic	Pound	69,186,365.19	124,525,495.30	62,490,640.52	112,474,154.99
United Kingdom	Pound	−590,746.21	−1,651,513.00	937,279.15	2,620,293.95
Uruguay	Peso	1,163,317.41	13,144.82	405,468.39	4,581.56
Venezuela	Bolivar	−44,261.75	−9,857.85	44,261.75	9,857.85
Vietnam	Piastre	−1,509,209,464.70	−18,865,118.31	2,746,064,778.85	34,325,809.74
Yugoslavia	Dinar	659,641,303.44	52,771,304.27	393,419,011.07	31,473,520.88
Zambia	Pound	−1,340.07	−3,769.53	1,340.07	3,769.53
Total			[1] 1,441,904,541.83		[1] 736,547,789.88

[1] For the purpose of providing a common denominator, the currencies of 94 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 104.—*Status of indebtedness of foreign governments to the United States arising from World War I as of June 30, 1967*

	Original indebtedness	Interest through June 30, 1967	Total	Cumulative payments		Total outstanding	Unmatured principal	Principal and interest due and unpaid
				Principal	Interest			
Armenia	$11,959,917.49	$28,587,070.35	$40,546,987.84	$17.49	----------	$40,546,970.35	----------	$40,546,970.35
Austria [1]	26,843,148.66	44,058.93	26,887,207.59	862,668.00	----------	26,024,539.59	$882,626.31	25,141,913.28
Belgium	419,837,630.37	318,884,720.47	738,722,350.84	19,157,630.37	$33,033,642.87	686,531,077.60	197,580,000.00	488,951,077.60
Cuba	10,000,000.00	2,286,751.58	12,286,751.58	10,000,000.00	2,286,751.58	----------	----------	----------
Czechoslovakia	185,071,023.07	111,060,093.17	296,131,116.24	19,829,914.17	304,178.09	275,997,023.98	86,355,000.00	189,642,023.98
Estonia	16,466,012.87	21,869,780.01	38,335,792.88	----------	1,248,432.07	37,087,360.81	9,007,000.00	28,080,360.81
Finland	8,999,999.97	11,476,565.96	20,476,565.93	[2] 4,292,999.97	[2] 11,476,565.96	4,707,000.00	4,707,000.00	----------
France	4,089,689,588.18	3,246,978,853.39	7,336,668,441.57	226,039,588.18	260,036,302.82	6,850,592,550.57	1,772,868,667.43	5,077,723,883.14
Great Britain	4,802,181,641.56	6,980,131,958.11	11,782,313,599.67	434,181,641.56	1,590,672,656.18	9,757,459,301.93	2,433,000,000.00	7,324,459,301.93
Greece	[3] 34,319,843.67	3,230,509.84	37,550,353.51	983,922.67	3,143,133.34	33,423,297.50	21,205,921.00	12,217,376.50
Hungary [4]	1,982,555.50	2,775,445.76	4,758,001.26	73,995.50	482,924.26	4,201,081.50	1,095,545.00	3,105,536.50
Italy	2,042,364,319.28	339,839,470.22	2,382,203,789.50	37,464,319.28	63,365,560.88	2,281,373,909.34	1,168,900,000.00	1,112,473,909.34
Latvia	6,888,664.20	9,250,660.91	16,139,325.11	9,200.00	752,349.07	15,377,776.04	3,801,800.00	11,575,976.04
Liberia	26,000.00	10,471.56	36,471.56	26,000.00	10,471.56	----------	----------	----------
Lithuania	6,432,465.00	8,612,114.16	15,044,579.16	234,783.00	1,003,173.58	13,806,622.58	3,487,367.00	10,319,255.58
Nicaragua [5]	141,950.36	26,625.48	168,575.84	141,950.36	26,625.48	----------	----------	----------
Poland	207,344,297.37	279,443,464.38	486,787,761.75	[6] 1,287,297.37	21,359,000.18	464,141,464.20	115,807,000.00	348,334,464.20
Rumania	68,359,192.45	51,261,664.70	119,620,857.15	[7] 4,498,632.02	[7] 292,375.20	114,829,849.93	31,923,000.00	82,906,849.93
Russia	192,601,297.37	476,089,679.51	668,690,976.88	----------	[8] 8,750,311.88	659,940,665.00	----------	659,940,665.00
Yugoslavia	63,577,712.55	25,825,277.92	89,402,990.47	1,952,712.55	636,059.14	86,814,218.78	35,389,000.00	51,425,218.78
Total	12,195,087,259.92	11,917,685,236.41	24,112,772,496.33	761,037,272.49	1,998,880,514.14	21,352,854,709.70	5,886,009,926.74	15,466,844,782.96

[1] The Federal Republic of Germany has recognized liability for securities falling due between Mar. 12, 1938, and May 8, 1945.

[2] $6,360,250.26 has been made available for educational exchange programs with Finland pursuant to 20 U.S.C. 222–224.

[3] Includes $13,155,921.00 refunded by the agreement of May 28, 1964. The agreement was ratified by Congress Nov. 5, 1966.

[4] Interest payments from Dec. 15, 1932, to June 15, 1937, were paid in pengo equivalent.

[5] The indebtedness of Nicaragua was canceled pursuant to the agreement of Apr. 14, 1938.

[6] Excludes claim allowance of $1,813,428.69 dated Dec. 15, 1929.

[7] Excludes payment of $100,000.00 on June 14, 1940, as a token of good faith.

[8] Principally proceeds from liquidation of Russian assets in the United States.

TABLE 105.—*Status of German World War I indebtedness as of June 30, 1967*

	Funded indebtedness	Interest through June 30, 1967	Total	Cumulative payments		Total outstanding	Unmatured principal	Principal and interest due and unpaid
				Principal	Interest			
Agreements as of June 23, 1930, and May 26, 1932:								
Mixed claims (reichsmarks)	[1] 1,632,000,000.00	580,890,000.00	2,212,890,000.00	81,600,000.00	5,610,000.00	2,125,680,000.00	571,200,000.00	1,554,480,000.00
Army costs (reichsmarks)	1,048,100,000.00	575,390,176.50	1,623,490,176.50	50,600,000.00	856,406.25	1,572,033,770.25		1,572,033,770.25
Total (reichsmarks)	2,680,100,000.00	1,156,280,176.50	3,836,380,176.50	132,200,000.00	6,466,406.25	3,697,713,770.25	571,200,000.00	[2] 3,126,513,770.25
U.S. dollar equivalent [3]	$1,059,107,665.84	$465,768,107.39	$1,524,875,773.23	[4] $31,539,595.84	[4] $2,048,213.85	$1,491,287,963.54	$230,364,960.00	$1,260,923,003.54
Agreement of February 27, 1953:								
Mixed Claims (U.S. dollars)	97,500,000.00		97,500,000.00	53,500,000.00		44,000,000.00	44,000,000.00	

[1] Agreement of Feb. 27, 1953, provided for cancellation of 24 bonds totaling 489,600,000 reichsmarks and issuance of 26 dollar bonds totaling $97,500,000.00. The dollar bonds mature serially over 25 years beginning Apr. 1, 1953. All unmatured bonds are of $4,000,000.00 denomination.

[2] Includes 4,027,611.95 reichsmarks (1,529,049.45 on moratorium agreement (Army costs) and 2,498,562.50 (interest on funded agreement) deposited by German Government in the Konversionshasse fur Deutsche Auslandsschulden and not paid to the United States in dollars, as required by the debt and moratorium agreement.)

[3] The unpaid portion of this indebtedness was converted at 40.33 cents to the reichsmark, which was the exchange rate at time of default. The 1930 agreement provided for a conversion formula relating to the time of payment. These figures are estimates made solely for this statistical report.

[4] Payments converted to U.S. dollars at rate applicable at the time of payment, i.e., 40.33 or 23.82 cents to the reichsmark.

TABLE 106.—*Outstanding indebtedness of foreign countries on U.S. Government credits (exclusive of indebtedness arising from World War I) as of June 30, 1967, by area, country, and major program* [1]

[In millions of dollars]

Area and country	Under Export-Import Bank Act	Under foreign assistance (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 other war accounts [2]	Commodity Credit Corporation export credits [3]	Other credits	Total
Western Europe:									
Austria	18.4		24.7						43.1
Belgium	27.9	43.2				4.3			75.3
Cyprus			.6	0.2			0.9		1.8
Denmark		29.5							29.5
Finland	37.0		18.7	2.7		6.2			64.6
France	2.2	4.1		1.2		298.5			306.1
Germany, Federal Republic of	2.5	13.3				1.8			17.6
Greece	22.4	82.9	53.6	4.2	19.4	4.0	17.3		203.8
Iceland	.9	17.1	11.0		2.8	.1			31.9
Ireland		107.1							107.1
Italy	23.5	(*)		.6		5.9	3.2		33.2
Luxembourg		2.2							2.2
Netherlands		65.5							65.5
Norway	1.0	22.4							23.4
Portugal	73.4	24.4	2.8		11.5				112.3
Spain	201.3	58.7	200.0		3.5				463.4
Sweden	10.3								10.3
Switzerland	.2								.2
United Kingdom	258.8	323.8				482.7		3,089.4	4,154.7
Yugoslavia	59.7	130.1	174.3		259.4	(*)	8.7		632.2
European Atomic Energy Community	38.1							36.4	74.5
European Steel and Coal Community		64.7							64.7
North Atlantic Treaty Organization (Maintenance Supply Services Agency)		.1							.1
Total Western Europe	777.6	989.0	485.8	8.9	296.7	803.5	30.1	3,125.7	6,517.3
Other Europe:									
Czechoslovakia						4.9	2.8		7.6
Hungary						4.7	3.4		8.1
Poland	11.2	51.3				11.7	35.4		109.5
Soviet Union						175.5			175.5
Total other Europe	11.2	51.3				196.7	41.5		300.7

Asia:									
Afghanistan	28.1	19.7			1.3				49.1
Burma		27.7	14.0						41.7
Ceylon		8.7	10.1						18.8
China (Taiwan)	39.1	168.5	33.3	5.7	35.6	116.1			398.3
India	307.9	2,034.8	1,290.2	62.8		1.9	3.3	7.2	3,708.1
Indonesia	80.7	43.6	13.2		43.6	33.3			214.4
Iran	30.5	175.1	28.5	3.1	17.5	24.1			278.8
Iraq	9.5				11.4				20.9
Israel	54.1	200.3	218.1	11.0	8.3				491.8
Japan	397.9		101.5			340.2			839.6
Jordan	1.4	12.4	.8		1.7				16.3
Korea		113.6		.6		21.0	(*)		135.2
Lebanon	1.7	3.3					19.9		25.0
Malaysia		13.0							13.0
Nepal		.4	2.4						2.8
Pakistan	26.0	968.9	296.3	11.9			6.4		1,309.5
Philippines	68.9	41.0	12.5	4.7	2.7	(*)			129.8
Ryukyu Islands					8.0			9.8	17.8
Saudi Arabia		63.3							63.3
Syria		2.1	11.0		.3				13.4
Thailand	22.5	53.9	3.4						79.8
Turkey	13.1	630.0	155.6	37.5					836.1
Vietnam		34.2		.3					34.5
Total Asia	1,081.5	4,614.5	2,190.9	137.5	130.4	536.5	29.5	17.0	8,737.9
Latin America:									
Argentina	252.5	81.6	.9						335.0
Bahamas	1.8								1.8
Bolivia	33.8	44.1	12.9	.3	4.7				95.8
Brazil	637.6	584.4	55.5		29.1	1.3			1,308.0
Chile	185.7	411.9	28.9	(*)	29.2				655.7
Colombia	40.0	298.0	13.0	1.9	9.7				362.6
Costa Rica	14.6	31.8							46.4
Cuba	36.3								36.3
Dominican Republic	11.9	80.2			12.6				104.6
Ecuador	9.8	69.0	5.4	.6	6.0				90.7
El Salvador	2.2	39.2			.1				41.5
Guatemala	6.5	19.1							25.6
Guyana		1.9							1.9
Haiti	29.2	4.6				.1			33.9
Honduras	.9	21.7							22.6
Jamaica	4.4	4.2							8.6
Mexico	252.7	71.4	10.4						334.4
Nicaragua	4.5	26.1							30.6
Panama	20.9	45.6							66.5
Paraguay	6.8	14.7	5.5	1.2	2.5				30.8
Peru	64.9	80.3	17.3	2.2	1.3				166.0
Surinam		1.0							1.0
Trinidad and Tobago	11.5								11.5

Footnotes at end of table.

TABLE 106.—*Outstanding indebtedness of foreign countries on U.S. Government credits (exclusive of indebtedness arising from World War I) as of June 30, 1967, by area, country, and major program* [1]—Continued

[In millions of dollars]

Area and country	Under Export-Import Bank Act	Under foreign assistance (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 other war accounts [2]	Commodity Credit Corporation export credits [3]	Other credits	Total
Latin America—Continued									
Uruguay	2.5	16.5	.7	.1					19.8
Venezuela	56.1	124.0							180.1
Central American Bank for Economic Integration		17.5							17.5
Latin America—Regional		.9							.9
Latin America—Unspecified						6.8			6.8
Total Latin America	1,687.1	2,089.6	150.5	6.3	95.2	8.1			4,036.8
Africa:									
Algeria					10.4				10.4
Cameroon		6.0							6.0
Congo (Brazzaville)	.2								.2
Congo (Kinshasa)		31.3	6.9		15.0				53.3
Ethiopia	6.7	28.7	.4		3.8				39.5
Ghana	51.0	62.1	1.7						114.8
Guinea		6.2	.2						6.4
Ivory Coast	1.5	1.7	.9		4.5				8.6
Kenya		1.3			9.2				10.5
Liberia	81.8	31.2			1.3	18.4			132.5
Malagasy Republic		(*)							(*)
Mali		.2							.2
Morocco	5.2	259.1	19.3		14.2				304.0
Niger		.3					6.3		.3
Nigeria	4.3	15.8							20.1
Senegal	.2								.2
Sierra Leone	10.2				1.6				11.8
Somalia		2.7							2.7
South Africa	5.7								5.7
Sudan		10.3	7.2	.5			7.2		25.2

Tanzania		8.7							8.7
Tunisia	2.3	103.2	29.8	.4	3.3		2.2		141.2
Uganda		3.8							3.8
United Arab Republic	23.4	75.2	348.1	.1	14.5		64.4		525.5
Zambia	8.2								8.2
Africa—Regional	5.2	6.5			2.6				14.3
Total Africa	205.7	654.2	414.4	1.0	80.4	18.4	80.1		1,454.1
Oceania:									
Australia	109.9	24.0							133.9
New Zealand	19.0	.5				.2			19.7
Total Oceania	128.9	24.5				.2			153.6
Canada	31.3								31.3
United Nations								97.0	97.0
Worldwide—Unspecified [4]	204.3	−170.3							34.0
Total all areas	4,127.5	8,262.7	3,241.6	153.7	602.6	1,563.5	181.2	3,229.9	21,362.7

(*) Less than $50,000.

[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 $5,495.0 million.

[2] Data on lend-lease, surplus property, and other war accounts include $340.2 million repayable by Japan under a war accounts settlement (previously reported as a "grant settlement"), and $1.4 million for surplus property credits administered by the Federal Maritime Commission and the General Services Administration which are not reported in the "Status of accounts under lend-lease and surplus property agreements" in table 107. Data exclude $104.0 million in defaulted short-term "cash" credits and deferred or otherwise past-due interest which are reported in table 107.

[3] Includes only those credits of 1 year or more.

[4] Some credits extended by the Defense Department under the Foreign Assistance Act have been sold to the Export-Import Bank. The amount of such credits is added in the entry "Worldwide-Unspecified" for operations under the Export-Import Bank Act and deducted in the same entry under the Foreign Assistance Act.

TABLE 107.—*Status of accounts under lend-lease and surplus property agreements (World War II) as of June 30, 1967*

Country, etc.	Settlement obligation and interest billed (net) [1]	Credits			Total outstanding	Status of amounts outstanding	
		Collections		Other credits		Amounts past due [2]	Due over a period of years by agreement
		U.S. dollars	Foreign currency (in U.S. dollar equivalent)				
Australia	$43,696,716.83	$34,170,930.90	$8,662,268.75	$863,517.18			
Austria	10,591,496.95	3,054,425.08	6,980,264.86	556,807.01			
Belgium	116,627,909.50	39,246,011.78	11,751,267.53	61,340,822.18	$4,289,808.01		$4,289,808.01
Burma	6,708,049.14	1,005,394.68	5,560,577.14	142,077.32			
Canada	388,765,007.77	388,765,007.77					
China	181,099,729.99	16,062,109.14	1,591,795.64	8,521,770.94	158,508,490.00 [3] −3,584,435.73	$75,075,722.69	83,432,767.31 −3,584,435.73
Czechoslovakia	10,258,629.70	596,730.50	1,062,961.45	1,990,965.94	6,607,971.81	4,660,024.67	1,947,947.14
Denmark	5,240,272.66	4,266,935.24	931,000.00	42,337.42			
Ethiopia	4,558,958.36	3,899,523.26	23,620.60	635,814.50			
Finland	24,747,885.45	15,602,155.03	2,271,136.46	697,805.34	6,176,788.62		6,176,788.62
France	1,249,780,313.71	848,390,844.33	51,445,798.03	51,402,738.29	298,540,933.06		298,540,933.06
Germany, Federal Republic of	[4] 224,204,329.17	3,640,682.64	218,755,344.92		1,808,301.61		1,808,301.61
Greece	71,995,967.44	40,980,715.34	25,929,123.94	1,156,763.08	3,931,131.70 [3] −1,766.62		3,931,131.70 −1,766.62
Greenland	8,351.28	8,351.28					
Hungary	21,310,756.61		14,792,500.10	1,818,002.31	4,700,254.20	2,820,152.70	1,880,101.50
Iceland	4,855,981.42	4,496,553.29	250,198.40		109,229.73		109,229.73
India	[5] 198,174,371.24	184,777,327.13	6,943,404.63	287,954.38	6,165,685.10	6,165,685.10	
Indonesia	82,366,128.53	43,024,232.71	3,765,000.00	904,647.09	34,672,248.73	5,500,885.60	29,171,363.13
Iran	43,920,221.64	3,027,267.45	7,829,287.39		33,063,666.80	33,063,666.80	
Iraq	54.00	54.00					
Italy	267,674,700.69	163,057,723.40	95,169,772.70	3,541,571.44	5,905,633.15		5,905,633.15

Japan	13, 728, 409. 82		12, 971, 483. 00	756, 926. 82			
Korea	33, 920, 221. 98		2, 524, 307. 70	3, 977, 576. 38	27, 418, 337. 90	6, 468, 318. 48	20, 950, 019. 42
Liberia	19, 440, 619. 66	1, 080, 437. 27			18, 360, 182. 39		18, 360, 182. 39
Lebanon	1, 656, 638. 01		521, 818. 51	1, 134, 819. 50			
Luxembourg	120. 00	120. 00					
Middle East	50, 377, 089. 88	11, 142, 266. 72	39, 234, 823. 16				
Netherlands	176, 795, 845. 11	103, 219, 746. 41	45, 192, 686. 41	28, 383, 412. 29			
New Zealand	4, 935, 288. 23	2, 176, 363. 59	1, 896, 368. 28	644, 920. 86	217, 635. 50		217, 635. 50
Norway	21, 277, 848. 08	11, 262, 135. 23	8, 435, 074. 95	1, 580, 637. 90			
Pakistan	40, 308, 976. 14	40, 308, 976. 14					
Philippines	5, 000, 000. 00		2, 005, 855. 29	2, 988, 158. 91	5, 985. 80		5, 985. 80
Poland	50, 176, 038. 20	28, 105, 921. 00	10, 385, 744. 17		11, 684, 373. 03		11, 684, 373. 03
Saudi Arabia	21, 427, 119. 60	21, 427, 119. 60					
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, 474, 333. 51	11, 082, 482. 30	2, 110, 714. 28	1, 281, 136. 93			
Union of South Africa	117, 774, 297. 35	116, 608, 622. 69	242, 487. 98	923, 186. 68			
United Kingdom	1, 114, 090, 443. 00	395, 236, 479. 54	39, 886, 179. 74	154, 635, 335. 62	524, 332, 448. 10		[6] 524, 332, 448. 10
U.S.S.R.	339, 897, 886. 45	164, 231, 433. 43			175, 666, 453. 02	58, 856, 801. 66	116, 809, 651. 36
Yugoslavia	713, 167. 09	63, 376. 50	16, 300. 00	623, 065. 20	10, 425. 39		10, 425. 39
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	[7] 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				
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, 383, 885, 830. 16	3, 075, 712, 385. 40	647, 607, 686. 23	334, 687, 998. 79	[8] 1, 325, 877, 759. 74	193, 105, 657. 05	1, 132, 772, 102. 69

[1] Excludes accrued interest due July 1, 1967, except for the U.S.S.R. and Belgium who paid amounts due on July 1 in June.

[2] Principal and interest considered past due as of June 30, 1967, and items subject to negotiation.

[3] Credit. Represents amounts collected under advance payment agreements not applied to outstanding indebtedness.

[4] Reduced due to settlement of a third party claim.

[5] Agreement provides for repayment of 37,099,999.99 rupees.

[6] Includes $66,203,924.76 principal and interest postponed pursuant to agreement.

[7] Represents amount which is postponed by agreement pending settlement of certain claims.

[8] Includes $385,586,874.39 due under surplus property agreements, $650,964,246.81 due under lend-lease settlement agreements, and $292,912,840.89 due under other lend-lease agreements.

NOTE.—No settlement agreement for lend-lease has been reached with China, Greece or the U.S.S.R.

Corporations and Other Business-Type Activities of the United States Government

TABLE 108.—*Comparative statement of securities of Government corporations and other business-type activities held by the Treasury, June 30, 1957–67*

[Face amount, in millions of dollars. On basis of daily Treasury statements, see "Bases of Tables"]

Agency	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Agency for International Development	1, 198	1, 188	1, 164	1, 138	1, 107	1, 062	807	735	712	689	662
Commodity Credit Corporation	13, 383	11, 528	12, 874	12, 704	11, 534	12, 990	13, 604	13, 990	13, 111	11, 768	10, 097
Export-Import Bank of Washington	1, 205	1, 528	1, 937	1, 636	1, 698	1, 830	1, 476	830	513	178	--------
Federal Housing Administration, general insurance fund	--------	--------	--------	--------	--------	--------	--------	--------	--------	10	25
Federal National Mortgage Association:											
Management and liquidating functions	1, 716	1, 348	1, 140	719	1, 441	1, 323	1, 172	993	881	766	775
Secondary market operations	3	--------	42	--------	--------	--------	--------	4	--------	--------	--------
Special assistance functions	22	154	1, 170	1, 619	1, 762	1, 843	1, 544	1, 395	1, 018	699	554
Public Housing programs	41	35	27	29	32	32	25	--------	--------	--------	--------
Rural Electrification Administration	2, 519	2, 728	2, 923	3, 155	3, 332	3, 484	3, 657	3, 828	4, 075	4, 234	4, 518
Saint Lawrence Seaway Development Corporation	48	97	112	118	121	121	123	123	124	125	125
Secretary of Agriculture, Farmers Home Administration:											
Rural housing direct loan account	41	31	77	104	154	232	391	492	551	663	663
Direct loan account	212	223	216	229	272	598	598	598	598	598	598
Agricultural credit insurance fund	8	2	29	35	29	23	38	81	86	175	153
Secretary of Commerce, Maritime Administration:											
Federal ship mortgage insurance fund	--------	--------	1	1	1	--------	6	10	5	7	2
Secretary of Housing and Urban Development:											
College housing loans	228	389	594	779	988	1, 227	1, 532	1, 746	1, 983	2, 305	2, 066
Public facility loans	1	14	38	48	60	80	113	161	195	254	203
Urban renewal fund	53	73	98	150	165	260	360	410	575	575	400
Secretary of the Interior:											
Bureau of Commercial Fisheries, Federal ship mortgage insurance fund, fishing vessels	--------	--------	--------	--------	--------	--------	--------	--------	--------	(*)	--------
Bureau of Mines, helium fund	--------	--------	--------	--------	--------	--------	--------	2	22	41	64
Secretary of the Treasury (Federal Civil Defense Act of 1950)	1	1	1	1	(*)	(*)	(*)	(*)	(*)	--------	--------
Small Business Administration	7	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Tennessee Valley Authority	--------	--------	--------	--------	--------	--------	50	85	95	100	100
U.S. Information Agency	13	17	20	19	20	20	21	21	22	22	22
Veterans' Administration (veterans' direct loan program)	733	780	930	1, 180	1, 330	1, 530	1, 730	1, 730	1, 730	1, 730	1, 730
Virgin Islands Corporation	--------	--------	--------	(*)	1	1	1	1	1	1	1
Defense Production Act of 1950, as amended:											
Export-Import Bank of Washington	35	30	25	20	10	--------	--------	--------	--------	--------	--------
General Services Administration	1, 019	1, 439	1, 684	1, 715	1, 765	1, 790	1, 804	1, 921	1, 945	1, 912	1, 737
Secretary of Agriculture	47	59	59	64	65	65	66	66	78	79	79
Secretary of the Interior, Defense Minerals Exploration Administration	26	30	32	32	32	31	32	32	33	33	35
Secretary of the Treasury	163	167	151	140	93	91	21	--------	--------	--------	--------
D.C. Commissioners: Stadium sinking fund, Armory Board, D.C.	--------	--------	--------	--------	--------	(*)	1	1	1	1	1
Total	22, 727	21, 859	25, 343	25, 636	26, 011	28, 634	29, 172	29, 256	28, 354	26, 964	24, 611

*Less than $500,000.

TABLE 109.—*Capital stock, notes, bonds, and other securities of Government agencies held by the Treasury or other Government agencies June 30, 1966 and 1967, and changes during 1967*

Class and issuing agent	Date of authorizing act	Amount owned June 30, 1966	Advances [1]	Repayments and other reductions [1]	Amount owned June 30, 1967
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	141,820,304.97	$13,000,000.00	[2] $13,000,000.00	141,820,304.97
Public Housing programs	Sept. 1, 1937, as amended	1,000,000.00			1,000,000.00
Held by the Secretary of Agriculture, Commodity Credit Corp	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	50,573,100.00		13,086,700.00	37,486,400.00
Federal intermediate credit banks	July 26, 1956	125,789,120.00			125,789,120.00
Total capital stock		1,459,182,524.97	13,000,000.00	26,086,700.00	1,446,095,824.97
Bonds and notes of Government corporations and other agencies held by the Treasury: [3]					
Agency for International Development	Apr. 3, 1948, as amended, and June 15, 1951.	689,308,972.81		26,824,328.50	662,484,644.31
Commodity Credit Corporation	Mar. 8, 1938, as amended	11,767,887,263.64	4,455,000,000.00	6,125,983,704.64	10,096,903,559.00
Export-Import Bank of Washington	July 31, 1945, as amended	177,800,000.00	906,200,000.00	1,084,000,000.00	
Federal Housing Administration, general insurance fund	Aug. 10, 1965	10,000,000.00	15,000,000.00		25,000,000.00
Federal National Mortgage Association:					
Management and liquidating functions	Aug. 2, 1954, as amended	766,370,000.00	467,590,000.00	458,920,000.00	775,040,000.00
Secondary market operations	do		1,936,590,000.00	1,936,590,000.00	
Special assistance functions	do	699,460,000.00	314,504,000.00	460,050,000.00	553,914,000.00
Rural Electrification Administration	May 20, 1936, as amended	4,233,773,159.78	472,000,000.00	187,686,884.81	4,518,086,274.97
Saint Lawrence Seaway Development Corporation	May 13, 1954, as amended	124,776,050.53	300,000.00		125,076,050.53
Secretary of Agriculture, Farmers Home Administration:					
Rural housing direct loan account	Aug. 7, 1956, as amended	663,427,972.54			663,427,972.54
Direct loan account	July 8, 1959, June 29, 1960, and June 30, 1961.	597,959,607.34			597,959,607.34
Agricultural credit insurance fund	Aug. 14, 1946, as amended	174,710,000.00	261,165,000.00	282,435,000.00	153,440,000.00
Secretary of Commerce, Maritime Administration:					
Federal ship mortgage insurance fund	July 15, 1958, as amended	6,750,000.00		5,100,000.00	1,650,000.00
Secretary of Housing and Urban Development:					
College housing loans	Apr. 20, 1950, as amended	2,304,581,000.00	376,857,000.00	615,226,000.00	2,066,212,000.00
Public facility loans	Aug. 11, 1955	253,568,400.00	34,000,000.00	84,210,400.00	203,358,000.00
Urban renewal fund	July 15, 1949, as amended	575,235,000.00	124,765,000.00	300,000,000.00	400,000,000.00
Secretary of the Interior:					
Bureau of Commercial Fisheries, Federal ship mortgage insurance fund, fishing vessels.	July 5, 1960	350,000.00		350,000.00	
Bureau of Mines, helium fund	Sept. 13, 1960, as amended	41,000,000.00	23,200,000.00		64,200,000.00

Footnotes at end of table.

TABLE 109.—*Capital stock, notes, bonds, and other securities of Government agencies held by the Treasury or other Government agencies, June 30, 1966 and 1967, and changes during 1967*—Continued

Class and issuing agent	Date of authorizing act	Amount owned June 30, 1966	Advances [1]	Repayments and other reductions [1]	Amount owned June 30, 1967
Bonds and notes of Government corporations and other agencies held by the Treasury [3]—Continued					
Tennessee Valley Authority	Aug. 6, 1959	$100,000,000.00			$100,000,000.00
U.S. Information Agency, informational media guaranties fund	Apr. 3, 1948, as amended, and July 18, 1956.	22,056,140.67			22,056,140.67
Veterans' Administration (veterans' direct loan program)	Apr. 20, 1950, as amended	1,730,077,996.00			1,730,077,996.00
Virgin Islands Corporation	Sept. 2, 1958, as amended	1,225,000.00			1,225,000.00
Defense Production Act of 1950, as amended:					
General Services Administration	Sept. 8, 1950, as amended	1,911,700,000.00		$175,000,000.00	1,736,700,000.00
Secretary of Agriculture	do	78,605,798.81			78,605,798.81
Secretary of the Interior (Defense Minerals Exploration Administration).	do	32,935,000.00	2,065,000.00		35,000,000.00
D.C. Commissioners:					
Stadium sinking fund, Armory Board, D.C	Sept. 7, 1957, as amended	756,600.00	756,600.00	756,600.00	756,600.00
Total bonds and notes		26,964,313,962.12	9,389,992,600.00	11,743,132,917.95	24,611,173,644.17
Securities of Government agencies held by Government corporations and other agencies:					
Guaranteed securities:					
Federal Housing Administration debentures held by:					
Housing and Urban Development Department:					
Office of the Secretary, liquidating programs	June 24, 1954	2,592,650.00		2,592,650.00	
Federal Housing Administration:					
Community disposal operations fund	July 25, 1956	387,700.00			387,700.00
Mutual mortgage insurance fund	June 27, 1934, as amended	89,197,850.00	3,585,500.00	15,281,350.00	77,502,000.00
Federal National Mortgage Association:					
Management and liquidating functions	Aug. 2, 1954, as amended	3,850.00	225,000.00	205,450.00	23,400.00
Secondary market operations	do	1,250.00	271,450.00	272,700.00	
Special assistance functions	do	1,635,900.00	4,505,300.00	6,141,200.00	
Total guaranteed securities		93,819,200.00	8,587,250.00	24,493,350.00	77,913,100.00
Nonguaranteed securities:					
Banks for cooperatives debentures held by:					
Health, Education, and Welfare Department:					
Federal disability insurance trust fund	Aug. 1, 1956, as amended		34,000,000.00	34,000,000.00	
Federal old-age and survivors insurance trust fund	Aug. 10, 1939, as amended		34,000,000.00	34,000,000.00	
Housing and Urban Development Department:					
Federal National Mortgage Association:					
Participation sales fund	Sept. 2, 1964	27,895,000.00	6,000,000.00	33,895,000.00	
Labor Department:					
Unemployment trust fund	Aug. 14, 1935, as amended		34,000,000.00	34,000,000.00	

Veterans' Administration:					
National service life insurance fund	Oct. 8, 1940, as amended		66,300,000.00	66,300,000.00	
Civil Service Commission:					
Civil service retirement and disability fund	May 22, 1920, as amended		34,000,000.00	34,000,000.00	
National Capital Housing Authority:					
Operations and maintenance, properties aided by public housing programs.	June 12, 1934, as amended		500,000.00		500,000.00
Railroad Retirement Board:					
Railroad retirement account	June 24, 1937, as amended		34,000,000.00	34,000,000.00	
Federal home loan bank bonds and notes held by:					
Health, Education, and Welfare Department:					
Federal disability insurance trust fund	Aug. 1, 1956, as amended		108,000,000.00	34,000,000.00	74,000,000.00
Federal old-age and survivors insurance trust fund	Aug. 10, 1939, as amended		133,000,000.00	34,000,000.00	99,000,000.00
Housing and Urban Development Department:					
Federal National Mortgage Association:					
Participation sales fund	Sept. 2, 1964	27,245,000.00	181,575,000.00	103,800,000.00	105,020,000.00
Participation sales trust fund	May 24, 1966		54,065,000.00	13,915,000.00	40,150,000.00
Secondary market operations	Aug. 2, 1954, as amended		1,000,000.00	1,000,000.00	
Labor Department:					
Unemployment trust fund	Aug. 14, 1935, as amended		133,000,000.00	34,000,000.00	99,000,000.00
Treasury Department:					
Exchange Stabilization Fund	Jan. 30, 1934, as amended		45,000,000.00		45,000,000.00
Veterans' Administration:					
National service life insurance fund	Oct. 8, 1940, as amended		75,000,000.00	15,000,000.00	60,000,000.00
Civil Service Commission:					
Civil service retirement and disability fund	May 22, 1920, as amended		133,000,000.00	34,000,000.00	99,000,000.00
National Capital Housing Authority:					
Operations and maintenance, properties aided by public housing programs.	June 12, 1934, as amended		1,200,000.00		1,200,000.00
Railroad Retirement Board:					
Railroad retirement account	June 24, 1937, as amended		133,000,000.00	34,000,000.00	99,000,000.00
District of Columbia:					
Redevelopment program, Redevelopment Land Agency	Aug. 2, 1946, as amended	[4] 9,445,000.00	8,410,000.00	15,525,000.00	2,330,000.00
Federal intermediate credit bank debentures held by:					
Health, Education, and Welfare Department:					
Federal disability insurance trust fund	Aug. 1, 1956, as amended		10,000,000.00		10,000,000.00
Federal old-age and survivors insurance trust fund	Aug. 10, 1939, as amended		27,000,000.00		27,000,000.00
Housing and Urban Development Department:					
Federal National Mortgage Association:					
Participation sales fund	Sept. 2, 1964	45,615,000.00	76,570,000.00	76,175,000.00	46,010,000.00
Participation sales trust fund	May 24, 1966		2,985,000.00		2,985,000.00
Secondary market operations	Aug. 2, 1954, as amended		3,000,000.00	3,000,000.00	
Labor Department:					
Unemployment trust fund	Aug. 14, 1935, as amended		77,000,000.00		77,000,000.00
Veterans' Administration:					
National service life insurance fund	Oct. 8, 1940, as amended		42,000,000.00		42,000,000.00
Civil Service Commission:					
Civil service retirement and disability fund	May 22, 1920, as amended		27,000,000.00		27,000,000.00
Railroad Retirement Board:					
Railroad retirement account	June 24, 1937, as amended		10,000,000.00		10,000,000.00

Footnotes at end of table.

TABLE 109.—*Capital stock, notes, bonds, and other securities of Government agencies held by the Treasury or other Government agencies, June 30, 1966 and 1967, and changes during 1967*—Continued

Class and issuing agent	Date of authorizing act	Amount owned June 30, 1966	Advances [1]	Repayments and other reductions [1]	Amount owned June 30, 1967
Securities of Government agencies held by Government corporations and other agencies—Continued.					
Nonguaranteed securities—Continued					
Federal land bank bonds held by:					
Health, Education, and Welfare Department:					
Federal hospital insurance trust fund	July 30, 1965		$15,000,000.00		$15,000,000.00
Federal old-age and survivors insurance trust fund	Aug. 10, 1939, as amended		15,000,000.00		15,000,000.00
Housing and Urban Development Department:					
Federal National Mortgage Association:					
Participation sales fund	Sept. 2, 1964	$4,750,000.00	14,055,000.00	$6,608,000.00	12,197,000.00
Participation sales trust fund	May 24, 1966		21,805,000.00		21,805,000.00
Labor Department:					
Unemployment trust fund	Aug. 14, 1935, as amended		15,000,000.00		15,000,000.00
Treasury Department:					
Exchange Stabilization Fund	Jan. 30, 1934, as amended		30,000,000.00		30,000,000.00
Veterans' Administration:					
National service life insurance fund	Oct. 8, 1940, as amended		15,000,000.00		15,000,000.00
U.S. Government life insurance fund	June 7, 1924, as amended		83,250,000.00		83,250,000.00
Civil Service Commission:					
Civil service retirement and disability fund	May 22, 1920, as amended		15,000,000.00		15,000,000.00
Railroad Retirement Board:					
Railroad retirement account	June 24, 1937, as amended		15,000,000.00		15,000,000.00
Federal National Mortgage Association, secondary market operations fund debentures held by:					
Health, Education, and Welfare Department:					
Federal disability insurance trust fund	Aug. 1, 1956, as amended		10,000,000.00		10,000,000.00
Federal hospital insurance trust fund	July 30, 1965		41,500,000.00		41,500,000.00
Federal old-age and survivors insurance trust fund	Aug. 10, 1939, as amended		76,500,000.00		76,500,000.00
Housing and Urban Development Department:					
Federal National Mortgage Association:					
Participation sales fund	Sept. 2, 1964		1,000,000.00	1,000,000.00	
Labor Department:					
Unemployment trust fund	Aug. 14, 1935, as amended		126,500,000.00		126,500,000.00
Treasury Department:					
Exchange Stabilization Fund	Jan. 30, 1934, as amended		50,000,000.00		50,000,000.00
Veterans' Administration:					
National service life insurance fund	Oct. 8, 1940, as amended		67,500,000.00		67,500,000.00
Civil Service Commission:					
Civil service retirement and disability fund	May 22, 1920, as amended		76,500,000.00		76,500,000.00
Railroad Retirement Board:					
Railroad retirement account	June 24, 1937, as amended		51,500,000.00		51,500,000.00

Tennessee Valley Authority discount notes held by:					
Housing and Urban Development Department:					
Federal National Mortgage Association:					
Participation sales fund	Sept. 2, 1964		1,720,000.00		1,720,000.00
Participation sales trust fund	May 24, 1966		2,085,000.00	2,085,000.00	
Secondary market operations	Aug. 2, 1954, as amended		8,100,000.00	8,100,000.00	
Total nonguaranteed securities		114,950,000.00	2,276,620,000.00	686,403,000.00	1,705,167,000.00

r Revised.
[1] Excludes refundings.
[2] Represents purchase of preferred capital stock by the Association subject to subsequent repurchase by the Secretary of the Treasury as may be required.
[3] See also table 111.
[4] Included in this table for the first time.

NOTE.—See table 113 for data on other securities held by agencies representing loans made.

TABLE 110.—*Borrowing authority and outstanding issues of Government corporations and other business-type activities whose securities are issued to the Secretary of the Treasury, June 30, 1967*

[In millions of dollars. On basis of daily Treasury statements]

Corporation or activity [1]	Borrowing authority	Outstanding securities held by Treasury	Unused borrowing authority
Agency for International Development:			
Mutual defense program—economic assistance	620	620	----------
Foreign investment guaranty fund	199	----------	199
India emergency food aid	23	23	----------
Loan to Spain	20	20	----------
Commodity Credit Corporation	14,500	10,097	4,403
Export-Import Bank of Washington	6,000	----------	6,000
Federal Deposit Insurance Corporation	3,000	----------	3,000
Federal home loan banks	1,000	----------	1,000
Federal Housing Administration, general insurance fund	[2] 25	25	----------
Federal National Mortgage Association:			
Management and liquidating functions	802	775	27
Secondary market operations	2,250	----------	[3] 2,250
Special assistance functions	3,820	554	3,266
Federal Savings and Loan Insurance Corporation	750	----------	750
Panama Canal Company	10	----------	10
Public Housing programs	1,500	----------	1,500
Rural Electrification Administration	5,699	4,518	1,181
Saint Lawrence Seaway Development Corporation	140	125	15
Secretary of Agriculture, Farmers Home Administration:			
Rural housing direct loan account	663	663	----------
Direct loan account	598	598	----------
Agricultural credit insurance fund	[4] 285	153	131
Secretary of Commerce:			
Maritime Administration, Federal ship mortgage insurance fund	[5] 2	2	----------
Secretary of Housing and Urban Development:			
College housing loans	3,175	2,066	1,109
Flood insurance	500	----------	500
Public facility loans	600	203	397
Urban mass transportation fund	50	----------	50
Urban renewal fund	1,000	400	600
Secretary of the Interior:			
Bureau of Mines, helium fund	78	64	14
Smithsonian Institution:			
John F. Kennedy Center parking facilities	15	----------	15
Tennessee Valley Authority	[6] 150	100	50
U.S. Information Agency, informational media guaranties fund	28	22	6
Veterans' Administration (veterans' direct loan program)	1,927	1,730	197
Virgin Islands Corporation	1	1	(*)
Defense Production Act of 1950, as amended:			
General Services Administration	1,959	1,737	222
Secretary of Agriculture	93	79	14
Secretary of the Interior, Defense Minerals Exploration Admin	36	35	1
Unallocated	12	----------	12
District of Columbia Commissioners, stadium sinking fund, Armory Board, District of Columbia	[7] 1	1	----------
Total	51,529	24,611	26,918

*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, $1,317 million. In addition, the authorized credit to the United Kingdom, of which $3,089 million is outstanding has been excluded.

[2] Funds may be borrowed as needed pursuant to an act approved Aug. 10, 1965 (12 U.S.C. 1735d).

[3] 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, 1967, would be as follows: Borrowing authorized (15 times capital plus surplus), $7,838 million; less securities outstanding, $4,079 million; unused balance of borrowing authorized, $3,758 million.

[4] Represents amount due Treasury and net amount obligated less unexpended fund balance. Authority to borrow from the Treasury is indefinite in amount. Funds may be borrowed as needed to carry out provisions of an act approved Aug. 8, 1961 (7 U.S.C. 1929(c)).

[5] Authority to borrow from the Treasury is indefinite in amount. Funds may be borrowed as needed to purchase insured defaulted mortgages as provided by acts of Congress.

[6] Represents amount of interim securities 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)).

[7] 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 111.—*Description of securities of Government corporations and other business-type activities held by the Treasury, June 30, 1967*

[On basis of daily Treasury statements, see "Bases of Tables"]

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Agency for International Development:				
Act of Apr. 3, 1948, as amended:			Percent	
Note of Administrator (ECA)	May 26, 1951	June 30, 1977	1⅞	$19,796,431.77
Notes of Administrator (ECA)	Various dates	June 30, 1984	1⅞	619,692,699.95
Act of June 15, 1951:				
Notes of Director (MSA)	Feb. 6, 1952	Dec. 31, 1986	2	22,995,512.59
Total				662,484,644.31
Commodity Credit Corporation, act of Mar. 8, 1938, as amended:				
Note, 1967	Oct. 1, 1966	Oct. 1, 1967	None	4,041,903,559.00
Notes, 1967	do	do	4	212,000,000.00
Notes, 1967	do	do	4⅛	138,000,000.00
Notes, 1967	do	do	4⅜	60,000,000.00
Notes, 1967	do	do	4⅝	165,000,000.00
Notes, 1967	do	do	4¾	138,000,000.00
Notes, 1967	do	do	5⅛	158,000,000.00
Notes, 1967	do	do	5½	487,000,000.00
Notes, 1967	Various dates	do	5¾	4,697,000,000.00
Total				10,096,903,559.00
Federal Housing Administration:				
General insurance fund, act of Aug. 10, 1965:				
Note	Jan. 25, 1966	Jan. 24, 1981	4½	10,000,000.00
Note	do	do	5	15,000,000.00
Total				25,000,000.00
Federal National Mortgage Association, act of Aug. 2, 1954, as amended:				
Management and liquidating functions:				
Notes, Series C	Various dates	July 1, 1967	3½	28,020,000.00
Note, Series C	July 1, 1962	do	3⅝	270,180,000.00
Note, Series C	July 1, 1965	July 1, 1970	4⅛	364,650,000.00
Note, Series C	Apr. 3, 1967	July 1, 1971	4⅜	67,520,000.00
Notes, Series C	Various dates	do	4⅝	44,670,000.00
Subtotal				775,040,000.00
Special assistance functions:				
Notes, Series D	Various dates	July 1, 1967	3½	35,820,000.00
Notes, Series D	do	do	3⅝	152,900,000.00
Note, Series D	July 1, 1963	July 1, 1968	3¾	252,530,000.00
Note, Series D, subseries BMR	July 1, 1966	July 1, 1971	3⅜	8,320,000.00
Notes, Series D, subseries BMR	Various dates	Various dates	3⅞	4,570,000.00
Note, Series D	Apr. 3, 1967	July 1, 1971	4⅜	22,814,000.00
Notes, Series D	Various dates	do	4⅝	66,590,000.00
Note, Series D	Jan. 31, 1967	do	4⅞	10,370,000.00
Subtotal				553,914,000.00
Total Federal National Mortgage Association				1,328,954,000.00
Rural Electrication Administration, act of May 20, 1936, as amended:				
Notes of Administrator	Various dates	Various dates	2	4,518,086,274.97
St. Lawrence Seaway Development Corporation, act of May 13, 1954, as amended:				
Revenue bonds	Various dates	Various dates	2⅞	3,000,000.00
Revenue bonds	do	do	3	7,300,000.00
Revenue bonds	do	do	3⅛	8,200,000.00
Revenue bonds	do	do	3¼	24,600,000.00
Revenue bonds	do	do	3⅜	15,900,000.00
Revenue bonds	do	do	3½	9,900,000.00
Revenue bonds	do	do	3⅝	31,100,000.00
Revenue bonds	do	do	3¾	4,600,000.00
Revenue bonds	do	do	3⅞	2,500,000.00
Revenue bonds	do	do	4	6,600,000.00
Revenue bonds	do	do	4⅛	5,276,050.53
Revenue bonds	do	do	4¼	700,000.00
Revenue bonds	do	do	4⅜	1,600,000.00
Revenue bonds	do	Dec. 31, 2004	4¾	3,500,000.00
Revenue bonds	do	Dec. 31, 2006	4½	200,000.00
Revenue bonds	Apr. 13, 1966	do	4⅝	100,000.00
Total				125,076,050.53

Footnotes at end of table.

TABLE 111.—*Description of securities of Government corporations and other business-type activities held by the Treasury, June 30, 1967*—Continued

Title and authorizing act	Date of issue	Date payable[1]	Rate of interest	Principal amount
Secretary of Agriculture, Farmers Home Administration:				
Rural housing direct loan account, act of July 15, 1949, as amended:			*Percent*	
Notes	July 1, 1966	July 1, 1967	3.225	$107,710,000.00
Notes	June 15, 1961	June 30, 1993	3¾	15,000,000.00
Notes	Various dates	Various dates	3⅞	120,717,972.54
Notes	...do	...do	4	220,000,000.00
Notes	...do	...do	4⅛	135,000,000.00
Notes	...do	...do	4¼	65,000,000.00
Subtotal				663,427,972.54
Direct loan account, acts of July 8, 1959, June 29, 1960, and June 30, 1961:				
Note	June 30, 1964	June 30, 1969	4	4,963,355.49
Note	June 30, 1965	June 30, 1970	4⅛	266,996,251.85
Note	June 30, 1966	June 30, 1971	4⅞	326,000,000.00
Subtotal				597,959,607.34
Agricultural credit insurance fund, act of Aug. 14, 1946, as amended:				
Note	June 30, 1963	June 30, 1968	3⅝	2,060,000.00
Notes	Various dates	...do	3¾	775,000.00
Notes	...do	...do	3⅞	17,075,000.00
Notes	...do	June 30, 1969	4	20,375,000.00
Notes	...do	June 30, 1970	4⅛	41,530,000.00
Notes	...do	...do	4¼	15,240,000.00
Notes	...do	June 30, 1971	4⅜	23,530,000.00
Notes	...do	...do	4⅝	32,855,000.00
Subtotal				153,440,000.00
Total Secretary of Agriculture				1,414,827,579.88
Secretary of Commerce, Maritime Administration:				
Federal ship mortgage insurance fund, act of July 15, 1958:				
Note	Mar. 18, 1963	Mar. 18, 1968	3⅝	1,650,000.00
Secretary of Housing and Urban Development:				
College housing loans, act of Apr. 20, 1950, as amended:				
Note, Series CH	Dec. 31, 1966	Jan. 1, 1968	2¾	500,000,000.00
Note, Series CH	June 1, 1967	Nov. 1, 1980	2.968	1,566,212,000.00
Subtotal				2,066,212,000.00
Public facility loans, act of Aug. 11, 1955:				
Note, Series PF	May 1, 1967	June 1, 1978	3⁷⁄₁₀	203,358,000.00
Urban renewal fund, act of July 15, 1949, as amended:				
Note, Series URA	Dec. 31, 1966	July 1, 1967	4¾	400,000,000.00
Total Secretary of Housing and Urban Development				2,669,570,000.00
Secretary of the Interior:				
Bureau of Mines:				
Helium fund, act of Sept. 13, 1960:				
Notes	Various dates	Sept. 13, 1985	4⅛	20,500,000.00
Notes	...do	...do	4¼	9,000,000.00
Notes	Dec. 28, 1965	...do	4⅜	2,000,000.00
Notes	Various dates	...do	4½	10,500,000.00
Notes	...do	...do	4⅝	8,000,000.00
Notes	...do	...do	4¾	4,000,000.00
Notes	...do	...do	4⅞	10,200,000.00
Total				64,200,000.00

Footnotes at end of table.

TABLE 111.—*Description of securities of Government corporations and other business-type activities held by the Treasury, June 30, 1967*—Continued

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Tennessee Valley Authority, act of Aug. 6, 1959:			*Percent*	
Advances	Various dates	Various dates	4⅝	$100,000,000.00
U.S. Information Agency:				
Informational media guaranties fund, act of Apr. 3, 1948, as amended:				
Note of Administrator (ECA)	Oct. 27, 1948	June 30, 1986	1⅞	1,410,000.00
Note of Administrator (ECA)	do	do	2	1,305,000.00
Note of Administrator (ECA)	do	do	2⅛	2,272,610.67
Note of Administrator (ECA)	Jan. 24, 1949	do	2½	775,000.00
Note of Administrator (ECA)	do	do	2⅝	75,000.00
Note of Administrator (ECA)	do	do	2¾	302,389.33
Note of Administrator (ECA)	do	do	2⅞	1,865,000.00
Note of Administrator (ECA)	do	do	3	1,100,000.00
Note of Administrator (ECA)	do	do	3⅛	510,000.00
Note of Administrator (ECA)	do	do	3¼	3,431,548.00
Note of Administrator (ECA)	do	do	3⅜	495,000.00
Note of Administrator (ECA)	do	do	3⅝	220,000.00
Note of Administrator (ECA)	do	do	3¾	2,625,960.00
Notes of Administrator (ECA)	Various dates	Various dates	3⅞	3,451,000.00
Notes of Administrator (ECA)	do	do	4	1,234,332.67
Notes of Administrator (ECA)	Aug. 12, 1959	June 30, 1989	4⅛	983,300.00
Total				22,056,140.67
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	118,763,868.00
Agreement	Dec. 31, 1956	do	3⅛	49,736,333.00
Agreements	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	392,344,555.00
Agreements	do	do	4	110,000,000.00
Agreements	do	do	4⅛	287,793,564.07
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
Total				1,730,077,996.00
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
Notes	do	do	4	631,100.00
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
Total				1,225,000.00
Defense Production Act of 1950, as amended:				
General Services Administration:				
Notes of Administrator, Series D	Various dates	Various dates	3½	145,000,000.00
Notes of Administrator, Series D	do	do	3⅝	259,000,000.00
Notes of Administrator, Series D	do	do	3¾	105,000,000.00
Notes of Administrator, Series D	do	do	3⅞	85,000,000.00
Notes of Administrator, Series D	do	do	4	810,700,000.00
Notes of Administrator, Series D	do	do	4⅛	332,000,000.00
Subtotal				1,736,700,000.00
Secretary of Agriculture:				
Note	July 1, 1962	July 1, 1967	3⅝	12,774,236.86
Note	July 1, 1963	July 1, 1968	3¾	2,540,931.33
Note	July 1, 1964	July 1, 1969	4	62,259,621.82
Note	July 1, 1965	July 1, 1970	4⅛	1,031,008.80
Subtotal				78,605,798.81

Footnotes at end of table.

TABLE 111.—*Description of securities of Government corporations and other business-type activities held by the Treasury, June 30, 1967*—Continued

Title and authorizing act	Date of issue	Date payable [1]	Rate of interest	Principal amount
Defense Production Act of 1950, as amended—Continued				
Secretary of the Interior, Defense Minerals Exploration Administration:			*Percent*	
Notes	Various dates	Various dates	2⅞	$2,000,000.00
Notes	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
Note	July 1, 1965	do	4	4,000,000.00
Note	July 1, 1966	July 1, 1968	5	26,000,000.00
Subtotal				35,000,000.00
Total Defense Production Act of 1950, as amended				1,850,305,798.81
District of Columbia Commissioners:				
Stadium sinking fund, Armory Board, D.C., act of Sept. 7, 1957, as amended:				
Note	Dec. 1, 1966	When funds are available.	5½	415,800.00
Note	June 1, 1967	do	4	340,800.00
Total				756,600.00
Total securities [2]				24,611,173,644.17

[1] Securities may be redeemed at any time.

[2] These securities were issued to the Treasury in exchange for advances by the Treasury from public debt receipts under congressional authorization for specified Government corporations and business-type activities to borrow from the Treasury.

TABLE 112.—*Summary statements of financial condition of Government corporations and other business-type activities, June 30, 1967*

[In thousands of dollars. On basis of reports received from activities]

Account	Administrative budget funds: Public enterprise revolving funds	Administrative budget funds: Intragovernmental revolving funds	Administrative budget funds: General and special funds	Trust funds: Trust revolving funds	Trust funds: Government-sponsored enterprises
ASSETS					
Cash in banks, on hand, and in transit	228,079	2,609	3,183	75	83,150
Fund balances with the U.S. Treasury [1]	9,951,093	2,774,861	6,662,283	115,157	59,028
Investments:					
Public debt securities (par value)	2,656,556	----------	2,200	579,089	7,488,474
Securities of Government enterprises	77,913	----------	----------	----------	----------
Unamortized premium, or discount (−)	−10,045	----------	----------	−8,943	−52,963
Other securities	286,448	----------	7,570,278	66,643	25,730
Advances to contractors and agents:					
Government agencies	17,368	25,531	14,829	54	----------
Other	17,570	132,585	30,192	252,765	----------
Accounts and notes receivable:					
Government agencies	340,752	1,095,519	148,986	67,248	(*)
Other (net)	1,239,429	110,935	1,322,043	12,152	3,074
Inventories	2,976,741	8,372,597	6,118,506	665	113
Allowance for losses (−)	−569,841	−132	----------	----------	----------
Accrued interest receivable:					
On public debt securities	17,122	----------	10	5,055	44,225
On securities of Government enterprises	1,245	----------	583,265	----------	----------
Other	255,455	----------	551,467	21,407	126,924
Loans receivable:					
Government agencies	48,500	----------	----------	----------	4,450
Other: U.S. dollar loans	18,905,133	----------	10,125,479	4,617,790	9,148,541
Foreign currency loans	1,098,261	----------	4,116,865	----------	----------
Allowance for losses (−)	−403,649	----------	−21,821	−142,783	−18,111
Acquired security or collateral (net)	1,089,853	----------	148	9,607	651
Land, structures, and equipment	6,503,481	690,542	9,295,947	117,669	12,622
Accumulated depreciation (−)	−1,912,968	−299,359	−3,338,088	−168	−2,006
Foreign currencies	408	----------	534,091	----------	----------
Other assets (net)	888,238	446,936	3,605,225	31,539	25,945
Total assets	[2] 43,703,143	13,352,624	[2] 47,325,090	5,745,021	16,949,849
LIABILITIES					
Accounts payable:					
Government agencies	178,263	558,063	237,041	18	13,324
Other	672,778	961,901	703,729	74,526	23,472
Accrued liabilities:					
Government agencies	597,595	1,294	14,802	3,656	16
Other	172,489	265,754	165,517	38,900	155,787
Advances from:					
Government agencies	5	1,965,201	----------	----------	----------
Other	39,225	6,110	1	----------	----------
Trust and deposit liabilities:					
Government agencies	583,649	1,906	31,341	118,362	117
Other	127,254	487	12,332	46,326	1,926,863
Bonds, debentures, and notes payable:					
Government agencies	81,413	----------	----------	2,165	4,450
Other: Guaranteed by the United States	414,483	----------	----------	----------	----------
Not guaranteed by the United States	417,211	----------	----------	4,182,416	9,009,902
Other liabilities (including reserves)	4,821,654	453,847	2,654,480	1,782,890	283,934
Total liabilities	8,106,020	4,214,563	3,819,244	6,249,261	11,417,867

Footnotes at end of table.

TABLE 112.—*Summary statements of financial condition of Government corporations and other business-type activities, June 30, 1967*—Continued

[In thousands of dollars]

Account	Administrative budget funds: Public enterprise revolving funds	Administrative budget funds: Intragovernmental revolving funds	Administrative budget funds: General and special funds	Trust funds: Trust revolving funds	Trust funds: Government-sponsored enterprises
NET INVESTMENT					
U.S. interest:					
Interest-bearing investment:					
Capital stock	100,000				
Borrowings from the U.S. Treasury	14,882,225		5,180,571		
Other	1,086,373				
Noninterest-bearing investment:					
Capital stock	1,041,000			141,820	154,792
Appropriations	20,742,128	681,602	33,954,634		
Capitalization of assets (net)	2,179,431	458,070	2,523,433		
Other	7,394,120	7,848,808	10,057,028		
Accumulated net income, or deficit (−)	−11,135,207	149,581	−4,730,340	48,530	3,421,352
Deposits of general and special fund revenues (−)	−692,948		−3,479,479		
Total U.S. interest	35,597,123	9,138,062	43,505,846	190,350	3,576,144
Trust and private interest:					
Principal of fund				138,439	
Capital stock				122,847	1,604,723
Accumulated net income, or deficit (−)				−955,876	351,116
Total trust and private interest				−694,590	1,955,839
Total liabilities and investment	43,703,143	13,352,624	47,325,090	5,745,021	16,949,849

*Less than $500.

[1] 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 assets of the agencies, but not of the U.S. Government since funds must be provided out of cash balances of the Treasurer of the United States and future receipts to take care of checks to be issued against the balances.

[2] Includes foreign currency assets, representing loans and other receivables recoverable in foreign currencies in U.S. depositaries, aggregating $5,814 million in dollar equivalent. These currencies, acquired primarily without dollar payments, were generated under various Government programs, but principally the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Mutual Security Acts, as amended. Dollar equivalents are computed for reporting purposes to provide a common denominator for the currencies of the many countries involved. Foreign currencies on hand and on deposit and loans under section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, are stated at the rates as of June 30, 1967, at which the United States could purchase currencies on the market for regular operating purposes. Other loans are stated at the rates at which they are to be repaid or at rates in effect when the loans were extended. Currencies that are dollar denominated or guaranteed as to rate of exchange are stated at rates specified in the agreements.

NOTE.—Business-type activities reporting pursuant to Department Circular No. 966, issued Jan. 30, 1956. Statements of financial condition by type of fund, department, and agency are published quarterly in the monthly *Treasury Bulletin*.

TABLE 113.—*Statement of loans outstanding of Government corporations and other business-type activities, June 30, 1967*

[In thousands of dollars]

Type of loan and lending agency [1]	U.S. dollar loans: Total	U.S. dollar loans: Public enterprise revolving funds	U.S. dollar loans: Certain other activities	Foreign currency loans [2]
TO AID AGRICULTURE				
Loans to cooperative associations:				
Economic opportunity loan fund	7,698	7,698		
Farmers Home Administration:				
Direct loan account	127,449	127,449		
Rural Electrification Administration	4,505,792		4,505,792	
Crop, livestock, and commodity loans:				
Commodity Credit Corporation	[3] 1,503,142	[3] 1,503,142		
Farmers Home Administration:				
Direct loan account	901	901		
Emergency credit revolving fund	124,336	124,336		
Storage facility and equipment loans:				
Commodity Credit Corporation	32,792	32,792		
Farm mortgage loans:				
Farmers Home Administration:				
Agricultural credit insurance fund	179,297	179,297		
Direct loan account	[4] 273,455	[4] 273,455		
Rural housing insurance fund	74,758	74,758		
Rural housing loans	[4] 507,005	[4] 507,005		
Other loans:				
Economic opportunity loan fund:				
Loans to aid farmers and rural families	62,315	62,315		
Farmers Home Administration:				
Direct loan account	[4] 313,470	[4] 313,470		
Rural housing and other loans	1,489	193	1,296	
Senior citizens' rental and rural housing loans	38,543	38,543		
Total to aid agriculture	7,752,443	3,245,355	4,507,088	
TO AID HOMEOWNERS				
Mortgage loans:				
Federal Home Loan Bank Board:				
Federal Savings and Loan Insurance Corporation	149,208	149,208		
Housing and Urban Development Department:				
Federal Housing Administration:				
Community disposal operations fund	10,873	10,873		
Revolving fund	175,838	175,838		
Federal National Mortgage Association:				
Management and liquidating functions	[4] 960,737	[4] 960,737		
Special assistance functions	[4] 694,419	[4] 694,419		
Low-rent public housing program fund	147	147		
Interior Department:				
Bureau of Indian Affairs:				
Liquidation of Hoonah housing project	154	154		
Veterans' Administration:				
Direct loans to veterans and reserves	[4] 404,595	[4] 404,595		
Loan guaranty revolving fund	20,306	20,306		
Other loans:				
Veterans' Administration:				
Direct loans to veterans and reserves	39,643	39,643		
Loan guaranty revolving fund	[4] 634,475	[4] 634,475		
Total to aid homeowners	3,090,395	3,090,395		
TO AID INDUSTRY				
Loans to railroads:				
Expansion of defense production:				
Treasury Department	4,730	4,730		
Other purposes:				
Interstate Commerce Commission	30,843		30,843	
Treasury Department:				
Reconstruction Finance Corporation loans in liquidation	4,571		4,571	
Ship mortgage loans:				
Commerce Department:				
Federal ship mortgage insurance fund	28,645	28,645		
Maritime Administration	70,883		70,883	

Footnotes at end of table.

TABLE 113.—*Statement of loans outstanding of Government corporations and other business-type activities, June 30, 1967*—Continued

[In thousands of dollars]

Type of loan and lending agency [1]	U.S. dollar loans			Foreign currency loans [2]
	Total	Public enterprise revolving funds	Certain other activities	
TO AID INDUSTRY—Continued				
Other loans:				
Expansion of defense production:				
Interior Department	4,978	4,978	----------	----------
Treasury Department	7,014	7,014	----------	----------
Defense production guarantees:				
Air Force Department	6,370	6,370	----------	----------
Army Department	477	477	----------	----------
Navy Department	8,659	8,659	----------	----------
Other purposes:				
Commerce Department:				
Economic Development Administration:				
Economic development revolving fund	157,018	157,018	----------	----------
Federal ship mortgage insurance fund	75	75	----------	----------
Housing and Urban Development Department:				
Urban mass transportation fund	5,200	5,200	----------	----------
Interior Department:				
Bureau of Commercial Fisheries:				
Fisheries loan fund	7,338	7,338	----------	----------
Geological Survey	2,267	----------	2,267	----------
Small Business Administration:				
Business loan and investment fund	[4] 530,477	[4] 530,477	----------	----------
Treasury Department:				
Civil defense loans	430	----------	430	----------
Reconstruction Finance Corporation loans in liquidation	22	----------	22	----------
Total to aid industry	869,996	760,980	109,016	----------
TO AID EDUCATION				
Health, Education, and Welfare Department:				
Office of Education:				
Higher education facilities loans fund:				
Loans for construction of academic facilities	[5] 129,773	[5] 129,773	----------	----------
Loans to institutions and nonprofit schools	6,987	----------	6,987	----------
Loans to students in institutions of higher education	903,223	----------	903,223	----------
Public Health Service:				
Loans to institutions and nonprofit schools	67,325	----------	67,325	----------
Housing and Urban Development Department:				
College housing loans	[4] 2,012,614	[4] 2,012,614	----------	----------
Total to aid education	3,119,922	2,142,387	977,535	----------
TO AID STATES, TERRITORIES, ETC.				
Commerce Department:				
Economic Development Administration:				
Economic development revolving fund	34,100	34,100	----------	----------
General Services Administration:				
Public Works Administration (in liquidation)	52,228	----------	52,228	----------
Health, Education, and Welfare Department:				
Public Health Service	182	----------	182	----------
Housing and Urban Development Department:				
Urban renewal fund	280,516	280,516	----------	----------
Low-rent public housing program fund	67,437	67,437	----------	----------
Public works planning advances fund	74,127	74,127	----------	----------
Public facility loans	[4] 189,133	[4] 189,133	----------	----------
Revolving fund, liquidating programs	5,961	5,961	----------	----------
Interior Department:				
Bureau of Reclamation	128,037	----------	128,037	----------
Office of Territories:				
Alaska public works	672	----------	672	----------
Loans for rehabilitation in Guam	10,658	----------	10,658	----------
National Capital Planning Commission	227	----------	227	----------
Treasury Department:				
Miscellaneous loans and certain other assets	180,256	----------	180,256	----------
Total to aid States, Territories, etc	1,023,533	651,274	372,259	----------

Footnotes at end of table.

TABLE 113.—*Statement of loans outstanding of Government corporations and other business-type activities, June 30, 1967*—Continued

[In thousands of dollars]

Type of loan and lending agency [1]	U.S. dollar loans: Total	U.S. dollar loans: Public enterprise revolving funds	U.S. dollar loans: Certain other activities	Foreign currency loans [2]
FOREIGN LOANS				
Foreign military sales fund:				
Defense Department	42,991	42,991		
Military assistance credit sales:				
Defense Department	757		757	
Other purposes:				
Agency for International Development:				
Alliance for Progress, development loans	1,216,721	1,216,721		
Development loans	2,932,582	2,932,582		
Development loan fund liquidation account	279,517	279,517		1,098,261
Loans to U.S. firms and domestic or foreign firms in foreign countries				156,076
All other loans	1,706,688		1,706,688	3,960,788
Commerce Department:				
Maritime Administration	1,314		1,314	
Export-Import Bank of Washington:				
Regular lending activities	[6] 4,151,382	[6] 4,151,382		
Treasury Department:				
Miscellaneous loans and certain other assets	[7] 3,447,407		[7] 3,447,407	
Total foreign loans	13,779,358	8,623,193	5,156,165	5,215,125
OTHER LOANS				
General Services Administration:				
Surplus property credit sales and liquidation activities	122,283		122,283	
Health, Education, and Welfare Department:				
Public Health Service	4,455		4,455	
Housing and Urban Development Department:				
Rehabilitation loan fund	5,776	5,776		
Low-rent public housing program fund	519	519		
Housing for the elderly or handicapped, revolving fund	224,927	224,927		
Revolving fund, liquidating programs	3,949	3,949		
Interior Department:				
Bureau of Indian Affairs:				
Loans for Indian assistance	7		7	
Revolving fund for loans	25,655	25,655		
Small Business Administration:				
Disaster loan fund	[4] 114,126	[4] 114,126		
State Department:				
Loans to United Nations	96,998		96,998	
Treasury Department:				
Miscellaneous loans and certain other assets	39		39	
Veterans' Administration:				
Insurance appropriations policy loans	1,079		1,079	
Service-disabled veterans' insurance fund	6,188	6,188		
Soldiers' and sailors' civil relief	11	11		
Veterans' reopened insurance fund	317	317		
Veterans' special term insurance fund	9,991	9,991		
Vocational rehabilitation revolving fund	89	89		
Total other loans	616,410	391,549	224,861	
Total loans [8]	[9] 30,252,056	18,905,133	[10] 11,346,923	5,215,125

Footnotes on next page.

Footnotes to table 113.

[1] Includes purchase money mortgages, mortgages purchased from insured lending institutions to prevent default, and similar long-term paper held by the agencies. Prior to June 30, 1960, these assets had been classified as accounts and notes receivable or other assets. This table excludes interagency loans and those made by deposit and trust revolving funds.

[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] Certificates of interest amounting to $1,021 million, issued against certain of these loans, were outstanding as of June 30, 1967.

[4] Has been reduced by participation certificates issued under trust agreements by the Federal National Mortgage Association, participation sales fund and participation sales trust fund. The face amounts of participation certificates outstanding for these programs as of June 30, 1967, were:

	In millions
Agriculture Department:	
Farmers Home Administration:	
Direct loan account	$488
Rural housing direct loan account	112
Housing and Urban Development Department:	
College housing loans	600
Public facility loans	80
Federal National Mortgage Association:	
Management and liquidating functions	561
Special assistance functions	914
Veterans' Administration:	
Direct loans to veterans and reserves	871
Loan guaranty revolving fund	304
Small Business Administration:	
Business loan and investment fund	622
Disaster loan fund	178

[5] Participation certificates amounting to $100 million, issued against certain of these loans, were outstanding as of June 30, 1967.

[6] Participation certificates amounting to $2,164 million (including net noncash transactions of $18 million), issued against certain of these loans, were outstanding as of June 30, 1967.

[7] Represents receivables of $5 million from Finland, $13 million from Greece, $340 million from Japan, and $3,089 million from the United Kingdom.

[8] 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 credits shown in table 106.

[9] Does not include foreign currency loans.

[10] Includes loans in the amount of $1,221 million excluded from table 112.

NOTE.—The "Treasury Bulletin" for December 1967 contained on pp. 147-148, a table by years beginning with 1958 showing loans outstanding including those by deposit and trust revolving funds. Statistical statements of financial condition by agencies as of June 30, 1967, were published in the same issue. Statements of income and expense, and source and application of funds by agencies as of June 30, 1967, were published in the "Treasury Bulletin" for January 1968.

TABLE 114.—*Dividends, interest, and similar earnings received by the Treasury from Government corporations and other business-type activities, fiscal years 1966 and 1967*

Agency and nature of earnings	Amounts	
	1966	1967
Agency for International Development:		
Development loan fund liquidation account, earnings	$12, 608, 609. 05	$11, 926, 808. 49
Mutual defense program—economic assistance, interest on borrowings	11, 567, 400. 25	12, 467, 474. 85
Civil Service Commission, investigations, earnings	413. 49	2, 911. 35
Commerce Department:		
Economic Development Assistance, economic development revolving fund, interest on loans		26, 853. 34
National Bureau of Standards, working capital fund, earnings	258, 538. 06	493, 138. 31
Maritime Administration, Federal ship mortgage insurance fund, interest on borrowings	198, 563. 13	268, 735. 22
Commodity Credit Corporation:		
Interest on capital stock	3, 750, 000. 00	4, 125, 000. 00
Interest on borrowings	298, 292, 589. 81	328, 786, 605. 62
Export-Import Bank of Washington:		
Regular activities:		
Dividends	50, 000, 000. 00	50, 000, 000. 00
Interest on borrowings	13, 774, 730. 07	6, 550, 335. 38
Farm Credit Administration:		
Banks for cooperatives, franchise tax	1, 738, 343. 58	1, 386, 134. 13
Federal intermediate credit banks, franchise tax	3, 092, 371. 34	3, 103, 396. 19
Farmers Home Administration:		
Rural housing direct loan account, interest on borrowings	22, 360, 171. 69	21, 266, 414. 62
Direct loan account, interest on borrowings	17, 423, 388. 19	16, 108, 361. 06
Agricultural credit insurance fund, interest on borrowings	6, 517, 948. 86	7, 392, 054. 59
Federal Housing Administration, general insurance fund, interest on borrowings	192, 679. 56	1, 045, 108. 70
Federal National Mortgage Association:		
Management and liquidating functions:		
Interest on borrowings	29, 671, 185. 11	33, 784, 622. 02
Secondary market operations:		
Dividends	1, 890, 000. 00	5, 013, 009. 31
Interest on borrowings	6, 021, 071. 67	11, 101, 389. 60
Special assistance functions, interest on borrowings	37, 760, 001. 06	28, 759, 606. 13
Federal Prison Industries, Inc., earnings	4, 000, 000. 00	4, 000, 000. 00
General Services Administration:		
Buildings management fund, earnings	704, 171. 67	1, 689, 524. 85
General supply fund, earnings		8, 014, 580. 89
Working capital fund, earnings	22, 991. 56	77, 389. 25
Government Printing Office, earnings	8, 104, 294. 35	8, 141, 734. 18

TABLE 114.—*Dividends, interest, and similar earnings received by the Treasury from Government corporations and other business-type activities, fiscal years 1966 and 1967*—Continued

Agency and nature of earnings	Amounts	
	1966	1967
Interior Department:		
Bureau of Commercial Fisheries:		
Federal ship mortgage insurance fund, fishing vessels, interest on borrowings	$421.62	$20,308.39
Bureau of Reclamation:		
Colorado River Dam fund, Boulder Canyon project, interest	2,755,030.93	2,644,219.46
Upper Colorado River storage project, interest	5,766,110.00	6,899,323.00
Virgin Islands Corporation:		
Interest on appropriations and paid-in capital		1,198,539.91
Interest on borrowings	47,868.88	47,868.88
Labor Department:		
Farm labor supply revolving fund, repayment of earnings	160,000.00	
Office of Economic Opportunity:		
Economic opportunity loan fund, interest on appropriations	1,299,605.22	2,306,436.78
Panama Canal Company, interest on net direct investment of the Government	12,179,227.95	11,444,949.41
Rural Electrification Administration, interest on borrowings	81,904,375.90	85,928,744.64
St. Lawrence Seaway Development Corp., interest on borrowings	4,700,000.00	5,100,000.00
Secretary of Housing and Urban Development:		
College housing loans, interest on borrowings	56,517,717.30	66,321,295.76
Public facility loans, interest on borrowings	6,217,412.20	7,259,210.76
Urban renewal fund, interest on borrowings	7,544,378.44	12,711,768.32
Small Business Administration, interest on appropriations	38,924,720.85	48,445,572.46
Tennessee Valley Authority:		
Earnings	43,873,083.93	47,124,972.65
Interest on borrowings	2,761,145.26	3,626,390.89
Treasury Department:		
Federal Farm Mortgage Corp. liquidation fund, dividends	33,115.00	
Veterans' Administration:		
Canteen service revolving fund, profits	895,784.00	105,514.00
Direct loans to veterans and reserves, interest on borrowings	33,978,149.40	17,505,482.84
Rental, maintenance, and repair of quarters, profits	2,654.00	56.00
Supply fund, earnings		109,523.44
Veterans' reopened insurance fund, earnings	64,892.47	
Defense Production Act of 1950, as amended:		
General Services Administration, interest on borrowings	13,879,173.38	28,688,819.85
Secretary of Agriculture, interest on borrowings	153,229.17	
Secretary of the Interior (Defense Minerals Exploration Administration), interest on borrowings	428,000.00	2,455,624.79
District of Columbia Commissioners, stadium sinking fund, Armory Board, District of Columbia, interest on borrowings	10,769.50	10,326.10
Total	844,046,327.90	915,486,136.41

TABLE 115.—*Participation certificates: Sales, retirements, and outstanding, fiscal years 1962–67 and monthly 1967*

[In millions of dollars. Face amounts]

Fiscal year or month	Total participation certificates			Export-Import Bank of Washington			Participation certificates issued by FNMA acting as trustee								
							Total			Farmers Home Administration [1]			Health, Education, and Welfare [2]		
	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding
1962	300		300	300		300									
1963	250	30	520	250	30	520									
1964	373	66	827	373	66	827									
1965	750	255	1,322	450	255	1,022	300		300						
1966	2,601	428	3,495	761	398	1,385	1,840	30	2,110						
1967	4,311	831	6,976	1,411	650	2,146	2,900	180	4,830	600		600	100		100
1966—July		35	3,460			1,385		35	2,075						
August		26	3,434		26	1,359			2,075						
September		28	3,406		28	1,331			2,075						
October	107	266	3,247	[3] 107	[3] 266	1,121			2,075						
November		65	3,182		35	1,137		30	2,045						
December	250	25	3,407	250		1,387		25	2,020						
1967—January	1,254		4,661	154		1,541	1,100		3,120	170		170	60		60
February	500	26	5,135	500	26	2,015			3,120			170			60
March		28	5,107		28	1,987			3,120			170			60
April	900	20	5,987			1,987	900	20	4,000	220		390	15		75
May	400	241	6,146	400	241	2,146			4,000			390			75
June	900	70	6,976			2,146	900	70	4,830	210		600	25		100

Footnotes at end of table.

TABLE 115.—*Participation certificates: Sales, retirements, and outstanding, fiscal years 1962-67 and monthly 1967*—Continued

[In millions of dollars. Face amounts]

Fiscal year or month	Participation certificates issued by FNMA acting as trustee—Continued												MEMORANDUM		
	Housing and Urban Development						Small Business Administration [6]			Veterans' Administration [7]			Commodity Credit Corp. (net certificates of interest authorized under Charter Act) [8]		
	Office of Secretary [4]			Federal National Mortgage Association [5]											
	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding	Sales	Retirements	Outstanding
1962													296		902
1963														68	834
1964														457	377
1965				200		200				100		100	42		419
1966				605	20	785	350		350	855	10	975	436		855
1967	680		680	740	50	1,475	520	70	800	260	60	1,175	958	791	1,021
1966—July					17	768			350		18	957		80	775
August						768			350			957		588	187
September						768			350			957	19		206
October						768			350			957	87		293
November					20	748			350		10	947	151		444
December					5	743			350		20	927	83		527
1967—January	150		150	465		1,208	155		505	100		1,027	134		661
February			150			1,208			505			1,027	138		799
March			150			1,208			505			1,027	144		943
April	265		415	150	8	1,350	175		680	75	12	1,090	201		1,144
May			415			1,350			680			1,090		111	1,033
June	265		680	125		1,475	190	70	800	85		1,175		12	1,021

[1] Represents direct loan programs.
[2] Represents program for construction of higher education facilities.
[3] Includes $107 million refunding transaction.
[4] Includes college housing and public facility programs.
[5] Includes special assistance, and management and liquidating programs.
[6] Includes programs for disaster loans and business loans and investments.
[7] Includes direct loan and loan guaranty programs.
[8] Commodity Credit Corporation participation certificates are called "certificates of interest" and are not included in the Participation Sales Act of 1966. Amounts shown as sales and retirements represent the net excess transactions for the period.

Government Losses in Shipment

TABLE 116.—*Government losses in shipment revolving fund, June 30, 1967*

[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, 1966	Fiscal year 1967	Cumulative through June 30, 1967
Receipts:			
Appropriations	$1,352,000.00	$265,000.00	$1,617,000.00
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 U.S. savings bonds" pursuant to:			
Public Law 85-354	50,000.00		50,000.00
Public Law 86-561	100,000.00		100,000.00
Public Law 87-575	525,000.00		525,000.00
Recoveries of payments for losses	489,915.34	934.23	490,849.57
Repayments to the fund	3,924.32		3,924.32
Total receipts	2,612,642.79	265,934.23	2,878,577.02
Expenditures:			
Payment for losses	2,567,653.02	58,352.00	2,626,005.02
Other payments (refunds, etc.)	92.57		92.57
Total expenditures	2,567,745.59	58,352.00	2,626,097.59
Balance in fund	44,897.20	207,582.23	252,479.43

NOTE.—This statement excludes contingent liabilities for pending claims against the fund as of June 30 1967, totaling $125,491.63.

SECTION II—AGREEMENTS OF INDEMNITY ISSUED BY THE TREASURY DEPARTMENT

Agreements of indemnity [1]	Number	Amount
Issued through June 30, 1966	1,885	$3,703,032.86
Issued during fiscal year 1967	13	75,385.23
Total issued	1,898	3,778,418.09
Canceled through June 30, 1967	32	1,056,192.03
In force as of June 30, 1967	1,866	2,722,226.06

[1] The Government has not sustained any actual monetary loss in connection with its liability under these agreements of indemnity.

SECTION III—CLAIMS MADE AND SETTLED

Claims	Number	Amount
Received:		
Through June 30, 1966	7,787	$9,063,558.57
During fiscal year 1967 and processed by:		
Bureau of Accounts	166	177,174.63
Bureau of the Public Debt	106	53,759.91
Total claims received through June 30, 1967	8,059	9,294,493.11
Settled:		
Through June 30, 1966	7,763	9,055,109.38
During fiscal year 1967 and processed by:		
Bureau of Accounts:		
For payment out of the fund	19	1,542.63
For credit in appropriate accounts	85	43,088.13
Without payment or credit	2	330.18
Bureau of the Public Debt:		
For payment out of the fund:		
U.S. savings bonds redemption cases	106	56,640.62
Armed Forces leave bonds redemption cases	1	168.75
Without payment or credit, U.S. savings bonds redemption cases	1	988.91
Total claims settled through June 30, 1967	7,977	9,157,868.60
Unadjusted as of June 30, 1967 [1]	82	136,624.51
Total	8,059	9,294,493.11

[1] Includes claims in process of adjustment by the Bureau of the Public Debt.

Personnel

TABLE 117.—*Number of employees in the departmental and field services of the Treasury Department quarterly from June 30, 1966, to June 30, 1967* [1]

Organizational unit	June 30, 1966	Sept. 30, 1966	Dec. 31, 1966	Mar. 31, 1967	June 30, 1967	Increase, or decrease (−) since June 30, 1966
Office of the Secretary [2]	860	845	858	839	910	50
Comptroller of the Currency, Office of the	1,727	1,707	1,686	1,672	1,808	81
Customs, Bureau of	9,808	9,667	9,445	9,205	9,733	−75
Engraving and Printing, Bureau of	3,068	2,964	2,905	2,994	3,080	12
Fiscal Service:						
Accounts, Bureau of	1,420	1,376	1,421	1,473	1,542	122
Public Debt, Bureau of the	1,968	1,908	1,887	1,894	2,035	67
Treasurer of the United States, Office of the	999	967	955	954	979	−20
Internal Revenue Service	61,689	62,231	61,349	[3] 74,194	65,122	3,433
Mint, Bureau of the	2,129	2,219	2,217	2,107	2,072	−57
Narcotics, Bureau of	454	463	462	460	478	24
U.S. Coast Guard [4]	5,504	5,540	5,500	5,733	--------	−5,504
U.S. Savings Bonds Division	541	536	536	532	539	−2
U.S. Secret Service	1,189	1,183	1,172	1,173	1,190	1
Total civilian employees	91,356	91,606	90,393	103,230	89,488	−1,868
Military employees—U.S. Coast Guard [4]	35,289	35,199	35,242	35,545	--------	−35,289
Grand total	126,645	126,805	125,635	138,775	89,488	−37,157

[1] Actual number of employees on the last day of the month and any intermittent employees who worked at any time during the month.
[2] Includes Office of the Assistant Secretary for International Affairs.
[3] Includes seasonal employees.
[4] Transferred to Department of Transportation, Apr. 1, 1967.

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