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## FUNDS AVAILABLE, OBLIGATIONS, AND BALANCES

During the fiscal year 1950 the sum of \$625,900 was expended for mustering out payments under the provisions of the act of February 3, 1944, as amended (38 U. S. C. 691). In settlement of unused leave under the Armed Forces Leave Act of 1946 (60 Stat. 963), \$2,511 was paid to 15 claimants.

The following table shows the amounts available for the Coast Guard during 1950, and the amounts of obligations and unobligated balances:

	Funds available	Net total obligations	Unobligated balances
<b>Current operating appropriation:</b>			
Salaries, office of Commandant.....	\$2,515,000	\$2,502,030	\$12,970
Pay and allowances.....	82,520,000	80,477,401	2,042,599
Civilian employees (field).....	4,400,000	4,368,836	31,164
General expenses.....	39,385,000	39,026,854	358,146
Subtotal.....	128,820,000	126,375,121	2,444,879
Retired pay.....	13,864,000	13,861,010	2,990
<b>Acquisition, construction, and improvements:</b>			
Total appropriation, 1950.....	10,000,000	6,097,030	3,902,970
<b>Prior year unobligated balances:</b>			
Acquisition, construction, and improvements.....	2,074,398	1,564,757	509,641
Acquisition of vessels and shore facilities.....	2,877,963	2,489,818	388,145
Establishing and improving aids to navigation.....	467,599	428,981	40,618
Special projects, aids to navigation.....	2,516	2,249	267
Subtotal.....	15,422,476	10,580,835	4,841,641
Total appropriated funds.....	158,106,476	150,816,966	7,289,510
<b>Miscellaneous funds:</b>			
Payments, Armed Forces Leave Act of 1946 (allotment to Treasury, Coast Guard).....	81,324	1,300	80,024
Proceeds of sales of Coast Guard sites, Treasury Department.....	17,229	17,227	2
Coast Guard Academy, donations for chapel, Treasury Department.....	469,843	31,075	438,768
Fund for management improvement, Executive Office of the President (allotment to Treasury, Coast Guard).....	69,000	69,000	
Total miscellaneous funds.....	637,396	118,602	518,794
<b>Working funds established by advances from other Government agencies:</b>			
<b>Department of Defense:</b>			
Department of the Navy.....	307,777	267,263	40,514
Department of the Army.....	57,175	52,402	4,773
<b>Federal Security Agency.....</b>	414,012	413,933	79
<b>Department of Commerce.....</b>	20,000	14,023	5,977
<b>Veterans' Administration.....</b>	1,015	1,015	
Total working funds.....	799,979	748,636	51,343
Grand total.....	159,543,851	151,684,204	7,859,647

## UNITED STATES SAVINGS BONDS DIVISION

The principal function of the United States Savings Bonds Division of the Treasury Department is to promote and effect the sale of United States savings bonds.

The Savings Bonds Division is headed by a National Director, serving without compensation, who is also an Assistant to the Secretary of the Treasury. His chief aide is a National Director of Sales under whom function the following eight divisions: Publicity and Promotion, Payroll Savings, Banking and Investments, Education,

Labor Organizations, Community Activities, Agriculture, and Advertising. A Nation-wide organization of volunteers, under the direction of State and local advisory chairmen and aided by more than 25 national advisory committees, all serving without compensation, carry forward the sales activities of the Division.

The cost of promoting the savings bond program is held to a minimum because of contributions of advertising by newspapers, magazines, radio and television industries, outdoor and transportation advertising businesses, and various other media, as well as by a great many national and local advertisers. These contributions by national advertisers and their agencies are made through the Advertising Council, Inc., a voluntary nonprofit organization of the advertising industry for the support of public service programs.

The "Independence Drive," having as its theme the encouragement of thrift and the fostering of public interest in the affairs of the Government, was the major campaign effort of the year. The Drive was conducted from May 15 through July 4, 1950, and the national sales quota of \$650 million in Series E bonds was exceeded by 10 percent. The volunteer efforts of thousands of workers and the contribution of all types of promotional media contributed greatly to the success of the Drive.

The symbol for the Drive was the Liberty Bell, exact reproductions of which were displayed in each of the 48 States and in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the District of Columbia. At the conclusion of the Drive, these reproductions were presented by the Secretary of the Treasury to the geographical units in which they had been exhibited, with the intention that the bells should be kept permanently on public, noncommercial exhibition. A bronze plaque accompanied each bell memorializing the purpose of the gift. The plaque named the six American copper companies which provided funds for the purchase of the bells; the steel company which furnished supports for the bells, and the copper fabricating company which donated the plaques.

Throughout the year the Savings Bonds Division, effectively supported by an Industrial Advisory Committee made up of 28 nationally known industrialists and bankers, as well as by numerous industrial and trade organizations, carried out an intensified campaign to increase participation in the payroll savings plan. This plan facilitates regular investment in savings bonds by wage and salary earners. The stimulation of payroll savings contributed materially to the extension of the plan, particularly in the steel, petroleum, glass, and railroad industries.

The Interdepartmental Savings Bond Committee, allied with the Federal Payroll Savings Section to promote savings bond sales to Government employees, reported total sales during the year of \$319 million, a gain of \$25 million over the preceding year. This gain was accomplished despite a considerable reduction in the total number of Government employees.

Gross sales of savings bonds of all series during the fiscal year 1950 amounted to \$5,673 million. Details of these sales, as well as of redemptions and amounts outstanding, will be found on pages 22 and 23 and 558 through 568.

In accord with the Treasury Department's management program,

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a Committee on Materials was organized in the Savings Bonds Division to analyze all requests for the printing and reproduction of promotional materials and to approve only those requests which meet essential requirements. In addition to the immediate economies effected in this program, plans are under way to transfer all excess stocks of promotional materials from the field offices to the warehouse of the Chicago Mailing Division for redistribution. Savings of materials as well as the freeing of space for essential needs will result.

There was developed a better correlation of distribution and requirements of mats, plates, and engraved blocks to newspapers and magazines which contribute advertising space. This close control resulted in substantial savings in procurement costs, with no loss in the amount of contributed advertising space.

Final plans were formulated for the establishment of an inventory control system whereby property in the field and departmental offices will be more readily identifiable for management purposes. This system is currently being installed and should be in full operation by the end of the calendar year 1950.

## UNITED STATES SECRET SERVICE

The Secret Service protects the President of the United States and members of his family, the President-elect, the Treasury Building and other buildings housing Treasury Department activities, and the currency and other obligations and securities of the United States in production, storage, and transit. The Secret Service is also charged with the suppression of counterfeiting, forging, or alteration of obligations and securities of the United States and foreign countries, and of counterfeiting of foreign and domestic coins. The Secret Service investigates forged endorsements on, or the fraudulent negotiation of, United States Treasury checks and bonds; losses of valuables in shipments by Government agencies; violations of the Gold Reserve Act; and other offenses as specified in 18 U. S. C. 3056.

Management improvement by the Secret Service during 1950 was concentrated mainly on more effective suppression of counterfeiting and on a reorganization of the Field Force.

With counterfeiting more prevalent than at any time since 1935, the Secret Service took a number of steps toward its more effective suppression. The Service established extensive, centralized files on all counterfeiting offenders and suspects, in order to coordinate the investigations by field offices; participated in the "Counterfeit Clinics" sponsored by several of the Federal Reserve Banks, and distributed several thousand post card-size warnings of counterfeit notes in circulation and new framed exhibits of genuine and counterfeit bills for the information of banks, merchants, civic organizations, business groups, etc.; participated in the Third International Conference of the Central Offices for the Suppression of Counterfeiting at The Hague in an effort to stamp out the foreign counterfeiting of United States money; and drafted legislation to strengthen the currency laws. This legislation was introduced in both Houses of Congress and is awaiting action.

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will result in savings from larger orders, obtaining the best possible prices, and decreasing the volume of work on purchase orders.

While the policy to delegate authority to the lowest echelon possible always has been emphasized, further delegations of authority from the Commandant to District Commanders are under consideration which will materially facilitate administrative procedures and increase the effectiveness of operations.

## FUNDS AVAILABLE, OBLIGATIONS, AND BALANCES

During the fiscal year 1951, the sum of \$167,500 was expended for mustering out payments under the provisions of the act of February 3, 1944, as amended (38 U. S. C. 691). In settlement of unused leave, under the act of August 9, 1946 (37 U. S. C. 37), \$48,989.73 was paid to 298 claimants.

The following table shows the amounts available for the Coast Guard during 1951, and the amounts of obligations and unobligated balances.

	Funds available	Net total obligations	Unobligated balances
Operating expenses.....	\$154,600,000	\$149,091,317	\$5,508,683
Retired pay.....	15,575,000	15,307,484	267,516
Acquisition, construction, and improvements:			
Acquisition, construction, and improvements.....	29,663,756	25,598,552	4,065,204
Acquisition of vessels and shore facilities.....	3,865	-39,190	43,055
Establishing and improving aids to navigation.....	-3,361	-9,163	5,802
Special projects, aids to navigation.....	-7	-7	-
Subtotal.....	29,664,253	25,550,192	4,114,061
Total appropriated funds.....	199,839,253	189,948,993	9,890,260
Miscellaneous funds:			
Payments, Armed Forces Leave Act of 1946 (allotment to Treasury, Coast Guard).....	80,073	63,737	16,336
Coast Guard Academy, donations for chapel, Treasury Department.....	441,161	438,953	2,208
United States Coast Guard gift fund.....	100	-	100
Total miscellaneous funds.....	521,334	502,690	18,644
Working funds established by advances from other Government agencies:			
Department of Defense:			
Department of the Navy.....	3,218,040	3,192,502	25,538
Department of the Army.....	176,779	176,779	-
Federal Security Agency.....	461,902	461,902	-
Department of Commerce.....	23,629	23,372	257
Total working funds.....	3,880,350	3,854,555	25,795
Grand total.....	204,240,937	194,306,238	9,934,609

## UNITED STATES SAVINGS BONDS DIVISION

The United States Savings Bonds Division promotes the sale of United States savings bonds and provides services to the large volunteer organization engaged in promoting their sale.

It is headed by a volunteer National Director, who is assisted by a paid staff including a director of sales and an executive officer. These officials direct a small headquarters staff comprising Publicity and Promotion, Advertising, Payroll Savings, Banking and Invest-

ments, Labor, Agriculture, Education, and Community Activities Divisions or field representatives and their staffs in each of the 48 States, the District of Columbia, and the Territory of Hawaii.

The efforts of this relatively small paid staff (683 employees as of June 30, 1951) are augmented by millions of volunteers, under the direction of State and local advisory chairmen, who in turn are aided by more than 25 national advisory committees, all of whom serve without compensation. The National Director and his paid staff stimulate, coordinate, and service the volunteer organization to carry on the personal solicitation and direct sale to the public.

During the past few years, the Savings Bonds Division has promoted sales of Series E bonds as a method of channeling into savings through the payroll savings plan consumer income of regularly salaried employees. After the North Korean invasion of the Republic of Korea, the Division immediately keyed its promotion material to the defense program, but at the same time continued its effort to sell through payroll savings channels. After the entry of the Chinese Communists into the Korean conflict in the fall, the Treasury began calling the bonds defense bonds rather than savings bonds, although no change was made in the wording on the bonds themselves.

By the end of the fiscal year, the Division was well reoriented to the national defense program. Plans for the first drive were under way before spring and, on April 30, a 2-month drive began. Although the purpose of this drive was primarily to publicize the new Series E bond maturity options (see exhibit 15), it served admirably to point up the significance of the Series E bond in our rearmament program.

The fiscal year 1951 saw substantial gains made in payroll savings. In payroll savings campaigns completed during the year, some 820,000 new regular bond purchasers were added, raising the total number of payroll savers to more than 5.8 million. In the aggregate, these savers purchased more than \$15 million of savings bonds per month. About 5,500 new firms of all sizes installed the payroll savings plan during the year. The Division also endeavored to increase the interest of labor groups and to expand its farm market.

A campaign was instituted during the year to bring the payroll savings plan directly to approximately 2,500,000 businesses in the Nation employing fewer than 100 people. Approximately 20 percent of these small businessmen were reached by this method and the national organizations have pledged their continuing support of this effort.

The Flag City Campaign is a direct outgrowth of this Division's efforts. Approximately 35 Flag City Campaigns have been conducted and flags awarded because 80 percent or more of a city's businesses have installed the payroll savings plan, or because the plan has been installed by businesses employing 80 percent or more of a community's working population.

An important undertaking was the National 4-H Thrift Program, seeking the participation of nearly two million boys and girls. This was sponsored jointly with the Department of Agriculture and the American Bankers Association. By the end of the year, approximately forty States had launched 4-H Thrift projects. Several States reported the best acceptance of the 4-H Program of any ever developed for rural areas.

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As a result of Public Law 12, Eighty-second Congress, approved March 26, 1951, which provided several new alternatives to holders of Series E bonds maturing on or after May 1, 1951, a question and answer folder, covering the extension of such Series E bonds, was prepared. This folder has had wide distribution through the banks and has been helpful in describing to the banks' customers the various features offered by the new extension law.

During the past fiscal year, the advertising industry contributed well over \$50 million worth of time and space for defense bond advertising, the greatest amount in any peacetime year. This advertising has come through allocations of the Advertising Council (a voluntary nonprofit group organized to support public service programs); through national and local advertisers and through their agencies; from daily and weekly newspapers, national magazines, business publications, farm journals, national networks, and local radio, television, outdoor transportation advertising, and other graphic media. A special group of advertising agencies appointed by the Advertising Council voluntarily aided the Treasury in the preparation of defense bond campaigns.

The management program of the Division received considerable emphasis during the fiscal year 1951. Its scope and objectives were substantially broadened, and satisfactory progress was made in planning for long-range continuing benefits. Comprehensive surveys resulted in initiation of organizational changes and realignments to eliminate jurisdictional overlapping, improve employee use, and provide for accelerated review of organization and methods. Fiscal operations were simplified and strengthened through revision of allotment accounting operations.

Gross sales of savings bonds of all series during the fiscal year 1951 amounted to \$5,143 million. Details of these sales, as well as of redemptions and amounts outstanding, will be found on pages 801 through 812.

#### UNITED STATES SECRET SERVICE

Secret Service responsibilities were defined in legislation introduced in Congress during the year (H. R. 2395) as an amendment to 18 U. S. C. 3056, to give the Secret Service basic authority as follows:

"Subject to the direction of the Secretary of the Treasury, the United States Secret Service, Treasury Department, is authorized to protect the person of the President of the United States and members of his immediate family, the President-elect, and the Vice President at his request; detect and arrest any person committing any offense against the laws of the United States relating to coins, obligations and securities of the United States and of foreign governments; detect and arrest any person violating any of the provisions of sections 508 and 509 of this title and, insofar as the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks and national farm loan associations are concerned, of sections 218, 221, 433, 493, 657, 709, 1006, 1007, 1011, 1013, 1014, 1907, and 1909 of this title; detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department; execute warrants issued under the authority of the United States; carry firearms; offer and

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## Funds available, obligations, and balances

During the fiscal year 1952, the sum of \$6,300.00 was expended for mustering-out payments under the provisions of the act of February 3, 1944, as amended (38 U. S. C. 691). In settlement of unused leave, under the act of August 9, 1946 (37 U. S. C. 37), \$8,911.18 was paid to 43 claimants.

The following table shows the amounts available for the Coast Guard during 1952, and the amounts of obligations and unobligated balances.

	Funds available	Net total obligations	Unobligated balances
Operating expenses.....	\$188,781,000	\$180,900,862	\$7,880,138
Reserve training.....	1,850,000	1,706,887	143,113
Retired pay.....	16,647,000	16,442,187	204,813
Acquisition, construction, and improvements:			
Acquisition, construction, and improvements.....	22,290,204	17,896,446	4,393,758
Acquisition of vessels and shore facilities.....	43,055	-56,465	99,520
Establishing and improving aids to navigation.....	-635	-863	228
Special projects, aids to navigation.....	-1,002	-1,002	-----
Subtotal.....	22,331,622	17,838,116	4,493,506
Total appropriated funds.....	229,609,622	216,888,052	12,721,570
Miscellaneous funds:			
Payments, Armed Forces Leave Act of 1946 (allotment to Treasury, Coast Guard).....	-5,836	-5,836	-----
Coast Guard Academy, donation for chapel, Treasury Department.....	33,876	23,540	10,336
United States Coast Guard gift fund.....	100	100	-----
Total miscellaneous funds.....	28,140	17,804	10,336
Working funds established by advances from other Government agencies:			
Department of Defense:			
Department of the Navy.....	7,626,720	7,463,431	163,289
Department of the Army.....	-313	-313	-----
Federal Security Agency.....	556,200	556,200	-----
Department of Commerce.....	176	-55	231
Department of State.....	495,600	495,297	303
Total working funds.....	8,678,383	8,514,560	163,823
Grand total.....	238,316,145	225,420,416	12,895,729

## United States Savings Bonds Division

Treasury policy of encouraging national thrift through investment in savings bonds is centered in the United States Savings Bonds Division. The 17-year experience of the savings bonds program has demonstrated that during periods of war and defense the purchase of savings bonds strengthens our economy by reinforcing our military power and helps to stabilize the economy after these emergencies are over. Savings bonds bought during the war created a financial reserve of purchasing power which enabled their holders at the end of the war to spend their current incomes freely. This freedom of spending was a factor in our avoidance of postwar recession such as has shortly followed every other major war in our history.

There are two continuing objectives of the United States Savings Bonds Division: (1) to increase the number of buyers of savings bonds; and (2) to encourage established investors to keep their maturing Series E bonds for an additional 10-year period. The magnitude of the over-all program is indicated by gross sales of savings bonds of \$3.9 billion during the fiscal year 1952 and by the volume of savings

bonds outstanding at the end of the year amounting to \$57.7 billion. (Details of sales, redemptions, and amounts outstanding, by series, will be found on pages 627 through 639.)

Automatic extension of maturing Series E bonds in 1951, and the subsequent revisions of terms of Series E bonds, the substitution of Series J and Series K bonds for Series F and Series G bonds, and the introduction of the new current income bonds, Series H, which occurred in 1952, placed upon the Division responsibility for making these revisions known to bondholders and potential bondholders. The importance of publicizing the automatic extension privilege alone is indicated by the fact that during the next five fiscal years (1953-1957) more than \$20 billion Series E bonds are scheduled to fall due under the original 10-year maturity plan.

Shortly after the defense mobilization was begun in the summer of 1950, the Division expanded its goal to increase the number of persons buying savings bonds on regular purchase plans through deductions by employers from wages and salaries. Payroll savings plan participants increased substantially between January and June 1951 and, despite the difficulties caused by the high rate of labor turnover, the number participating in the fiscal year 1952 increased still further. Substantial gains in the number of payroll savers were made in the steel, automobile, glass, and meat packing industries. Outstanding was the campaign among the employees of the aircraft manufacturing industry which resulted in adding over 115,000 new participants.

The successes of this program were due to the cooperation of top executives of certain large companies which assumed leadership, the person-to-person canvassing conducted by a number of these companies, and the assistance given the Savings Bonds staff throughout the country by the 28 outstanding industrialists comprising the National Payroll Savings Advisory Committee. As of June 30, 1952, it is estimated that 7,500,000 persons were enlisted in the payroll savings plan, compared with 5,800,000 participating on June 30, 1951.

A somewhat similar automatic savings program is that for self-employed and professional persons. In this program, designated the bond-a-month plan, the purchaser authorizes his bank to debit his checking account regularly for the price of a savings bond. The bank then issues and delivers the bonds as a free service to depositors.

New efforts were made during the year to bring more farm operators into a regular purchase program. Under the equipment reserve plan farmers buy bonds in order to accumulate cash reserves which ultimately will be used to replace worn-out mechanized farm machinery. The farmers invest in bonds each year an amount equivalent to the allowable deductions for depreciation on their mechanized equipment. Since this amounts to an average of about 10 percent of the original cost, when the machines are 10 years old there are available bond reserves amounting to the cost price, plus the interest accrued on the bonds. Farm organizations themselves originated this plan. An exact count is not feasible, but farmers participating in this regular purchase plan at the end of 1952 numbered in the thousands and were increasing rapidly.

The United States Savings Bonds Division is administered by a small headquarters staff, and has field representatives in each State, the District of Columbia, and the Territory of Hawaii. This nucleus is augmented by many thousands of volunteers who are organized



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on a nation-wide basis and who serve under State and local advisory chairmen who, in turn, are aided by national advisory committees.

As a means of increasing the effectiveness of the Division, plans were made during 1952 for a systematic review of methods and operations as a basis for making continuous improvements. Extensive studies of the role of the volunteer were initiated and a program was developed to expand and improve volunteer activity.

A comprehensive reorganization of the Division took place during the year in order to clarify application of effort and to define more clearly the several areas of responsibility. In Washington, four basic units replaced the previously existing eight. The new units, each of which is supervised by an assistant director, are: Sales Operations, Program Development, Advertising and Promotion, and Administration. Four liaison officers were named to make regular visits to State offices, to gather reports of progress, and to report to headquarters the problems which must be overcome. In the field, emphasis was placed on employment of personnel equipped to handle all aspects of the savings bonds program rather than specialized phases.

At headquarters, the staff of Program Development, in collaboration with other units, is responsible for developing programs, which are then turned over to Sales Operations to put into effect. Advertising and Promotion develops programs to increase sales by use of formulas provided by Program Development, and provides technical services in graphic and dramatic form through publications, radio and television, scripts, press, motion pictures, and other media.

During the fiscal year 1952, the advertising industry and advertisers contributed nearly \$55,000,000 worth of time and space for savings bonds advertising, the greatest amount in any year since World War II. This contribution (brought about largely by the efforts of volunteers) came through allocations of the Advertising Council (a voluntary nonprofit group organized to support public service programs); national networks, local radio and television stations; national magazines; daily and weekly newspapers; business publications; farm journals; outdoor advertising; transportation advertising; and through national and local advertisers and their agencies.

### United States Secret Service

The powers and duties of the United States Secret Service are defined in 18 U. S. C. 3056, as amended by Public Law 79, 82d Congress, approved July 16, 1951. Its major functions, under direction of the Secretary of the Treasury, are protection of the person of the President of the United States and members of his immediate family, of the President-elect, and of the Vice President at his request; the detection and arrest of persons committing any offenses against obligations and securities of the United States and of foreign governments; the detection and arrest of persons violating certain laws relating to the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks, and national farm loan associations, as specified in 18 U. S. C. 3056; and the detection and arrest of any persons violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department.

The Secret Service also directs activities of the White House Police

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The following table shows the amounts available for the Coast Guard during 1953, and the amounts of obligations and unobligated balances.

	Funds available	Net total obligations	Unobligated balances
Operating expenses.....	\$199,200,000	\$197,576,228	\$1,623,772
Reserve training.....	2,600,000	2,467,765	132,235
Retired pay.....	17,625,000	17,612,493	12,507
Acquisition, construction, and improvements.....	\$ 28,643,758	24,823,170	3,820,588
Other prior year appropriations.....	13,611	13,611	
<b>Total appropriated funds.....</b>	<b>248,082,369</b>	<b>242,493,267</b>	<b>5,589,102</b>
<b>Trust funds:</b>			
Coast Guard Academy, donation for chapel, Treasury Department.....	10,336	10,336	
United States Coast Guard gift fund.....	100	100	
<b>Total trust funds.....</b>	<b>10,436</b>	<b>10,436</b>	
<b>Working funds established by advances from other agencies:</b>			
Department of Defense:			
Department of the Navy.....	855,072	837,190	17,882
Department of the Army.....	41,770	41,770	
Federal Security Agency.....	617,796	617,796	
Department of Commerce.....	120	120	
Department of State.....	450,000	416,925	33,075
<b>Total working funds.....</b>	<b>1,964,758</b>	<b>1,913,801</b>	<b>50,957</b>
<b>Grand total.....</b>	<b>250,057,563</b>	<b>244,417,504</b>	<b>5,640,059</b>

<sup>1</sup> Includes unapportioned reimbursements in the amount of \$282,191.

<sup>2</sup> Funds available under appropriation "Acquisition, Construction, and Improvements" include unobligated balances brought forward from prior year appropriations in the amount of \$4,393,758.

### United States Savings Bonds Division

The United States savings bonds program rounded out 18 years of existence in the fiscal year 1953, continuing its basic purposes of encouraging national thrift and security for individuals through investment in nonmarketable Government securities not subject to fluctuations in market price.

Sales of Series E and H bonds to individuals during the fiscal year 1953 amounted to \$4.1 billion, more than 20 percent ahead of sales during either of the two preceding years. This increase in sales, combined with practically no increase in redemptions during the year, brought the volume of bonds of these two series outstanding at the end of the year to an all-time peak of \$36 billion.

To emphasize their insulation against market fluctuations, the present basket of securities—expanded into four series from the single original "baby" bond—continued to be registered securities which were not transferable. Although savings bonds are not eligible for collateral, they are, of course, easily redeemable by their owners at specified redemption values. As a result, the average small investor has available to him a security which provides a fair rate of return according to the length of time the bond is held and he knows he can always get his money whenever the need arises.

The aim of the Savings Bonds Division is to sell the greatest dollar amount of bonds possible to promote thrift and future security, and furthermore to encourage holders of E bonds to realize the value of keeping their bonds not only to maturity but also for the ten additional

years of the extension period. In this way the Division can help immeasurably in achieving a wider distribution of the ownership of the public debt and in providing funds to help finance the defense effort in a noninflationary way.

The Division employed its staff and volunteer organization to encourage established investors to hold their maturing E bonds for an additional ten years. The importance of publicizing this privilege is seen readily when it is realized that approximately \$23 billion of this type of security reach maturity in the five-year period ending in fiscal 1957. The success of this endeavor is measured by the fact that 75 percent of maturities have remained uncashed since the extension privilege was first offered in 1951.

The work of volunteers in the Division's program continued to over-shadow all other efforts during the year. This was particularly true in the promotion of payroll savings where important industry-wide campaigns were conducted during the period under review. It is estimated that at the close of fiscal 1953 more than 8 million persons employed in industry and Government were signed up on this automatic plan. The net gain during the year was more than half a million persons. The payroll saver purchases on the average \$20 worth of E bonds each month.

Of primary importance in the promotion of payroll savings in the past year have been the accomplishments in industry-wide campaigns. This series of campaigns involves industries which employ well in excess of five million workers. Outstanding in these promotional campaigns were those of the petroleum industry, air transport lines, the glass industry, the aircraft manufacturing industry, the automobile industry, the telephone industry, the machine tool industry, and the meat packing industry.

During the year, savings bond farm promotion developed to meet the need of the farmer for investing an amount of money equal to the annual depreciation of farm equipment. Recognizing that most farmers are unaware of their depreciation costs, the farm branch launched a wide program of education and promotion to bring this topic to the attention of all farmers.

Perhaps the most significant stride made in farmer education on farm machinery replacement was the obtaining of the full support of the farm implement industry, especially the dealer. Through the services of the National Farm Machinery Dealers Association, all dealers have been supplied with posters, direct mail material, folders, and other information, to help keep the replacement plan before farmers.

Additionally, the Executive Director of the National Retail Farm Equipment Association distributed farm posters and leaflets to all State secretaries of the Retail Farm Equipment Associations. These efforts resulted in an increase in sales of over 50 percent in Series E and H savings bonds in 643 selected farm counties during the first five months of 1953 as against sales in the comparable period of the previous year.

During the year, the Advertising and Promotion Branch was able to obtain a donation of over \$50 million worth of advertising in broadcast and printed media, and additional unestimated millions

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of dollars worth of support in motion pictures, newspaper features, and editorial cooperation.

An average of more than 750 publications each month, with an aggregate monthly circulation of 150 million, contributed space for the Medal of Honor series; more than 275 executive business publications, having a total circulation of some 5 million businessmen each month, donated space for the series of messages promoting the installation and promotion of the payroll savings plan; an average of 35 important farm publications each month, having a total circulation of 10 million farm subscribers, donated space for the promotion of the farm machinery replacement program; and four general newspaper advertisements each month were developed, produced, and merchandised to daily and weekly newspapers by direct mail. An average of 4,505 mats were ordered by daily newspapers each month and an average of 14,885 by weekly newspapers. The advertising lineage contributed by the daily newspapers exceeded 8 million lines during the year. The lineage of weekly newspapers is estimated to be in excess of 25 million lines.

### United States Secret Service

The major functions of the United States Secret Service, under direction of the Secretary of the Treasury, are protection of the person of the President of the United States and members of his immediate family, of the President-elect, and of the Vice President at his request; the detection and arrest of persons committing any offenses against obligations and securities of the United States and of foreign governments; the detection and arrest of persons violating certain laws relating to the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks, and national farm loan associations; and the detection and arrest of any persons violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department. These and other duties of the Secret Service are defined in 18 U. S. C. 3056.

The Secret Service also directs activities of the White House Police Force, which protects the Executive Mansion and grounds; and of the Uniformed Force, which protects the Treasury Building and certain other buildings housing Treasury Department activities.

#### Management improvement

The continuing management improvement program is closely coordinated with the inspection system, in which regional inspectors make regular and thorough inspections of all Secret Service field offices. The Inspectors and the executive aide to the Chief comprise the Secret Service Management Committee, which functions under the close supervision of the Chief.

During the year, the Civil Service Commission formally approved a training agreement drafted by the Committee with the help of the Treasury Personnel Division, to provide for systematic promotion of Secret Service male clerks and qualified members of the Uniformed Force to positions as special agents. Plans for a course for the specialized training of Secret Service agents were completed, but the course was not instituted because of lack of funds to bring field agents to Washington for the training.

## UNITED STATES SAVINGS BONDS DIVISION

The fiscal year 1954 marked the twentieth year the Treasury has been continuously offering savings bonds for investment. The cash value of all series of these bonds outstanding at the close of the year totaled \$58.2 billion of which \$49.6 billion was held by more than forty million persons and the rest by institutions and miscellaneous investors.

United States savings bonds are an important part of the Government's program to give America a sound dollar. Selling savings bonds to individuals is one of the best ways to place more of the debt in the hands of long-term investors. At the close of fiscal 1954, more than 20 percent of the public debt consisted of nonmarketable savings bonds of all series.

The Savings Bonds Division concentrated its promotional activities throughout the year on selling more E and H bonds, the two series which may be purchased only by individuals. This activity is the core of the Treasury's program to encourage thrift generally among the people and especially to encourage them to adopt regular systematic savings habits. As our people store up savings for future needs, it helps assure the continued growth and prosperity of our country.

In the fiscal year 1954 a new peacetime record was achieved in gross sales of savings bonds. Investors purchased \$4.7 billion E and H bonds, the highest amount in any fiscal year since 1946. The sales gain was 15 percent over 1953 and 41 percent over 1952.

Cash sales in fiscal 1954 exceeded total redemptions (including retirements of matured E bonds as well as E and H bonds cashed prior to maturity) by \$308 million. At the close of fiscal 1954, the cash value of Series E and H bonds outstanding, including interest accruals, reached the all-time record to date of \$37.5 billion. The increase during the year amounted to \$1.4 billion.

Throughout the year 1954 the rate of holding E bonds after maturity continued to remain almost constant at about three-quarters of maturity value. In the three years from May 1951 through June 1954, approximately \$13 billion in E bonds came due. About one-quarter of that amount was turned in for cash; the balance, nearly \$10 billion, is being retained for a longer period under the automatic extension option. During the extension period, up to ten additional years, E bonds maturing May 1952 and thereafter earn interest at the rate of approximately 3 percent per annum compounded semi-annually. E bonds which matured before May 1952 yield only slightly less. The importance of publicizing the E bond extension privilege is readily seen when it is realized that more than \$18 billion of this type of security probably will have reached maturity in the five-year period ending in fiscal 1958.

In fiscal 1954, redemptions of Series E and H bonds prior to maturity were the lowest in 10 years. They were 2 percent less than in 1953, and 14 percent lower than the redemptions of unmatured E bonds in 1952.

A new promotional activity was begun during the second half of fiscal 1954 to urge E bond buyers to purchase bigger denominations instead of \$25 bonds. Experience has shown that the person who buys a larger denomination bond is more inclined to hold it longer.

At the close of fiscal 1954, it was estimated that more than 8 million persons employed in industry and Government were signed up on the payroll savings plan and were buying about \$160 million in E bonds each month. The Savings Bonds Division succeeded in signing up a sufficient number of new savers to more than offset those who dropped out during the year. Industry-wide drives were made in the aircraft and steel industries; bond promotions were conducted in 30 of the country's 48 major railroads; and canvasses were completed or begun in all Federal agencies.

For economy in the bond operation, 2,695 commercial payroll savings accounts formerly handled by post offices were transferred to other issuing agents. Post offices were also relieved of the issuance of E bonds to the public except in communities where there are no other issuing agents.

During fiscal 1954, the Division's headquarters and field staffs underwent further reorganization in line with recommendations of top-level consultants in sales management. The changes resulted in further elimination of program specialization, the strengthening of the area plan of State operations, and a reduction in the number of positions.

The Division strengthened its volunteer organization at State and local levels this past year through increasingly effective use of volunteers with leadership qualities, and through a planned program of recognition of volunteers for length of service and for outstanding contributions to the sale of bonds.

During fiscal 1954, the Division received over \$53 millions worth of donated space and time in printed and broadcast media for savings bonds advertising. Support in news, editorial, and cartoon pages, while not measurable in dollars, was equally generous. Donated newspaper advertisements amounted to more than 8 million lines in metropolitan dailies, and 25 million lines in weeklies. More than 300 business and industrial magazines carried bond advertisements to more than 5 million businessmen readers each month. Financial journals carried special Series H bond advertisements to bankers and financiers.

Every month approximately 800 magazines with general distribution and an average circulation of over 150 million copies, supported the bond program through donated space for advertising. Some 50 farm journals with a circulation of over 15 million gave the same kind of support. For an aggregate of four months during the year, bond advertisements appeared on more than 3,000 full-color outdoor posters. Twice during the year, for periods of two or three months each, some 90,000 street cars and busses carried car-cards advertising bonds.

More than 2,900 radio stations carried weekly the special bond program "Guest Star," featuring the country's leading stage, screen, radio, and television stars. Over 3,100 radio stations broadcast spot announcements for bonds on a regular schedule. All radio networks averaged 12 one-half-hour bond programs weekly featuring the country's leading orchestras. Similar support was given the Division's program by the rapidly expanding television industry, which channeled the bond message to the viewers of the country's more than 25 million television sets.

The Division was effectively aided in reaching the banking and

investment market through a comprehensive program developed by the Savings Bonds Committee of the American Bankers Association. The Investment Bankers Association of America aided the Division with a program designed particularly to stimulate the purchase of H bonds.

Special crop promotions, in tobacco, wheat, corn, and cotton were developed by the Division to encourage investment in savings bonds at the times the growers received cash for their crops. The Division also continued to promote thrift training for youth in the Nation's schools.

## UNITED STATES SECRET SERVICE

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### Management improvement

As a part of its continuing management improvement program, the Secret Service inaugurated a course of specialized training for special agents, plans for which had been completed in fiscal 1953. Those agents selected for training were given an intensive four-week practical course in applied criminal investigation techniques with particular reference to the suppression of counterfeiting and forgery, and to security functions related to the protection of the President.

The management program continued to be closely coordinated with the inspection system in which regional inspectors make regular and thorough inspection of all Secret Service field offices, during which they review pending cases, confer with all personnel, inspect office and motor vehicle equipment, and otherwise maintain close liaison between the field and the Washington headquarters.

To assure proper maintenance of official motor vehicles, one inspector devised a unique form which consists of small perforated coupons bound in a booklet the size of an individual checkbook, with four coupons to each page. There is one coupon for every thousand miles, from 1,000 to 100,000, marked to show the lubrication or other service required at each thousand. Secret Service agents driving official cars are made responsible for obtaining the work called for on the coupons, and must sign and submit coupons with reports to their superiors as evidence that the work has been accomplished. Unquestionably this system will help to keep motor vehicles in better condition and prolong their usefulness.