

Number	Date of filing registration statement with SEC	Effective date	Name of fund	Shares registered	Price per share	Dollar amount of registration
1	Oct. 18, 1965	None	Science & Technology Exchange Fund	250,000	\$20	\$5,000,000
2	Dec. 20, 1965	Mar. 10, 1966	Third Presidential Fund	400,000	50	20,000,000
3	do.	do.	Fourth Empire Fund	1,000,000	20	20,000,000
4	Mar. 3, 1966	May 11, 1966	Second Federal Street Fund	2,000,000	25	50,000,000
			Second Federal Street Fund (post-effective amendment)	2,000,000	25	50,000,000
5	Mar. 22, 1966	None	Life Stock Exchange Fund	1,250,000	20	25,000,000
6	May 23, 1966	do.	Industries' Exchange Fund	1,000,000	20	20,000,000
7	July 8, 1966	do.	Putnam Exchange Fund	1,200,000	25	30,000,000
8	July 12, 1966	do.	Fifth Empire Fund	700,000	20	14,000,000
9	July 14, 1966	do.	Exeter Second Fund	800,000	50	40,000,000
10	July 15, 1966	do.	First Atlantic Fund	40,000	25	1,000,000
11	July 25, 1966	do.	Second Diversification Fund	299,999	100	29,999,900

Mr. LONG of Louisiana. Would the Senator explain how many were taken care of by that Treasury regulation?

Mr. WILLIAMS of Delaware. I do not have a list; but it is my understanding that seven would be involved in this matter. Whether there are others in the same category if approved, I do not know. It is my understanding that one, similar to the seven, had been approved. The Treasury Department thought that it had made a mistake. My opinion was that if the Department had made a mistake it should reverse itself and not expand that error.

The Treasury said there definitely were seven funds that had reached the stage with application status that they would be affected by what we are doing here today.

Mr. GORE. I shall consult with the staff to get that information.

Mr. WILLIAMS of Delaware. The information could be placed in the RECORD. We were told that there were seven that were involved.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Is the Senator going to proceed to another subject?

Mr. WILLIAMS of Delaware. I was going to proceed to another part of the bill.

Mr. MCCARTHY. Mr. President, I wish to make a unanimous-consent request.

Mr. GORE. Mr. President, I can give the information. Will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. Mr. President, I yield to the Senator from Tennessee [Mr. GORE].

Mr. GORE. I am advised by the technical staff that three of these funds have an effective date and only three. They are: Third Presidential Fund, Fourth Empire Fund, and Second Federal Street Fund.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Is the Senator going to turn to another subject?

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. I wish to ask the Sen-

ator if this is one of the Christmas gifts or one of the grab bags that have been included in the bill, and which have been discussed by Senators and by newspaper columnists?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. Are there other Christmas gifts and grab bags?

Mr. WILLIAMS of Delaware. There are, and by no line of reasoning could they be pictured as important to the balance of payments or having anything to do with the Foreign Investment Tax Act of 1966. It is for that reason I have said that these amendments should be left and that we should go about the business of the Senate, except as to title I, on which there is complete agreement. As to the loss in revenue, the chairman has pointed out that as the bill came from the House there is about a \$40 or \$50 million loss in revenue, but title I provides for increased revenues of \$26

[P. 27588]

million. In effect, the titles we are discussing would lose around \$75 million. That does not include any estimate whatsoever for loss in revenue in the swap section we have just finished discussing.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Is it not a fact that when the bill came to us, under title I, the argument was that it would give equitable treatment to foreign investors with respect to their tax liabilities, and secondly, if the proposal of the administration was accepted there would be an increase in the tax revenues?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. Those are the two main arguments. How does the bill end up?

Mr. WILLIAMS of Delaware. The conference report estimates a \$50 million deficit instead of a \$26 million increase in revenue in title I. The bill as introduced provided \$26 million in revenue although it was not advanced by the Treasury as a revenue-producing measure. It was advanced by the Treasury as equali-