
INTEREST RATES ON SERIES E AND H SAVINGS BONDS

SEPTEMBER 12, 1959.—Ordered to be printed

Mr. MILLS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 9035]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9035) to permit the issuance of series E and H United States savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, and 7.

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING.

Managers on the Part of the House:

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, Jr.,
JOHN J. WILLIAMS,
FRANK CARLSON,

Managers on the Part of the Senate:

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 22(b)(1) of the Second Liberty Bond Act provides that the interest rate on, and the issue price of, savings bonds and savings certificates and the terms upon which they may be redeemed shall be such as to afford an investment yield not in excess of 3.26 percent per annum, compounded semiannually.

Under the bill, as passed by both the House and the Senate, a new section 25 is added to the Second Liberty Bond Act. Section 25 provides that in the case of any offering of U.S. savings bonds issued or to be issued under section 22 of the Second Liberty Bond Act, the maximum limits on the interest rate or the investment yield or both may be exceeded upon a finding by the President with respect to such offering that the national interest requires that such maximum limits be exceeded.

Senate amendment No. 1 adds a proviso to section 25 providing that in no event may the interest rate or the investment yield exceed $4\frac{1}{4}$ percent per annum.

The House recedes.

Amendment No. 6: Under the bill as passed by the House, when so provided by regulations promulgated by the Secretary of the Treasury in connection with the issue of obligations of the United States, no gain or loss is to be recognized on the surrender to the United States of obligations of the United States issued under the Second Liberty Bond Act in exchange for other obligations issued under such act.

Senate amendment No. 6 struck out this provision of the House bill and substituted a new provision under which, when so provided by regulations promulgated by the Secretary of the Treasury under section 22 of the Second Liberty Bond Act, no gain or loss is to be recognized on the surrender to the United States of series E U.S. savings bonds in exchange for series H U.S. savings bonds.

The Senate recedes.

Amendments Nos. 2, 3, 4, 5, and 7: These are technical conforming amendments to amendment No. 6. The Senate recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,

Managers on the Part of the House.