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U.S. Treasury Dept.

Press Releases
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TREASURY DEPARTMENT

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Press Releases

4-0 to 4-99

December 29, 1934

to
May 20, 1935

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, December 29, 1934.

Press Service
No. 4-0

Retail liquor dealers, on January 1, will be prohibited from using unstamped counter decanters or bar containers in serving liquors by the drink, by a ruling today of the Alcohol Tax Unit, under provisions of Regulations 13, governing the traffic in containers of distilled spirits.

In accordance with this ruling, District Supervisors in all field districts of the country were instructed to issue warnings to liquor dealers to discontinue the practice, or be subjected to severe penalties.

On January 1, under Regulations 13, it will be unlawful to use bottles for packaging domestic spirits, unless the containers bear certain blown-in numerals, symbols and other indicia, fully identifying the manufacturer of the bottles, the producer of the spirits and other information required as essential to protect the revenue.

The purchase or sale of liquor bottles, except in strict compliance with the regulations, is prohibited. Only a few classes have the right to obtain the marked bottles for packaging spirits. These are distillers, rectifiers, importers or wholesale dealers. These groups can obtain bottle supplies only upon proper certification of the District Supervisor of the district in which the business is located.

By recent amendment of the regulations, the effective date of the provision relating to imported liquors was extended to March 1.

TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS.

December 31, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended December 28, 1934:

Philadelphia.....	150,478.67	fine	ounces
San Francisco	210,806.62	"	"
Denver.....	122,993.00	"	"
Total for week ended Dec. 28, 1934.....	484,278.29	"	"
Total receipts through December 28, 1934.....	21,243,000.00	"	"

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended December 28, 1934:

Philadelphia.....	3,578.00	fine	ounces
New York	27,101.00	"	"
Denver	2,106.00	"	"
New Orleans	540.00	"	"
Seattle.....	29,780.00	"	"
Total for week ended Dec. 28, 1934	63,105.00	"	"
Total receipts through December 28, 1934.....	111,062,000.00	"	"

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended December 28, 1934:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ ———	\$158,816.10	\$ 233.8
New York.....	13,605,900.00	311,700.00	———
San Francisco.....	361,623.59	124,846.83	1,203,581.0
Denver.....	32,344.00	40,351.00	790,237.0
New Orleans.....	———	62,014.46	349.6
Seattle.....	———	20,997.73	210,839.3
Total for week ended Dec. 28, 1934...	\$13,999,867.59	\$718,726.12	\$2,205,240.9

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended December 26, 1934.....	\$ 20,308.28	\$ 508,780.00
Received previously.....	29,611,534.76	79,636,220.00
Total to December 26, 1934.....	\$29,631,843.04	\$80,145,000.00
Received by Treasurer's Office:		
Week ended December 26, 1934.....	\$ ———	\$ 5,000.00
Received previously.....	258,506.00	1,932,600.00
Total to December 26, 1934.....	\$ 258,506.00	\$ 1,937,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT
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Total to December 26, 1934	\$ 258,506.00	\$ 1,937,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

Governmental Corporations and Credit Agencies
of the United States
(In millions of dollars)

	Proprietary in- terests owned by the United States		Increase (+) Decrease (-)
	Nov. 30 1934	Oct. 31 1934	
I. <u>Financed wholly from Government funds:</u>			
Reconstruction Finance Corporation	2,308	2,408	-100
Commodity Credit Corporation	35	48	- 13
Export-Import Banks	14	13	+ 1
Public Works Administration	247	231	+ 16
Regional Agricultural Credit Corporations..	97	103	- 6
Production Credit Corporations	111	110	+ 1
Panama Railroad Company	42	a	+ 42
U. S. Shipping Board Merchant Fleet Corp. .	196	b	+196
War Emergency Corporations and Agencies ...	14	a	+ 14
Other (including crop loans)	236	346	-110
Total, Group I	3,300	3,259	+ 41
II. <u>Financed partly from Government funds and partly from private funds:</u>			
Federal Land Banks	281	166	+115
Federal Intermediate Credit Banks	61	56	+ 5
Federal Farm Mortgage Corporation	195	195	0
Banks for Cooperatives	113	112	+ 1
Home Loan Banks	83	83	0
Home Owners' Loan Corporation	89	91	- 2
Federal Savings & Loan Insurance Corporation	102	102	0
Federal Savings & Loan Associations	8	7	+ 1
Federal Deposit Insurance Corporation	150	150	0
War Finance Corporation	c	a	-
Total, Group II	1,082	962	+120
Grand Total	4,382	4,221	+161

a. Not included in statements for October and prior months.

b. Notes obtained by the U. S. Shipping Board Merchant Fleet Corporation for the sale of surplus supplies were included under the classification "Other" for October and prior months.

c. Less than 1/2 million dollars.

TREASURY DEPARTMENT

Washington

FOR RELEASE, ~~MORNING NEWSPAPERS~~,
Wednesday, January 2, 1935.
12-31-34

Press Service
No.

Secretary of the Treasury Morgenthau today made public a combined statement of assets and liabilities of Governmental corporations and credit agencies of the United States as of November 30, 1934. Pursuant to Executive Order No. 6869 dated October 10, 1934, the statement is published in the Daily Statement of the United States Treasury (December 29, 1934). It includes assets and liabilities of war emergency corporations and agencies and other corporations not heretofore published.

The report issued today shows in case of agencies financed wholly from Government funds a proprietary interest of the United States as of November 30, 1934 of \$3,300,231,049, which is an increase of \$40,913,661 over the proprietary interest reported as of October 31, 1934. This increase includes proprietary interest of \$113,122,204 in corporations and agencies not heretofore reported. In the case of these wholly owned Government agencies, the proprietary interest represents the excess of assets over liabilities, exclusive of inter-agency items.

The Government's proprietary interest in agencies financed partly from Government funds and partly from private funds as of November 30, 1934, was \$1,082,176,333, an increase of \$120,672,843 over the Government's interest as of October 31, 1934. This increase includes a proprietary interest of \$211,234 in the War Finance Corporation not heretofore reported. In the case of these partly owned Government agencies, the Government's proprietary interest is the excess of assets over liabilities, exclusive of inter-agency items, less the privately owned interests.

The following tabulation shows in millions of dollars a comparison of the proprietary interest as between November 30, 1934, and October 31, 1934:

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Governmental Corporations and Credit Agencies
of the United States
(In millions of dollars)

	: Proprietary in- : terests owned by : the United States		
	Nov. 30 1934	Oct. 31 1934	Increase (+) Decrease (-)
I. <u>Financed wholly from Government funds:</u>			
Reconstruction Finance Corporation	2,308	2,408	-100
Commodity Credit Corporation	35	48	- 13
Export-Import Banks	14	13	+ 1
Public Works Administration	247	231	+ 16
Regional Agricultural Credit Corporations..	97	103	- 6
Production Credit Corporations	111	110	+ 1
Panama Railroad Company	42	a	+ 42
U. S. Shipping Board Merchant Fleet Corp. .	196	b	+196
War Emergency Corporations and Agencies ...	14	a	+ 14
Other (including crop loans)	236	346	-110
Total, Group I	3,300	3,259	+ 41
II. <u>Financed partly from Government funds and partly from private funds:</u>			
Federal Land Banks	281	166	+115
Federal Intermediate Credit Banks	61	56	+ 5
Federal Farm Mortgage Corporation	195	195	0
Banks for Cooperatives	113	112	+ 1
Home Loan Banks	83	83	0
Home Owners' Loan Corporation	89	91	- 2
Federal Savings & Loan Insurance Corporation	102	102	0
Federal Savings & Loan Associations	8	7	+ 1
Federal Deposit Insurance Corporation	150	150	0
War Finance Corporation	c	a	-
Total, Group II	1,082	962	+120
Grand Total	4,382	4,221	+161

a. Not included in statements for October and prior months.

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TREASURY DEPARTMENT
WASHINGTON

FOR IMMEDIATE RELEASE,
Thursday, January 3, 1935.
1/2/35

Press Service
4-2

Secretary of the Treasury Morgenthau today announced that the additional issue of 3-1/4 percent Treasury bonds of 1944-46, as a result of the exchange of second-called Fourth Liberty Loan bonds, amounted to \$456,897,300. The subscription books for this issue were closed on October 11, 1934. Subscriptions and allotments were divided among the several Federal reserve districts and the Treasury as follows:

<u>Federal Reserve District</u>	<u>Total Subscriptions Received and Allotted</u>
Boston	\$ 20,098,800
New York	134,381,300
Philadelphia	24,179,600
Cleveland	62,271,900
Richmond	21,968,150
Atlanta	10,842,300
Chicago	65,578,400
St. Louis	28,372,400
Minneapolis	12,235,400
Kansas City	25,946,550
Dallas	9,010,450
San Francisco	20,886,500
Treasury	<u>21,125,550</u>
Total	\$456,897,300

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Treasury	<u>21,125,550</u>
Total	\$456,897,300

During the period beginning with the enactment of enabling legislation in March, 1933, and ending with December 31, 1934, 1586 active national banks issued \$439,515,750 in preferred stock and 128 issued \$16,895,276 in common stock for the purpose of strengthening their capital structure.

The net result of the rehabilitation of the National Banking System since March 16, 1933, is an increase in the number of active national banks, including state banks and trust companies in the District of Columbia, from 4522 to 5490 on December 31, 1934, and an increase in deposits from \$16,315,586,000 to \$20,906,176,000, or a net gain of 968 banks and of \$4,590,590,000 in deposits. During the year 1934, only one national bank failed, as compared with an average annual failure of 298 national banks during the three years prior to 1933.

The following is a list of the national banks which consummated their reorganization plans and were opened during the month of December, 1934.

<u>Location</u>	<u>Name of Bank</u>	<u>Date</u>	<u>Frozen Deposits</u>
California,			
Coachella	First National Bank of	12-29-34	\$ 254,000
Madera	First National Bank	12- 1-34	506,000
Illinois,			
Staunton	Staunton National Bank	12-29-34	397,000
Wisconsin,			
Shawano	The First National Bank of	12-29-34	<u>1,012,000</u>
	Total, 4 banks		2,169,000

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TREASURY DEPARTMENT

Release to morning newspapers
~~RELEASEE~~, Monday, January 7, 1935

Washington

Press Service
No. 4-3

1-3-35

The close of the year 1934 brought to near completion the rehabilitation of the National Banking System, according to announcement made today by J. F. T. O'Connor, Comptroller of the Currency.

Following the banking holidays in March, 1933, there were 1417 banks under the supervision of the Comptroller which were not licensed, and these had deposits aggregating \$1,971,960,000. The reopening of four of these unlicensed banks during the month of December leaves only 5 unlicensed national banks yet to be disposed of, and these all have plans approved for reorganization.

With the close of business on December 31, 1934, 1088 unlicensed banks under the supervision of the Comptroller had been reorganized under old or new charters or sold to other national banks, and these had deposits aggregating \$1,802,086,000; 30, with deposits of \$11,204,000, had quit or left the System; and 294, with deposits of \$152,048,000, had been disapproved for reorganization and placed in receivership. This brought the number of banks which had been disposed of to 1412, with deposits of \$1,965,338,000, and left only 5 unlicensed national banks, with deposits of \$6,622,000, as compared with deposits of \$1,971,960,000 involved in the 1417 unlicensed banks at the end of the banking holidays.

As stated above, all of the remaining 5 unlicensed national banks have plans approved for reorganization; and in addition to these, 7 of the 294 banks reported above as in receivership also have plans approved for reorganization. These 7 banks have deposits aggregating \$3,537,000.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, January 7, 1935.
1-3-35.

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Wisconsin,			
Shawano	The First National Bank of	12-29-34	<u>1,012,000</u>
	Total, 4 banks		\$2,169,000

Release Sunday
Morning newspapers
Saturday Jan. 5, 1935
1-4-35

Treasury Department
Washington

January 4, 1935.

Press Release
no. 4-4

The number of coins executed at the mints during the calendar year 1934 was the greatest of any year since 1919, the Secretary of the Treasury announced today.

A total of 358,269,353 pieces were made with a value of \$25,951,750.65. This compares with 23,109,250 pieces executed during the calendar year 1933 with a value of \$13,136,225 and with a total of 31,375,550 pieces executed during the calendar year 1932 with a value of \$68,422,820.

In addition the mints executed 24,280,000 coins ^{for foreign nations} during the calendar year 1934, an increase over the previous two years.

No gold coins were executed during the calendar year 1934. A total of 247,526,0 one-cent pieces were coined. A total of 247,141 memorial half dollars were executed.

In 19¹⁹ a total of 738,642,000 coins were executed, the record year in the history of the mint for the output of coins. The year when the value of coins was the greatest was in 1904, when coins worth \$250,781,576.30 were executed. Of this latter amount \$233,402,428 were executed in gold.

The year of least activity in the history of the mints was in 1815 when the total value of the coinage was \$20,483. Of this amount \$17,308 was in silver and \$3,175 in gold. No minor coins were executed during that year. This was also true in 1823, the only other year in the history of the mints when no minor coins were issued. Prior to 1934 there were only four years in which no gold coins were issued. These years were 1918-1919 and 1816-1817.

The total value of all the coinage of the mints from the year 1793 until December 31, 1934 amounted to \$6,121,484,081.91.

The following table shows the number of pieces executed during the calendar year 1934 and the value:



A. W.

~~TREASURY DEPARTMENT~~

~~OFFICE OF THE DIRECTOR OF THE MINT~~

COINAGE EXECUTED AT THE MINTS OF THE UNITED STATES DURING THE CLAENDAR
YEAR 1934.

Denomination	Pieces	Value
<u>GOLD</u>		
Double Eagles		
Eagles		
Total Gold		
<u>SILVER</u>		
Standard Silver Dollars	3,534,557	\$3,534,557.00
Half Dollars - Regular	12,977,400	6,488,700.00
Maryland Memorial Half Dollars	25,015	12,507.50
Daniel Boone Mem. Half Dollars	10,007	5,003.50
Texas Memorial Half Dollars	205,113	102,556.50
Oregon Trail Mem. Half Dollars	7,006	3,503.00
Quarter Dollars	35,439,252	8,859,813.00
Dimes	30,852,000	3,085,200.00
Total Silver	83,050,350	22,091,840.50
<u>MINOR</u>		
Five Cent Nickel	27,693,003	1,384,650.15
One Cent Bronze	247,526,000	2,475,260.00
Total Minor	275,219,003	3,859,910.15
Total Domestic Coinage	358,269,353	25,951,750.65

COINAGE OTHER THAN UNITED STATES.

Nicaragua - - - - -	1,200,000	pieces.
Cuba - - - - -	10,000,000	"
Ecuador - - - - -	2,000,000	"
Honduras - - - - -	600,000	"
Colombia - - - - -	10,000,000	"
Panama - - - - -	480,000	"
	24,280,000	"

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, January 6, 1935.
1-4-35.

Press Service
No. 4-4

The number of coins executed at the mints during the calendar year 1934 was the greatest of any year since 1919, the Secretary of the Treasury announced today.

A total of 358,269,353 pieces were made with a value of \$25,951,750.65. This compares with 23,109,250 pieces executed during the calendar year 1933 with a value of \$13,136,225 and with a total of 31,375,550 pieces executed during the calendar year 1932 with a value of \$68,422,820.

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No gold coins were executed during the calendar year 1934. A total of 247,526,000 one-cent pieces were coined. A total of 247,141 memorial half dollars were executed.

In 1919 a total of 738,642,000 coins were executed, the record year in the history of the mint for the output of coins. The year when the value of coins was the greatest was in 1904, when coins worth \$250,781,576.30 were executed. Of this latter amount \$233,402,428 were executed in gold.

The year of least activity in the history of the mints was in 1815 when the total value of the coinage was \$20,483. Of this amount \$17,308 was in silver and \$3,175 in gold. No minor coins were executed during that year. This was also true in 1823, the only other year in the history of the mints when no minor coins were issued. Prior to 1934 there were only four years in which no gold coins were issued. These years were 1918-1919 and 1816-1817.

The total value of all the coinage of the mints from the year 1793 until December 31, 1934, amounted to \$6,121,484,081.91.

The following table shows the number of pieces executed during the calendar year 1934 and the value:

COINAGE EXECUTED AT THE MINTS OF THE UNITED STATES DURING THE CALENDAR
YEAR 1934.

<u>Denomination</u>	<u>Pieces</u>	<u>Value</u>
<u>SILVER</u>		
Standard Silver Dollars	3,534,557	\$3,534,557.00
Half Dollars - Regular	12,977,400	6,488,700.00
Maryland Memorial Half Dollars	25,015	12,507.50
Daniel Boone Mem. Half Dollars	10,007	5,003.50
Texas Memorial Half Dollars	205,113	102,556.50
Oregon Trail Mem. Half Dollars	7,006	3,503.00
Quarter Dollars	35,439,252	8,859,813.00
Dimes	30,852,000	3,085,200.00
Total Silver	83,050,350	22,091,840.50

MINOR

Five Cent Nickel	27,693,003	1,384,650.15
One Cent Bronze	247,526,000	2,475,260.00
Total Minor	275,219,003	3,859,910.15
Total Domestic Coinage	358,269,353	25,951,750.65

COINAGE OTHER THAN UNITED STATES

Nicaragua	1,200,000 pieces
Cuba.....	10,000,000 "
Ecuador	2,000,000 "
Honduras.....	600,000 "
Colombia.....	10,000,000 "
Panama.....	480,000 "
	<hr/>
	24,280,000 "

Office of
Director of the Mint

*Munday
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704-5
Treasury Department,
Washington, D. C.,
January 4, 1934.

PRODUCTION OF GOLD AND SILVER IN THE UNITED STATES IN 1934

(Arrivals at United States Mints and Assay Offices and at private refineries)

The Bureau of the Mint, with the cooperation of the Bureau of Mines, has issued the following statement of the preliminary estimate of refinery production of gold and silver in the United States during the calendar year 1934.

	<u>Gold</u>		<u>Silver</u>	
	Ounces	Value <u>1/</u>	Ounces	Value <u>1/</u>
Alaska - - - - -	541,283	\$18,944,900	160,033	\$ 103,391
Alabama - - - - -	2,951	103,300	364	235
Arizona - - - - -	145,234	5,083,200	4,067,305	2,627,479
California - - - - -	709,963	24,848,700	799,644	516,570
Colorado - - - - -	321,740	11,260,900	3,309,062	2,137,654
Georgia - - - - -	900	31,500	46	30
Idaho - - - - -	88,729	3,105,500	7,536,867	4,868,816
Michigan - - - - -	49	1,700	529	342
Missouri - - - - -	- - - - -	- - - - -	5,000	3,230
Montana - - - - -	95,577	3,345,200	3,354,021	2,166,698
Nevada - - - - -	142,494	4,987,300	2,699,480	1,743,864
New Mexico - - - - -	26,720	935,200	1,120,624	723,923
North Carolina - - - - -	666	23,300	9,837	6,355
Oklahoma - - - - -	- - - - -	- - - - -	52	34
Oregon - - - - -	32,580	1,140,300	57,833	37,360
Pennsylvania - - - - -	557	19,500	4,004	2,587
South Carolina - - - - -	223	7,800	68	44
South Dakota - - - - -	481,749	16,861,200	106,022	68,490
Tennessee - - - - -	531	18,600	61,450	39,697
Texas - - - - -	303	10,600	737,908	476,689
Utah - - - - -	137,943	4,828,000	7,091,440	4,581,070
Virginia - - - - -	529	18,500	78	50
Washington - - - - -	6,714	235,000	35,181	22,727
Wyoming - - - - -	4,726	165,400	835	539
Philippine Islands - - - - -	332,974	11,654,100	226,524	146,334
Puerto Rico - - - - -	57	2,000	11	7
Totals - - - - -	3,075,192	107,631,700	31,384,218	20,274,205
Last year, 1933 - - - - -	2,556,246	52,842,300	23,002,629	8,050,920
Year of largest produc- tion, 1915 - - - - -	4,887,604	101,035,700	74,961,075	37,397,300

1/ Gold valued in 1934 at \$35.00 per fine ounce; silver at 64.6¢, the purchase rate for United States product.

7

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, January 7, 1935.
1-5-35.

Press Service
No. 4-5

PRODUCTION OF GOLD AND SILVER IN THE UNITED STATES IN 1934

(Arrivals at United States Mints and Assay Offices and at private refineries)

The Bureau of the Mint, with the cooperation of the Bureau of Mines, has issued the following statement of the preliminary estimate of refinery production of gold and silver in the United States during the calendar year 1934.

	<u>Gold</u>		<u>Silver</u>	
	Ounces	Value <u>1/</u>	Ounces	Value <u>1/</u>
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Arizona - - - - -	145,234	5,083,200	4,067,305	2,627,479
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Colorado - - - - -	321,740	11,260,900	3,309,062	2,137,654
Georgia - - - - -	900	31,500	46	30
Idaho - - - - -	88,729	3,105,500	7,536,867	4,868,816
Michigan - - - - -	49	1,700	529	342
Missouri - - - - -	- - - - -	- - - - -	5,000	3,230
Montana - - - - -	95,577	3,345,200	3,354,021	2,166,698
Nevada - - - - -	142,494	4,987,300	2,699,480	1,743,864
New Mexico - - - - -	26,720	935,200	1,120,624	723,923
North Carolina - - - - -	666	23,300	9,837	6,355
Oklahoma - - - - -	- - - - -	- - - - -	52	34
Oregon - - - - -	32,580	1,140,300	57,833	37,360
Pennsylvania - - - - -	557	19,500	4,004	2,587
South Carolina - - - - -	223	7,800	68	44
South Dakota - - - - -	481,749	16,861,200	106,022	68,490
Tennessee - - - - -	531	18,600	61,450	39,697
Texas - - - - -	303	10,600	737,908	476,689
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Washington - - - - -	6,714	235,000	35,181	22,727
Wyoming - - - - -	4,726	165,400	835	539
Philippine Islands - - - - -	332,974	11,654,100	226,524	146,334
Puerto Rico - - - - -	57	2,000	11	7
Totals - - - - -	3,075,192	107,631,700	31,384,218	20,274,205
Last year, 1933 - - - - -	2,556,246	52,842,300	23,002,629	8,050,920
Year of largest pro- duction, 1915 - - - - -	4,887,604	101,035,700	74,961,075	37,397,300

1/ Gold valued in 1934 at \$35.00 per fine ounce; silver at 64.6¢, the purchase rate for United States product.

(Sec. 593 (b), Tariff Act of 1930.) "(b) Importation Contrary to Law.-- If any person fraudulently or knowingly imports or brings into the United States, or assists in so doing, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner, facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law, such merchandise shall be forfeited and the offender shall be fined in any sum not exceeding \$5,000 nor less than \$50, or be imprisoned for any time not exceeding two years, or both."

or other representation, figure, or image on or of paper or other material, or any cast, instrument, or other article which is obscene or immoral, or any drug or medicine or any article whatever for the prevention of conception or for causing unlawful abortion, or any lottery ticket, or any printed paper that may be used as a lottery ticket, or any advertisement of any lottery. No such articles, whether imported separately or contained in packages with other goods entitled to entry, shall be admitted to entry; and all such articles and, unless it appears to the satisfaction of the collector that the obscene or other prohibited articles contained in the package were inclosed therein without the knowledge or consent of the importer, owner, agent, or consignee, the entire contents of the package in which such articles are contained, shall be subject to seizure and forfeiture as hereinafter provided: Provided, That the drugs hereinbefore mentioned, when imported in bulk and not put up for any of the purposes hereinbefore specified, are excepted from the operation of this subdivision: Provided further, That the Secretary of the Treasury may, in his discretion, admit the so-called classics or books of recognized and established literary or scientific merit, but may, in his discretion, admit such classics or books only when imported for noncommercial purposes.

"Upon the appearance of any such book or matter at any customs office, the same shall be seized and held by the collector to await the judgment of the district court as hereinafter provided; and no protest shall be taken to the United States Customs Court from the decision of the collector. Upon the seizure of such book or matter the collector shall transmit information thereof to the district attorney of the district in which is situated the office at which such seizure has taken place, who shall institute proceedings in the district court for the forfeiture, confiscation, and destruction of the book or matter seized. Upon the adjudication that such book or matter thus seized is of the character the entry of which is by this section prohibited, it shall be ordered destroyed and shall be destroyed. Upon adjudication that such book or matter thus seized is not of the character the entry of which is by this section prohibited, it shall not be excluded from entry under the provisions of this section.

"In any such proceeding any party in interest may upon demand have the facts at issue determined by a jury and any party may have an appeal or the right of review as in the case of ordinary actions or suits."

or cause to be deposited with any express company or other common carrier, for carriage from one State, Territory, or District of the United States or place noncontiguous to but subject to the jurisdiction thereof, to any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any place in or subject to the jurisdiction of the United States, through a foreign country, to any place in or subject to the jurisdiction thereof, or from any place in or subject to the jurisdiction of the United States to a foreign country, any obscene, lewd, or lascivious, or any filthy book, pamphlet, picture, motion-picture film, paper, letter, writing, print, or other matter of indecent character, or any drug, medicine, article, or thing designed, adapted, or intended for preventing conception, or producing abortion, or for any indecent or immoral use; or any written or printed card, letter, circular, book, pamphlet, advertisement, or notice of any kind giving information, directly or indirectly, where, how, or of whom, or by what means any of the hereinbefore mentioned articles, matters, or things may be obtained or made; or whoever shall knowingly take or cause to be taken from such express company or other common carrier any matter or thing the depositing of which for carriage is herein made unlawful, shall be fined not more than \$5,000 or imprisoned not more than five years, or both." (Feb. 8, 1897, c. 172, 29 Stat. 512; Feb. 8, 1905, c. 550, 33 Stat. 705; Mar. 4, 1909, c. 321, sec. 245, 35 Stat. 1138; June 5, 1920, c. 268, 41 Stat. 1060).

(Sec. 305, Tariff Act of 1930. Immoral Articles--Importation Prohibited). "(a) Prohibition of Importations.--All persons are prohibited from importing into the United States from any foreign country any book, pamphlet, paper, writing, advertisement, circular, print, picture, or drawing containing any matter advocating or urging treason or insurrection against the United States, or forcible resistance to any law of the United States, or containing any threat to take the life of or inflict bodily harm upon any person in the United States, or any obscene book, pamphlet, paper, writing, advertisement, circular, print, picture, drawing,

'C. B. C. The Tenets of the C. B. C.' London
(March, 1923).

'C. B. C. Society and Clinic for Constructive
Birth Control', London (no date).

'What is Constructive Birth Control?', London
(no date).

The magazines and books were taken from Mrs. Hazel Moore upon her arrival as a passenger on the Steamship American Farmer at New York, September 24, 1934, Declaration No. 665162.

The Bureau is of the opinion that the book 'The Rhythm of Sterility and Fertility in Women', by Leo J. Latz, and the leaflet entitled 'What is Constructive Birth Control?' are not prohibited importations within the meaning of Section 305 of the Tariff Act of 1930 or under the provisions of Section 245 of the United States Criminal Code, in conjunction with Section 593 (b) of the Tariff Act of 1930, and you are authorized to deliver them to the importer.

The Bureau is also of the opinion that the remaining booklets and magazines are prohibited importations within the meaning of Section 245 of the United States Criminal Code in conjunction with Section 593 (b) of the Tariff Act of 1930.

All the books and magazines are being returned to you under separate cover for appropriate disposition.

Respectfully,

JAMES H. MOYLE,
Commissioner of Customs."

The statutes to which reference is made above are as follows:

(Criminal Code, section 245, amended.) Importing and transporting obscene books.--"Whoever shall bring or cause to be brought into the United States, or any place subject to the jurisdiction thereof, from any foreign country, or shall therein knowingly deposit

Treasury Department
Washington

PRESS RELEASE

For Immediate Release
January 5, 1935.

Press Service
no. 4-6
~~January 3, 1935.~~

The Treasury Department today made public the following letter addressed to the Collector of Customs at New York and signed by the Commissioner of Customs:

"The Collector of Customs,

New York, N. Y.

Sir:

Receipt is acknowledged of your letter of October 5, 1934 (BNH/GH 85658), transmitting the following books and magazines under separate cover:

'The Rhythm of Sterility and Fertility in Women',
by Leo J. Latz, published by Latz Foundation,
Chicago (4th rev. ed. 1934).

'Biological and Medical Aspects of Contraception',
edited by Margaret Sanger, published by National
Committee on Federal Legislation for Birth Control,
Inc., Washington (1934).

'Therapeutic Contraception', by Hannah M. Stone,
reprinted from the Medical Journal and Record
(March 21, 1928).

'A Letter to Working Mothers on How to Have Healthy
Children and Avoid Weakening Pregnancies', by Marie
Carmichael Stopes, published by Mothers' Clinic for
Constructive Birth Control, London (1934).

'The Birth Control News' (March, 1934).

'The Birth Control News' (April, 1934).

'The New Generation' (May, 1931).

'The New Generation' (April, 1933).

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, January 5, 1935.

Press Service
No. 4-6

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image on or of paper or other material, or any cast, instrument, or other article which is obscene or immoral, or any drug or medicine or any article whatever for the prevention of conception or for causing unlawful abortion, or any lottery ticket, or any printed paper that may be used as a lottery ticket, or any advertisement of any lottery. No such articles, whether imported separately or contained in packages with other goods entitled to entry, shall be admitted to entry; and all such articles and, unless it appears to the satisfaction of the collector that the obscene or other prohibited articles contained in the package were inclosed therein without the knowledge or consent of the importer, owner, agent, or consignee, the entire contents of the package in which such articles are contained, shall be subject to seizure and forfeiture as hereinafter provided: Provided, That the drugs hereinbefore mentioned, when imported in bulk and not put up for any of the purposes hereinbefore specified, are excepted from the operation of this subdivision: Provided further, That the Secretary of the Treasury may, in his discretion, admit the so-called classics or books of recognized and established literary or scientific merit, but may, in his discretion, admit such classics or books only when imported for noncommercial purposes.

"Upon the appearance of any such book or matter at any customs office, the same shall be seized and held by the collector to await the judgment of the district court as hereinafter provided; and no protest shall be taken to the United States Customs Court from the decision of the collector. Upon the seizure of such book or matter the collector shall transmit information thereof to the district attorney of the district in which is situated the office at which such seizure has taken place, who shall institute proceedings in the district court, for the forfeiture, confiscation, and destruction of the book or matter seized. Upon the adjudication that such book or matter thus seized is of the character the entry of which is by this section prohibited, it shall be ordered destroyed and shall be destroyed. Upon adjudication that such book or matter thus seized is not of the character the entry of which is by this section prohibited, it shall not be excluded from entry under the provisions of this section.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

January 7, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending January 4, 1935:

Philadelphia.....	90,323. ⁴⁹ 00	fine ounces
San Francisco.....	376,685.58	" "
Denver.....	376.00	" "
Total for week ended Jan. 4.....	467,385.07	" "
Total receipts through January 4, 1935.....	21,710,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended January 4, 1935:

Philadelphia	2,859.00	fine ounces
New York.....	183,888.00	" "
San Francisco	121,748.00	" "
Denver.....	218.00	" "
New Orleans	235.00	" "
Seattle.....	169.00	" "
Total for week ended Jan. 4.....	309,117.00	" "
Total receipts through January 4, 1935.....	111,371,694.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending January 4, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ ---	\$ 210,532.84	\$ 136
New York	9,603,200.00	642,900.00	---
San Francisco	45,675.93	98,482.92	874,794
Denver	16,150.00	15,663.00	538,814
New Orleans	38,834.43	26,399.02	462
Seattle.....	---	15,431.74	185,353
Total for week ending Jan. 4, 1935..	\$9,703,860.36	\$1,009,409.52	\$1,599,562

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:

	Gold Coin	Gold Certificates
Week ended January 2, 1935.....	\$ 59,624.80	\$ 315,430.00
Received previously.....	29,631,843.04	80,145,000.00
Total to January 2, 1935.....	\$29,691,467.84	\$80,460,430.00

Received by Treasurer's Office:

Week ended January 2, 1935.....	\$ 300.00	\$ 16,000.00
Received previously.....	258,506.00	1,937,600.00
Total to January 2, 1935.....	\$ 258,806.00	\$ 1,953,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 9, 1935.

Press Service
No. 4-10

A Treasury decision amending Regulations No. 3, relating to the manufacture, sale and use of denatured alcohol, incorporated in the regulations the following new provision which will facilitate the tracing and identification of the product and give added protection to the public:

"Containers of products other than completely denatured alcohol shall not be branded as such, nor shall such products be advertised, shipped, sold, or offered for sale as completely denatured alcohol."

Field officers of the Alcohol Tax Unit have been instructed to warn proprietors of garages, paint shops, hardware stores and other retail dealers to discontinue immediately any practices not in strict conformity to the above provision. Any persons or firms failing to comply will be reported to United States Attorneys for prosecution.

Completely denatured alcohol, a product made under Government permit and supervision, is withdrawn tax-free for commercial purposes and its principal use is as an anti-freeze in automobile radiators.

who voluntarily signs an application requesting custodial care and treatment in accordance with the requirements of the regulations.

Upon admission to a narcotic farm these four classes of addicts will be designated, ^{respectively,} as "prisoners", "ex-prisoners", "probationers", and "voluntary patients". An addict is defined as one who is or has been ~~sober~~ addicted to the use of habit-forming narcotic drugs to such an extent that he has lost the power of self control with reference to his addiction.

By a narcotic ~~is~~ is meant opium and coca leaves and the alkaloid derivatives. The best known of these derivatives are morphine, heroin and codeine obtained from opium, and coca ^{ine} derived from the coca plant. Indian hemp ^{or (marijuana)} and derivatives and peyote in its various forms are also considered as habit-forming drugs even though there is no Federal law regarding ^{their} use or sale, ~~of marijuana~~ ^{such drugs as}.

When a prisoner at the expiration of his sentence at a narcotic farm makes application for further treatment it must contain an agreement to submit to custodial care and treatment for the maximum time estimated by the Surgeon General.

Any addict, except one who is in fact an alien, may be considered for admission to a narcotic farm for treatment and confinement as a voluntary patient upon filing application with the Surgeon General on a prescribed form.

#

Mr. F. J. F. F. F.
January 11, 1935. 4-11

Secretary of the Treasury Henry Morgenthau, Jr. has approved regulations governing the admission of persons to the United States Narcotic Farms, it was announced today.

The regulations were formulated by Hugh S. Cumming, Surgeon General of the Public Health Service, in accordance with the Act of Congress approved January 19, 1929.

April 1, 1935 has been set as the day for the opening of the first narcotic farm at Lexington, Kentucky, and the regulations will be effective as of that date.

The Lexington farm will accommodate approximately 1000 persons. Construction is now under way for a second narcotic farm at Fort Worth, Texas. It is expected that it will be completed in two years' time and will be of approximately the same size. It is anticipated that when both farms are in operation, the Fort Worth farm will be used primarily for those addicts for whom there is hope of rehabilitation, while the Lexington farm will house hopeless addicts for the most part.

At present it is estimated that there are approximately 1800 addicts in Federal prisons throughout the country. The majority of these are incarcerated in *a segregated section of* the Federal prison in Leavenworth, Kansas.

Regulations regarding the eligibility of prisoners and others to the narcotic farms are drawn up at this time in order that those departments of the Government concerned and other interested persons may be informed as to the manner in which persons may secure treatment for drug addiction in these institutions.

None but addicts will be considered *eligible*. Of these, there are four types, as follows: 1. A person sentenced to confinement upon conviction of an offense against the Government. 2. A person, who, upon completion of a sentence of confinement at a narcotic farm applies for further custodial care beyond the expiration of sentence. 3. A person placed on probation by any Court of the United States or other federal authority which has imposed as one of the conditions of such probation that he submit himself for treatment until discharged as cured. 4. A person

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Friday, January 11, 1935.

Press Service
No. 4-11

Secretary of the Treasury Henry Morgenthau, Jr. has approved regulations governing the admission of persons to the United States Narcotic Farms, it was announced today.

The regulations were formulated by Hugh S. Cumming, Surgeon General of the Public Health Service, in accordance with the Act of Congress approved January 19, 1929.

April 1, 1935 has been set as the day for the opening of the first narcotic farm at Lexington, Kentucky, and the regulations will be effective as of that date.

The Lexington farm will accommodate approximately 1000 persons. Construction is now under way for a second narcotic farm at Fort Worth, Texas. It is expected that it will be completed in two years' time and will be of approximately the same size. It is anticipated that when both farms are in operation, the Fort Worth farm will be used primarily for those addicts for whom there is hope of rehabilitation, while the Lexington farm will house hopeless addicts for the most part.

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confinement at a narcotic farm applies for further custodial care beyond the expiration of sentence. 3. A person placed on probation by any Court of the United States or other Federal authority which has imposed as one of the conditions of such probation that he submit himself for treatment until discharged as cured. 4. A person who voluntarily signs an application requesting custodial care and treatment in accordance with the requirement of the regulations.

Upon admission to a narcotic farm these four classes of addicts will be designated, respectively, as "prisoners", "ex-prisoners", "probationers", and "voluntary patients". An addict is defined as one who is or has been addicted to the use of habit-forming narcotic drugs to such an extent that he has lost the power of self control with reference to his addiction.

By a narcotic is meant opium and coca leaves and the alkaloid derivatives. The best known of these derivatives are morphine, heroin and codeine obtained from opium, and cocaine derived from the coca plant. Indian hemp (marihuana) and derivatives and peyote in its various forms are also considered as habit-forming drugs even though there is no Federal law regarding their use or sale.

When a prisoner at the expiration of his sentence at a narcotic farm makes application for further treatment it must contain an agreement to submit to custodial care and treatment for the maximum time estimated by the Surgeon General.

Any addict, except one who is in fact an alien, may be considered for admission to a narcotic farm for treatment and confinement as a voluntary patient upon filing application with the Surgeon General on a prescribed form.

the depression. The survey of the ten localities just referred to showed that the families which had suffered the most severe decline in income during the period 1929-1932 had a ~~disability~~ ^{disabling} sickness rate over 50% higher than those whose economic status was not materially reduced. Experts tell us that the annual wage loss due to illness in families with \$2,500 a year income or less is approximately \$900,000,000, almost one billion dollars taken away from purchasing power, so desperately needing to be increased, not further lessened. The annual cost of care of four diseases, the ~~morbidity~~ ^{morbidity} from which we know how to control, is estimated at \$115,000,000.

"These are but a few instances indicating how much lies ahead for us to do. Today there is being spent by the Federal Government only about \$5,000,000 annually for its human health services -- about 4 cents per capita. In only 528 out of our 3,000 counties are there full-time health services. Local appropriations for public health have been decreased by 20 per cent on the average since 1930. The per capita expenditure from tax funds for public health in 77 cities in 1934 was 58 cents as contrasted with 71 cents in 1931. Yet we know that in ~~the~~ ^{progressive} ~~the~~ ^{communities} ~~the~~ ^{since the introduction of modern} public health procedure, ~~has been maintained~~ one-third of the burden of preventable illness and premature death has been lifted from ~~the~~ ^{men} ~~men~~, women and children.

"With such evidences of the social and economic values to be attained through wise expenditure of effort and money in the public health field, we take up with fresh determination the challenge of conserving health as part of the human security program."

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"The fact that the general death rate showed a slight decrease at the end of 1933 is far from the whole picture. Recent surveys by the United States Public Health Service and the ^{Memorial Foundation} Milbank Fund, in ten industrial localities, show that during the period 1929-1932 the death rate in families with no employed members or part-time wage earners increased 20 per cent, while in those families which had full-time wage earners it declined. Data for 1934 is not yet complete, but for the first half of 1934 the ^{gross} mortality rate in cities of 100,000 population and over is ^{reported} appreciably higher than in the same period of 1933.

"As ^{The} important as death rate ~~is~~ is the ^{disabling} ~~disabling~~ sickness rate. This has shown a measurable increase among those most severely affected by

"So tonight I should like to discuss, particularly from the economic angle, that phase of the security program with which I am to be chiefly related, public health work and needs. First let us look at some facts in this health field which justly bring pride and encouragement.

"The extraordinary achievements of research, the discoveries of medical science and their application to the prevention and treatment of disease, are perhaps our most dramatic and valued developments of modern times. There has been a decline in our general death rate, our span of life has increased, and the toll taken by preventable disease has been decreased. The frightful scourges which swept away large groups of our population at intervals in past years, we are told, are substantially conquered.

"A little known but fascinating story of our national development is that of our United States Public Health Service, which for more than a century has with increasing effectiveness and ability guarded our country's borders against the entrance of pestilence, checked and prevented epidemics within our land, and helped build sounder and more healthful conditions throughout the nation, in cooperation with states and communities. Another story which will never be told in full because we will never know it in its completeness, is that of the unselfish service of countless doctors whose effort and help, freely given in recent dark years, have done much to prevent deaths and illness and appalling suffering. We have indeed sound grounds for pride in progress made in conserving human life.

"But let us apply here the President's test, 'We see where we

dependent our various responsibilities in changing the old order are. We've long talked about our age of specialization -- the field of education, of industry; the field of child welfare, of health, of delinquency, of dependency -- and now we realize that our various fields are but small lots, separated from each other only by imaginary lines, in one great general field where we must do joint battle for our common cause -- security for all human beings.

"One of the country's leading public health officials said recently:

'Most of our social planning and efforts have ignored or minimized health as a specific objective. * * * * *

* * * * * Only when some particular condition or occurrence outrages the sensibilities of the mass is the public health enthusiast able to dramatize the need for action and get something done.'

I think most of us will agree with him, but I think also that most of us have had very similar intense feelings about the neglect of, or indifference to, that particular field of human problems we've called our own. I'm sure, in my own long concentration on economic and industrial problems, I've often been sure that they were entirely disregarded, until some frightful industrial accident or health hazard took place. And in the social welfare field how often have we felt public opinion callous to our work, unless it was aroused by some catastrophe.

"Under our President's masterly conception of a related program we can, and will, go forward together, pooling our special interests and knowledge in our joint attack, and drawing strength for each part of our program from each other.

morning
Sat Jan 12
1-11-35.

Washington, D. C.
January 11, 1935.

Speaking at the dinner of the Women's National Democratic Club on Friday evening, January 11th, Miss Josephine Roche, Assistant Secretary of the Treasury in charge of the Bureau of Public Health Service, discussed certain economic phases of the public health situation. She said in part:

"With whatever phase of our nationwide problems we are particularly concerned or responsible for helping solve, we should test our thinking, measure our planning by the words of our President in his message to Congress:

'We have undertaken a new order of things: yet we progress toward it under the framework and in the spirit and intent of the American Constitution. * * * * * The outlines of the new economic order, rising from the disintegration of the old, are apparent. We test what we have done as our measures take root in the living texture of life. We see where we have built wisely and where we can do still better. * * * * *

* * * * * I recall to your attention my message to the Congress last June in which I said: "Among our objectives I place the security of the men, women and children of the nation first." That remains our first task; and in a very real sense every major legislative enactment of this Congress should be a component part of it.'

"One of the lessons we have all learned, or should have learned, out of our coming to grips with unprecedented human denials and suffering these recent years, is how completely interwoven and inter-

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, January 12, 1935.
1-11-35.

Press Service
No. 4-12

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taken by preventable disease has been decreased. The frightful scourges which swept away large groups of our population at intervals in past years, are, we are told, substantially conquered.

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"As important as the death rate is the disabling sickness rate. This has shown a measurable increase among those most severely affected by the depression. The survey of the ten localities just referred to showed that the families which had suffered the most severe decline in income during the period 1929-1932 had a disabling sickness rate over 50% higher than those whose economic status was not materially reduced. Experts tell us that the annual wage loss due to illness in families with \$2,500 a year income or less is approximately \$900,000,000 -- almost one billion dollars taken away from purchasing power, so desperately needing to be increased, not further lessened. The annual cost of care of four diseases, the morbidity from which we know how to control, is estimated at \$115,000,000.

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than on other types of loans?

How far is the lending policy of banks determined by the attitude of banking examiners toward certain types of loans?

It is expected that the results of the investigation, in the form of statistical summaries and percentages, together with the conclusions drawn by the committee in charge of the study will be released some time in March.

The Fourth Federal Reserve District, which includes Ohio, western Pennsylvania, northern West Virginia, and eastern Kentucky, was selected for study because it provides an excellent sample of business and industrial conditions throughout the nation.

Immediate Release

4-13

The Secretary of the Treasury announced today that the organization of a field force to conduct a survey of credit availability in the Cleveland Federal Reserve District has been completed and that the investigators are now at work in that area.

The investigation is being conducted in cooperation with the Federal Reserve Board, the Reconstruction Finance Corporation and the Federal Deposit Insurance Corporation. The study is under the direction of Mr. George C. Haas, Director of Research and Statistics of the Treasury Department and the field work is being administered by Mr. W. H. Moore of the University of Chicago. Mr. Charles O. Hardy of the Brookings Institution is acting as special advisor to the staff of the survey.

This survey is along lines similar to those followed in the investigation of credit conditions in the Chicago Federal Reserve District which was carried out by Professor Jacob Viner and Mr. Hardy in September. The staff of field investigators, which consists of about forty university economists, will be asked to get from the files of banks in cities and small towns of the Cleveland Federal Reserve area 2,000 cases of small business men who have recently been refused credit by the banks or who are being pressed to liquidate the capital indebtedness to banks which they have incurred in the past. The staff will also be asked to procure from the business men themselves another 1,000 cases in which banks have rejected credit applications or brought pressure for the liquidation of the existing indebtedness. Special attention will be given to the attitude of banks toward real estate mortgage loans.

The inquiry is purely a fact finding enterprise intended to supplement the information obtained in the previous survey and furnish a better basis for planning Federal banking policies. Among the questions to which answers will be sought are:

Are persons who are rated as good credit risks unusually reluctant to borrow, and if so, why?

What changes have there been in recent years in banks' lending practices and policies?

What is the attitude of the banks to renewal of old slow working capital loans?

Have bank losses in recent years on real estate loans been proportionally greater?

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, January 14, 1935.

Press Service
No. 4-13

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

January 7, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending January 4, 1935:

Philadelphia	90,323.49	fine ounces
San Francisco.....	376,685.58	" "
Denver.....	376.00	" "
Total for week ended Jan. 4.....	467,385.07	" "
Total receipts through January 4, 1935.....	21,710,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended January 4, 1935:

Philadelphia	2,859.00	fine ounces
New York.....	183,888.00	" "
San Francisco	121,748.00	" "
Denver.....	218.00	" "
New Orleans.....	235.00	" "
Seattle.....	169.00	" "
Total for week ended Jan. 4.....	309,117.00	" "
Total receipts through January 4, 1935.....	111,371,694.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending January 4, 1935:

	<u>Imports</u>	<u>Secondary</u>	<u>New Domestic</u>
Philadelphia.....	\$ 9,603,200.00	\$ 210,532.84	\$ 136.61
New York	45,675.93	642,900.00	874,794.35
San Francisco.....	16,150.00	98,482.92	538,814.00
Denver.....	38,834.43	15,663.00	462.04
New Orleans.....	15,431.74	26,399.02	185,355.30
Seattle.....	\$9,703,860.36	15,431.74	185,355.30
Total for week ending Jan. 4, 1935.....	\$1,009,409.52	\$1,009,409.52	\$1,599,562.30

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:

	<u>Gold Coin</u>	<u>Gold Certificates</u>
Week ended January 2, 1935.....	\$ 59,624.80	\$ 315,430.00
Received previously.....	29,631,843.04	80,145,000.00
Total to January 2, 1935.....	\$29,691,467.84	\$80,460,430.00

Received by Treasurer's Office:

Week ended January 2, 1935.....	\$ 300.00	\$ 16,000.00
Received previously.....	258,506.00	1,937,600.00
Total to January 2, 1935.....	\$ 258,806.00	\$ 1,953,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

During the first eleven months of the calendar year 1934, there were 5,460 seizures of liquor for violation of Customs laws, it was announced by the Customs Bureau of the Treasury Department today. This compares with 14,759 seizures during the calendar year 1933 and with 23,749 seizures during the calendar year 1932. The largest number of seizures made ^{last year} in any one month was in January when 702 seizures were made and the smallest number was in November when only 411 seizures were made.

Duty on liquor entered into consumption during the calendar year 1934 amounted to \$41,081,882 as compared with \$5,741,976 in 1933 and \$262,207 in 1932. In all, 7,046,289 gallons of liquor were entered into consumption during 1934 as against 793,529 gallons in 1933 and 43,690 gallons in 1932. The largest number of gallons entering into consumption of any month of 1934 was December when 1,060,614 gallons were removed from Customs warehouses, paying an estimated duty of \$6,100,000.

During the year 1934 liquor and wines accounted for 13.3% of the total duties collected, or \$41,081,882 out of a grand total of \$308,143,363. During the month of December, the duties paid on liquor accounted for 18.5% of all duties collected. The amount of liquor seized in the first eleven months of 1934 was 31,343 gallons, a decrease of more than 90% from the 1932 figure of 315,188 gallons. On the other hand, the seizures of alcohol during the ~~the~~ eleven-month period of 1934 amounted to 60,398 gallons as against 33,077 gallons during the year 1932.

The following tables show the seizures of liquor and the value of seized vehicles used in violations of Customs laws during the calendar years 1932, 1933 and 1934 and liquor and wines entered into consumption and duties collected thereon compared with the grand total duties for the same years:

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, January 7, 1935.

Press Service
No. 4-7

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Calendar Year	Number of Seizures	Liquor (Gallons)	Beer (Gallons)	Alcohol (Gallons)	Value of Seized Vehicles
1932	23,749	315,188	72,868	33,077	\$1,308,016
1933	14,759	188,755	24,498	168,038(a)	734,341
1934: (11 months)	5,460	31,345	555	60,398	128,378

(a) Includes one large seizures of 146,000 gallons in New York.

1934:

January	702	2,894	170	618	\$ 11,451
February	505	5,851	69	8,570	13,055
March	587	5,219	32	7,301	11,122
April	537	3,701	18	224	7,632
May	518	1,741	77	435	6,706
June	442	1,020	16	13,532	13,438
July	426	3,184	58	8,695	35,666
August	442	3,974	42	967	5,094
September	456	569	17	750	4,544
October	434	1,537	53	10,118	12,393
November	411	1,625	3	9,188	7,277
Total	5,460	31,345	555	60,398	\$ 128,378

Calendar Year	Liquor (Gallons)	Still Wines (Gallons)	Sparkling Wines (Gallons)	Duties on Liquor	Other Duties	Grand Total Duties	Per Cent of Total Duties Col- lected on Liquor
1932	43,690	29,505	1,146	\$ 262,207	\$267,751,821	\$268,014,028	0.1
1933	793,529	723,303	152,910	5,741,976	282,415,811	288,157,787	2.0
1934	7,046,289	3,416,612	382,284	41,081,882	267,061,481	308,143,363	13.3

1934:

January	628,685	483,500	50,908	\$ 3,980,200	\$ 22,326,093	\$ 26,306,293	15.1
February	582,426	442,485	46,151	3,714,875	19,559,926	23,274,801	16.0
March	638,642	381,007	37,682	3,853,951	21,913,709	25,767,660	15.0
April	394,193	243,140	22,025	2,363,962	18,782,282	21,146,244	11.0
May	374,985	289,356	20,880	2,325,027	18,716,109	21,041,136	8.9
June	417,606	266,317	23,768	2,511,877	18,325,056	20,836,933	12.0
July	343,732	140,790	13,596	1,943,417	17,387,914	19,331,331	10.1
August	388,934	125,893	12,065	2,147,756	20,804,321	22,952,077	9.3
September	560,190	179,431	17,504	3,029,541	33,144,581	36,174,122	8.4
October	791,737	236,838	31,107	4,301,922	26,206,818	30,508,740	14.1
November	864,545	270,203	41,345	4,809,354	23,566,488	28,375,842	16.9
December	1,060,614	357,662	65,253	6,100,000*	26,328,184	32,428,184	18.5
Total	7,046,289	3,416,612	382,284	\$41,081,882	\$267,061,481	\$308,143,363	13.3

* Estimated

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 8, 1935.

1/7/35

Press Service

4 - 8

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated January 9, 1935, and maturing July 10, 1935, which were offered on January 4, were opened at the Federal reserve banks on January 7, 1935.

The total amount applied for was \$141,685,000, of which \$75,185,000 was accepted. The accepted bids ranged in price from 99.970, equivalent to a rate of about 0.06 percent per annum, to 99.936, equivalent to a rate of about 0.13 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.942 and the average rate is about 0.12 percent per annum on a bank discount basis.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 8, 1935.
1-7-35.

Press Service
No. 4-8

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D.C.

January 8, 1935.

Honorable Herbert Gaston,

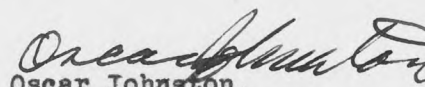
Assistant to the Secretary of the Treasury.

Dear Mr. Gaston:

I am returning the proposed press release.

It has been initialed for Agriculture by Mr. Victor A. Christgau, who is Acting Administrator in the absence of Mr. Chester C. Davis, and by Mr. J. D. LeCron, Assistant to the Secretary of Agriculture, since Mr. Wallace is away this afternoon.

Yours truly,


Oscar Johnston,
Manager, Cotton Pool.

OJ;AM
Enclosure.

Immediate

January 9, 1935.

4-9

Secretary of the Treasury Henry Morgenthau, Jr., today announced the appointment of ~~Mr.~~ Oscar Johnston, of Scott, Mississippi, as Assistant to the Secretary of the Treasury.

Mr. Johnston is Manager of the 1933 Cotton Producers' Pool established by the Secretary of Agriculture. The appointment is made under an arrangement between the Secretary of the Treasury and Henry A. Wallace, Secretary of Agriculture, by which Mr. Johnston will devote a part of his time to the duties incident to his position with the Treasury Department, but will continue with the Department of Agriculture as Manager, 1933 Cotton Producers' Pool. The appointment with the Treasury is for a period of three months, and is for the purpose of having Mr. Johnston make a survey and study of Agricultural Commodity Credits with special reference to such commodities as are being made the subject of credits extended by departments and agencies of the Federal Government.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 9, 1935.

Press Service
No. 4-9

Secretary of the Treasury Henry Morgenthau, Jr., today announced the appointment of Oscar Johnston, of Scott, Mississippi, as Assistant to the Secretary of the Treasury.

Mr. Johnston is Manager of the 1933 Cotton Producers' Pool established by the Secretary of Agriculture. The appointment is made under an arrangement between the Secretary of the Treasury and Henry A. Wallace, Secretary of Agriculture, by which Mr. Johnston will devote a part of his time to the duties incident to his position with the Treasury Department, but will continue with the Department of Agriculture as Manager, 1933 Cotton Producers' Pool.

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(T. D. 4507)

Amending Article 117 of Regulations No. 3, relative to
production, taxpayment, etc., of Industrial Alcohol,
and the manufacture, sale and use of Denatured
Alcohol, effective April 1, 1931, as amended.

TREASURY DEPARTMENT
Office of Commissioner of Internal Revenue
Washington, D. C.

TO DISTRICT SUPERVISORS
AND OTHERS CONCERNED:

Paragraphs 12 and 13 of Article 117 of Regulations No. 3, relative to production, taxpayment, etc., of Industrial Alcohol, and the manufacture, sale and use of Denatured Alcohol, effective April 1, 1931, as amended by Treasury Decision No. 9, effective June 3, 1932, and Treasury Decision No. 16, effective August 2, 1933, are hereby rescinded, and the following substituted in lieu thereof:

Containers of products other than completely denatured alcohol shall not be branded as such, nor shall such products be advertised, shipped, sold, or offered for sale as completely denatured alcohol.

Supervisors shall instruct all field officers under their direction to warn proprietors of garages, paint shops, hardware stores, and other retail dealers guilty of such practices, to immediately discontinue the same, and that any one failing to do so shall be reported to the proper United States Attorney for prosecution.

CHAS. T. RUSSELL,
Acting Commissioner of Internal Revenue.

Approved: January 5, 1935.

T. J. COOLIDGE,
Acting Secretary of the Treasury.

Immediate
1-9-35
11/25
4-70

A Treasury decision amending Regulations No. 3, relating to the manufacture, sale and use of denatured alcohol, incorporated in the regulations the following new provision which will facilitate the tracing and identification of the product and give added protection to the public:

"Containers of products other than completely denatured alcohol shall not be branded as such, nor shall such products be advertised, shipped, sold, or offered for sale as completely denatured alcohol."

Field officers of the Alcohol Tax Unit have been instructed to warn proprietors of garages, paint shops, hardware stores and other retail dealers to discontinue immediately any practices not in strict conformity to the above provision. Any persons or firms failing to comply will be reported to United States Attorneys for prosecution.

Completely denatured alcohol, a product made under Government permit and supervision, is withdrawn tax-free for commercial purposes and its principal use is as an anti-freeze in automobile radiators.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

January 14, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending January 11, 1935:

Philadelphia.....	179,645.59	fine ounces
San Francisco.....	320,533.53	" "
Denver	4,184.00	" "
Total for week ended Jan. 11	504,363.12	" "
Total receipts through January 11, 1935.....	22,215,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ending January 11, 1935:

Philadelphia	238,600.00	fine ounces
New York	254,867.00	" "
San Francisco	39,381.00	" "
Denver.....	1,443.00	" "
New Orleans	375.00	" "
Seattle.....	1,068.00	" "
Total for week ended Jan. 11, 1935.....	535,734.00	" "
Total receipts through January 11, 1935.....	111,907,000.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending January 11, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ ———	\$ 319,868.33	\$ —
New York	14,741,100.00	598,900.00	—
San Francisco	573,774.22	100,428.78	1,014,3
Denver.....	55,107.00	53,772.00	576,7
New Orleans.....	2,665.48	45,336.72	—
Seattle.....	———	40,581.58	25,9
Total for week ending Jan. 11, 1935	\$15,372,646.70	\$1,158,887.41	\$1,617,7

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended January 9, 1935.....	\$ 42,340.85	\$ 773,510.00
Received previously.....	29,691,467.84	80,460,430.00
Total to January 9, 1935.....	\$29,733,808.69	\$81,233,940.00
Received by Treasurer's Office:		
Week ended January 9, 1935.....	\$ ———	\$ 12,200.00
Received previously.....	258,806.00	1,953,600.00
Total to January 9, 1935.....	\$ 258,806.00	\$ 1,965,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

January 14, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

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Total for week ended Jan. 11, 1935.....	535,734.00	" "
Total receipts through January 11, 1935.....	111,907,000.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending January 11, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ 14,741,100.00	\$ 319,868.33	\$ 136.92
New York	573,774.22	598,900.00	1,014,353.11
San Francisco	55,107.00	100,428.78	576,797.00
Denver.....	2,665.48	53,772.00	547.56
New Orleans.....	---	45,336.72	25,942.00
Seattle	---	40,581.58	---
Total for week ending Jan. 11, 1935..	\$15,372,646.70	\$1,158,887.41	\$1,617,776.59

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(Under Secretary's Order of December 28, 1933)

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Total to January 9, 1935.....	\$ 258,806.00	\$ 1,965,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 15, 1935.
1-14-35.

Press Service
No. 4-14.

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated January 16, 1935, and maturing July 17, 1935, which were offered on January 11, were opened at the Federal reserve banks on January 14, 1935.

The total amount applied for was \$142,359,000, of which \$75,079,000 was accepted. The accepted bids ranged in price from 99.960, equivalent to a rate of about 0.08 percent per annum, to 99.914, equivalent to a rate of about 0.17 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.926 and the average rate is about 0.15 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, January 15, 1935.

Press Service
No. 4-15

Market purchases of Government securities for Treasury investment accounts for the calendar month of December, 1934, amounted to \$1,200, Secretary Morgenthau announced today.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, January 16, 1935.

Press Service
No. 4-16

During the month of December, 1934, 126 cases involving the failure of passengers to declare merchandise acquired abroad and brought into this country in violation of Section 497 of the Tariff Act were reported to the Bureau of Customs, it was announced by the Treasury Department today.

The total civil liability involved was \$19,493.62. The forfeiture value of the merchandise seized was \$9,746.81 and the personal penalties involved a like amount.

These figures include only the cases which were reported to the Bureau during December and do not include those cases which may have arisen in the field service during the month, but not yet reported.

LIQUOR SEIZURES FOR VIOLATIONS OF CUSTOMS LAWS
November and December, 1934

	Gallons Seized				Boats		Automobiles	
	No. of	Distilled						
	Liquor	Liquors						
	Seizures:	and Wines	Beer	Alcohol	No.	Value	No.	Value
CUSTOMS SERVICE								
November	390	1,550	3	7,398	3	\$1,000	24	\$4,252
December	479	2,145	359	39,451	4	15,235	28	6,438
COAST GUARD								
November	-	-	-	-	-	-	-	-
December	5	-	-	825	1	3,000	-	-
IMMIGRATION								
November	13	62	-	20	-	-	2	50
December	10	81	-	6	-	-	-	-
OTHER FEDERAL AND LOCAL OFFICERS								
November	8	13	-	1,770	-	-	4	1,975
December	3	29	-	5	-	-	2	535
TOTAL SEIZURES - Nov. 411								
Dec. 497		1,625	3	9,188	3	1,000	30	6,277
		2,255	359	40,287	5	18,235	30	6,973

BY GEOGRAPHIC REGIONS

CANADIAN BORDER								
November	16	16	-	71	-	-	2	90
December	13	-	357	3,613	1	5,000	4	1,325
MEXICAN BORDER								
November	255	331	-	130	-	-	18	1,762
December	337	901	1	455	1	3,000	18	1,998
ATLANTIC COAST								
November	88	510	-	7,926	1	200	8	4,100
December	95	814	-	36,217	3	10,235	4	1,925
GULF COAST								
November	17	298	3	521	-	-	1	275
December	15	476	1	-	-	-	4	1,725
PACIFIC COAST								
November	24	72	-	-	-	-	-	-
December	37	64	-	2	-	-	-	-
OTHER DISTRICTS								
November	11	398	-	540	2	800	1	50
December	-	-	-	-	-	-	-	-

During the month of December 497 seizures of liquor were made for the violation of Customs laws, it was announced by the Bureau of Customs today.

This was a larger number of seizures than was reported for any of the preceding months and compares with 411 seizures in November and 434 for October. December seizures included 2,255 gallons of distilled liquor and wines, 359 gallons of beer and 40,287 gallons of alcohol. This compares with 1,625 gallons of distilled liquor and wines and 9,188 gallons of alcohol seized during the previous month. The quantity of beer and of alcohol seized was considerably larger than during any previous month since Repeal. More than 33,000 gallons of alcohol represent one seizure made at New York.

Five boats valued at \$18,235 and 30 automobiles valued at \$6,973 were seized during December for the transportation of liquor, as compared with 3 boats valued at \$1,000 and 30 automobiles valued at \$6,277 during the previous month.

The following table shows the number of seizures, the number of gallons of beverages seized and the number and value of seized vehicles for the months of November and December, classed according to the various Governmental agencies which made the seizures and according to the geographical regions where the seizures were made.

LIQUOR SEIZURES FOR VIOLATIONS OF CUSTOMS LAWS
November and December, 1934

		Gallons Seized				Boats		Automobiles	
	No. of	Distilled							
	Liquor	Liquors							
Seizures:	and Wines	Beer	Alcohol	No.	Value	No.	Value		
CUSTOMS SERVICE									
November	390	1,550	3	7,398	3	\$1,000	24	\$4,252	
December	479	2,145	359	39,451	4	15,235	28	6,438	
COAST GUARD									
November	-	-	-	-	-	-	-	-	-
December	5	-	-	825	1	3,000	-	-	-
IMMIGRATION									
November	13	62	-	20	-	-	2	50	
December	10	81	-	6	-	-	-	-	
OTHER FEDERAL AND									
LOCAL OFFICERS									
November	8	13	-	1,770	-	-	4	1,975	
December	3	29	-	5	-	-	2	535	
TOTAL SEIZURES - Nov. 411									
Dec. 497		1,625	3	9,188	3	1,000	30	6,277	
		2,255	359	40,287	5	18,235	30	6,973	

BY GEOGRAPHIC REGIONS

CANADIAN BORDER								
November	16	16	-	71	-	-	2	90
December	13	-	357	3,613	1	5,000	4	1,325
MEXICAN BORDER								
November	255	331	-	130	-	-	18	1,762
December	337	901	1	455	1	3,000	18	1,998
ATLANTIC COAST								
November	88	510	-	7,926	1	200	8	4,100
December	95	814	-	36,217	3	10,235	4	1,925
GULF COAST								
November	17	298	3	521	-	-	1	275
December	15	476	1	-	-	-	4	1,725
PACIFIC COAST								
November	24	72	-	-	-	-	-	-
December	37	64	-	2	-	-	-	-
OTHER DISTRICTS								
November	11	398	-	540	2	800	1	50
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4-17

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This was a larger number of seizures than was reported for any of the preceding months and compares with 411 seizures in November and 434 for October. December seizures included 2,255 gallons of distilled liquor and wines, 359 gallons of beer and 40,287 gallons of alcohol. This compares with 1,625 gallons of distilled liquor and wines and 9,188 gallons of alcohol seized during the previous month. The quantity of beer and of alcohol seized was considerably larger than during any previous month since Repeal. More than 33,000 gallons of alcohol represent one seizure made at New York.

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The following table shows the number of seizures, the number of gallons of beverages seized and the number and value of seized vehicles for the months of November and December, classed according to the various Governmental agencies which made the seizures and according to the geographical regions where the seizures were made.

OFFICE OF THE COMMISSIONER OF CUSTOMS

Sta

JAN 15 1935

TO MR. GASTON

FROM THE COMMISSIONER OF CUSTOMS:

(Through Assistant Secretary Gibbons)

There is transmitted herewith a statement showing data regarding liquor seizures during the month of December, 1934, which may be suitable for use as a Treasury press release.

James H. Moyle

Inclosure No. 5168

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, January 17, 1935.
1-16-35.

Press Service
No. 4-17

During the month of December, 497 seizures of liquor were made for the violation of Customs laws, it was announced by the Bureau of Customs today.

This was a larger number of seizures than was reported for any of the preceding months and compares with 411 seizures in November and 434 for October. December seizures included 2,255 gallons of distilled liquor and wines, 359 gallons of beer and 40,287 gallons of alcohol. This compares with 1,625 gallons of distilled liquor and wines and 9,188 gallons of alcohol seized during the previous month. The quantity of beer and of alcohol seized was considerably larger than during any previous month since Repeal. More than 33,000 gallons of alcohol represent one seizure made at New York.

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November and December, 1934

	No. of Liquor Seizures	Gallons Seized			Boats		Automobiles	
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November	390	1,550	3	7,398	3	\$ 1,000	24	\$4,252
December	479	2,145	359	39,451	4	15,235	28	6,438
COAST GUARD								
November	-	-	-	-	-	-	-	-
December	5	-	-	825	1	3,000	-	-
IMMIGRATION								
November	13	62	-	20	-	-	2	50
December	10	81	-	6	-	-	-	-
OTHER FEDERAL AND LOCAL OFFICERS								
November	8	13	-	1,770	-	-	4	1,975
December	3	29	-	5	-	-	2	535
BY GEOGRAPHIC REGIONS								
TOTAL SEIZURES -								
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PACIFIC COAST								
November	24	72	-	-	-	-	-	-
December	37	64	-	2	-	-	-	-
OTHER DISTRICTS								
November	11	398	-	540	2	800	1	50
December	-	-	-	-	-	-	-	-

JAN 16 1935

The Secretary of the Treasury has received, in an envelope mailed from New York City, from an unknown person, the sum of \$68.75 which has been deposited in the Treasury on account of "conscience." There was nothing enclosed with the remittance to identify the sender.

H. C. J.

TREASURY DEPARTMENT

Washington

January 17, 1935

MEMORANDUM FOR THE PRESS.

The Secretary of the Treasury has received, in an envelope mailed from New York City, from an unknown person, the sum of \$68.75 which has been deposited in the Treasury on account of "conscience." There was nothing enclosed with the remittance to identify the sender.

30
December 21, 1934

MEMORANDUM TO: Mr. H. E. Gaston, Assistant to the Secretary
FROM: Forbes Watson, Section of Painting and Sculpture
SUBJECT: Mural and sculpture proposed for the Post Office Building, District of Columbia

I am enclosing a release on the sculpture and mural painting for the Washington Post Office so that you may have it when the President approves of carrying out this work, and when Secretary Morgenthau also approves it.

Subject to your advice, I thought it would be best to give one release on the Post Office Building and a separate release on the Department of Justice Building.

The \$75,000 to be expended in the Justice Building has been approved, but the preliminary plans of the Section of Painting and Sculpture are still incomplete. Whereas, the preliminary plans for the Post Office Building are ready to be announced as soon as they receive President Roosevelt's and Secretary Morgenthau's approval.

Forbes Watson

I have memo advised that the
enc. President has approved allocation
of the money. JES

upon.

The Advisory Committee has been so planned geographically that it includes members familiar with the work of the leading artists of all regions of the country. After acting upon the decoration of the Post Office Building and upon those for the Department of Justice Building in Washington, ~~this~~ this particular advisory committee will be dissolved. Newly formed advisory committees will be invited to assist the Section of Painting and Sculpture in carrying out other National and local painting and sculpture projects. By forming new committees to advise on the requirements of each undertaking it is believed that the specific problems of each project can best be solved.

For the Post Office Building the general subject matter to be treated by the painters and sculptors is the History of the Post beginning in the days when the Colonists first received their mail from England "in a reputable tavern" and coming down to the days of express trains, steamships and airplanes. ^{Eminent men who} There is an immense

have played an important part in the dramatized amount of dramatic material in the history of the Post and many figures, eminent in the history of the postal service in America include ~~part in the development of the service:~~ Andrew Hamilton, William Penn

Benjamin Franklin, Abraham Lincoln - "who carried the Post Office in his hat" - and Samuel Osgood, first Postmaster General ^{of} the United States Post Office.

#####

ee will probably be asked to enter a limited competition. The designs that will result from this competition will be decided upon by an Executive Committee made up from the main committee, in collaboration with the Section of Painting and Sculpture.

In turn this decision will be submitted to Mr. Louis A. Simon, Supervising Architect, to Rear Admiral C.J. Peoples, Director of the Procurement Division, and to Henry ~~M~~ Morgenthau, Jr., Secretary of the Treasury. Three months after their approval the appointed artists will be expected to send in their sketches, done on a quarter scale, to the office of The Section of Painting and Sculpture. These designs will be examined by the Advisory Committee and the Fine Arts Commission in joint session.

The Advisory Committee is composed of the architects of the Post Office, Messrs Delano and Aldrich, ~~the~~ Post Master General James A. Farley (ex-officio) and a group of directors of various museums, foundations, commissions and societies whose professional work brings them into close familiarity with the artists and the art of the country as a whole. The names of the individual members of the committee, other than the architects and the Post Master General, are ~~purposely~~ withheld until after the invited competition has been completed.

~~The reason for this is obvious since it is desired to select the artists with unpressured impartiality. To this end,~~
~~also,~~ ^{will be} ~~all~~ ^A competing artists ~~are~~ requested to submit unsigned designs ~~which should be accompanied with~~ ^{by} letters giving the name of the artist and the identification of his design. The letters will not be opened until after the designs have been voted

WES
4-16

COMPETITION FOR MURAL PAINTING AND SCULPTURE IN
THE POST OFFICE DEPARTMENT BUILDING, DISTRICT OF COLUMBIA

Secretary ~~Henry~~ Morgenthau, ~~II~~. announced to-day that a plan to embellish the main Post Office in Washington, D.C. with murals and sculpture has been approved by President Roosevelt. The proposal calls for an expenditure of \$95, 128. 52 and will be executed by ten sculptors and fourteen painters. This is the first National project to be developed by the Section of Painting and Sculpture of the Procurement Division of the ^{Treasury} Department of the ~~Treasury~~.

The twenty-four artists to be employed will be selected by means of an invited competition. An advisory committee to the Section of Painting and Sculpture has been formed to assist in choosing the artists who will create the murals and the sculpture for the Post Office building. It will also advise upon the subject-matter and designs of the murals and upon the material and subjects of the sculpture.

Each member of the committee will be asked, without communicating with any other member of the committee, to submit a list of the twenty men and women whom he considers to be the leading American artists. These submitted lists will be compared with the lists already filed by the Section of Painting and Sculpture. From the combined lists the artists to do the work will be chosen.

If there is any general unanimity among the committee as to the best artists to be appointed the artists will be appointed without competition. Those painters and sculptors about whom there is no general unanimity of opinion among the committ-

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, January 17, 1935.

Press Service
No. 4-18

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If there is any general unanimity among the committee as to the best artists to be appointed the artists will be appointed without competition. Those painters and sculptors about whom there is no general unanimity of opinion among the committee will probably be asked to enter a limited competition. The designs that will result from this competition will be decided upon by an Executive Committee made up from the main committee, in collaboration with the Section of Painting and Sculpture.

In turn this decision will be submitted to Mr. Louis A. Simon, Supervising Architect, to Rear Admiral C.J. Peoples, Director of the Procurement Division,

and to Henry Morgenthau, Jr., Secretary of the Treasury. Three months after their approval the appointed artists will be expected to send in their sketches, done on a quarter scale, to the office of the Section of Painting and Sculpture. These designs will be examined by the Advisory Committee and the Fine Arts Commission in joint session.

The Advisory Committee is composed of the architects of the Post Office, Messrs. Delano and Aldrich, Post master General James A. Farley (ex-officio) and a group of directors of various museums, foundations, commissions and societies whose professional work brings them into close familiarity with the artists and the art of the country as a whole. The names of the individual members of the committee, other than the architects and the Post master General, are withheld until after the invited competition has been completed.

All competing artists will be requested to submit unsigned designs accompanied by letters giving the name of the artist and the identification of his design. The letters will not be opened until after the designs have been voted upon.

The Advisory Committee has been so planned geographically that it includes members familiar with the work of the leading artists of all regions of the country. After acting upon the decorations of the Post Office Building and upon those for the Department of Justice Building in Washington, this particular advisory committee will be dissolved. Newly formed advisory committees will be invited to assist the Section of Painting and Sculpture in carrying out other national and local painting and sculpture projects. By forming new committees to advise on the requirements of each undertaking it is believed that the specific problems of each project can best be solved.

For the Post Office Building the general subject matter to be treated by the painters and sculptors is the History of the Post beginning in the days when

the Colonists first received their mail from England "in a reputable tavern" and coming down to the days of express trains, steamships and airplanes. Eminent men who have played an important part in the dramatic history of the development of the postal service in America include: Andrew Hamilton, William Penn, Benjamin Franklin, Abraham Lincoln - "who carried the Post Office in his hat" - and Samuel Osgood, first Postmaster General of the United States Post Office.

TREASURY DEPARTMENT

WASHINGTON

Following is the text of an address to be delivered Friday morning, January 18, 1935, to the Conference of State Liquor Control Administrators at Chicago, Illinois, by Arthur J. Mellott, Deputy Commissioner of Internal Revenue, in Charge of the Alcohol Tax Unit, United States Treasury Department:

Mr. Chairman, Members of the Conference, Ladies and Gentlemen:

It was a pleasure to meet with you last year and participate in your deliberations as you perfected your organization. It was kind of you to invite me to be present again and discuss with you our mutual interests from the Federal standpoint. I assure you the honor and your kindness are deeply appreciated.

The subject which I shall discuss briefly is "Problems of the Federal Government Following Repeal, and How They Are Being Solved".

Your work, as State Liquor Control Administrators, is quite similar to ours as agents of the Treasury Department. We are all charged primarily with the responsibility of regulating the liquor traffic, to the dual end that our governments may secure their revenue, and that those who use liquor may purchase a legal product, honestly labeled.

Your purpose is to secure revenue for your individual commonwealths by seeing that your laws relative to taxation and licensing are complied with. You probably have the further purpose of administering the system of distribution to the public so as to prevent social abuses. In the Treasury Department our purpose is to supervise the manufacture, sale and distribution of liquor, with particular reference to the Federal revenue, and to combat the illicit operators who deprive both the Federal Government and the various States of their revenue.

Following repeal of the 18th Amendment, the Federal Government created the unit which I have the honor to head, centralizing all supervision of the liquor traffic from the standpoint of Revenue, in the Treasury Department. The personnel of the unit consists at present of approximately 4,000, about $2/3$ of which is engaged in supervising the legitimate industry and $1/3$ in enforcement activities. The first group, composed largely of storekeeper-gaugers and inspectors, assisted by a substantial group of supervisors, auditors, and clerks, regulates production, manufacture and distribution in detail. Every legally manufactured gallon is tested, weighed, marked and branded by a government officer, and complete record is kept so that when it is withdrawn for consumption, the tax due may be collected. Methods of manufacture are prescribed, to the end that the spirits or beverages are produced with proper sanitary safeguards. In this we have always had marked assistance from the States. Some members of the industry at times have complained of the restrictions placed upon them by the State or Federal governments, but in my opinion there can be little, if any, relaxing along that line. It is highly important, and certainly proper, for government, both State and National to regulate strictly any industry supplying an article for human consumption, wholly aside from the revenue involved.

Although the work of supervising the legal industry requires a force of approximately 2,600 men and women and does involve endless detail, the difficulties surrounding the task are comparatively few and easy of solution.

In general, substantial investment has been made in plant equipment, licenses and goodwill, and the responsible heads hesitate to do anything which will jeopardize that investment. There is therefore comparatively

little deliberate effort made to deprive the government of its revenue by members of the legal industry. There are, of course, exceptional cases, but the possibility of withdrawal of the permit to operate, or confiscation of the property, serves as a substantial deterrent, so deliberate cheating by the legal industry has become almost non-existent.

While the legal industry as a whole is inclined to be law-abiding, if for no other reason than an economic one, our task of supervising it is tremendous. The mere VISITING of the various distilleries, breweries and rectifying plants, to say nothing of the wholesale and retail liquor dealers, is in itself quite a chore. When you know that we not only have to do this visiting and inspecting, but also have to keep a complete record of every gallon made, its location, the quantity going into bond, the taxpaid withdrawals, the collection of approximately \$1,000,000 a day in taxes, you get a fairly good conception of this phase of the activities of your Alcohol Tax Unit.

But supervising the legal industry and receiving from willing and law-abiding citizens the taxes due from them is not the whole duty of this unit. It must also aid, or often take the lead, in combating our mutual enemy, the bootlegger.

There are no doubt well-meaning citizens who state that this is an impossible task. Some say, "The bootlegger cannot be 'licked'." I say, "He can be and he IS being 'licked'." Let us pursue this subject a little further. If there are those among you who differ from me in the ultimate conclusion reached, and there no doubt will be, at least a better understanding may come from a frank discussion of the subject.

Few people realize how deeply entrenched and well-fortified we found this enemy when we began our campaign against him. We all know that during the decade and a half of prohibition there had been developed the greatest law-breaking organization and system that the world ever saw. We know that enforcement of prohibition had progressively become less and less effective, and that this was one of the factors which brought about the repeal of the 18th Amendment. An army of men during prohibition had not only mastered the details of illegally manufacturing intoxicating liquor, but also had set up elaborate systems of sale and distribution in violation of the law. They had become proficient in evading arrest, by a system of corruption and bribery. They were so entrenched and organized that they were able to evade the consequences of their law-violation, even after arrest. I need not recount this experience in detail. It is a sordid story --- a sad commentary upon our generation. But repeal did not automatically end this traffic. The most sanguine among us could not have expected it to do so. This group of industrial criminals has no more respect for a revenue act than for a prohibition statute. They cannot be converted. They must be exterminated. This, I believe, is being done.

Many have recommended as a material aid, if not a complete solution, that the Federal taxes be reduced. It shall not be my province to debate this particular question, but we in the Revenue service do not believe that this is the solution. We already have one of the lowest tax rates in the world. Our rate is only 1/7 of the English rate of \$14.00 per gallon; 1/3 of the Canadian rate of \$7.00, and 1/2 of most of the European countries. It is the view of many of us that no tax reduction short of the virtual elimination of all Federal and State taxes would have any effect at all on the bootleg problem, and of course no one would recommend

our going to that length.

Some people argue for a lower tax rate on the ground that it will increase consumption of distilled liquor. As a nation we abolished prohibition because a majority thought it was unworkable. But as a nation surely we are not ready to have our Government deliberately adopt a policy which will increase the consumption of distilled spirits. That would be contrary to the experience of all nations and all governments which have wrestled with this problem in the past.

The process of extermination may seem slow to many people. Indeed, some are prone to paraphrase the expression made famous by the great showman, and to state - "A bootlegger is born every minute, but only one in twenty dies". This, of course, is too pessimistic a view to take. While no overnight miracle has taken place, distinct progress has been made. The courts, both State and Federal, the enforcement officers and the public in general are taking a different attitude. No longer is a maudlin sympathy being shown. Convictions and appropriate sentences are becoming the rule instead of the exception. This is having a very good effect and my hat is off to all who are responsible.

But, you say, does not the number of seizures made indicate that there are substantial numbers violating the law? Are they not collectively depriving the governments, State and National, of millions of dollars? Yes, but is it as bad as some would have you believe? Let us see.

Under prohibition, we had no means for estimating the exact amount of liquor being manufactured, smuggled in or consumed. Guesses were made, as varied as the complexions of the statisticians or the methods pursued by them. Today, however, we have much better means of establishing the true

situation. We know from revenue receipts as well as from sales data that it is daily being made more difficult for the illicit producer to operate. The line tracing tax payments on distilled spirits shows a steady increase from the early part of this year onward. Let me give you the approximate figures in gallons:

April	-	3,824,000	August	-	4,937,000
May	-	3,929,000	September	-	6,231,000
June	-	3,953,000	October	-	8,257,000
July	-	4,141,000	November	-	8,409,000
			December	-	9,220,000

(The reports for November and December are based upon estimates of domestic taxpaid withdrawals, as indicated by the sale of stamps, and final figures may show a slight variation.)

Of course some of the increase in recent months is seasonal, but we feel strongly that these figures point to the fact that bootlegging on a grand scale is definitely on the way out. If that enterprise were the thriving industry some claim it is, the Federal government would not today be collecting approximately \$1,000,000 a day, and the State governments 1/3 of that amount.

Just a word about the number of seizures and arrests. Still seizures made since repeal are approximately 11,000 and arrests are 21,000. While these figures, upon first glance, seem large, they represent a decline of 37% in seizures and 81% in arrests by comparison with 1932, the last full year under prohibition. The comparison so far as arrests are concerned, may not be entirely significant, as it includes those arrested for mere possession, but as a whole these figures may safely be taken as a reliable indication that bootlegging and illicit manufacturing are rapidly decreasing.

Who is this bootlegger? We find him belonging to one of three classes --- the smuggler, running rum and alcohol manufactured abroad; the "shiner", operating a small moonshine outfit in out-of-the-way country places; and the racketeer, usually operating as part of a syndicate in or close to the tenement sections of our metropolitan areas. The last group is our greatest menace and constitutes our most serious problem. Many times he exists because of bribery and corruption, as an integral part of some political set-up. He is cunning, adroit, and will stop at nothing. He is a real public enemy, not only defrauding both his State and Federal governments, but endangering the lives of his customers as well. Dead rats, mice, filth and vermin found in his product, diseased attendants to manufacture and bottle it, are of little concern to him. Forgery, counterfeiting of State and Federal stamps, bribery of public officers, murder of his competitors --- these are his sidelines. He is an accomplice of the kidnapper and gangster, if not actually one himself. He is a real problem; but not an insurmountable one. He will go, possibly not as spectacularly as Dillinger and Floyd, but just as surely, if all of us keep up the fight.

You may be interested in a few illustrations of the typical police activities of our unit. In a certain Western state a sheriff offered one of our seasoned investigators a monthly salary to permit the operation of a still soon to be installed. He protected his position as a county official by promising that the alcohol would all be shipped out of the State. The investigator participated in the plot just long enough to see the still

in operation and to arrest all hands, including the sheriff.

In an eastern State, suspicion was directed against 19 persons of unaccountably large incomes. One had made deposits of \$730,000 in 18 months. Income tax returns had not been filed. Complete investigation resulted in the seizure of three illicit distilleries and the arrest and ultimate conviction of 40 persons. As the third seizure was being made, one of the conspirators was heard to say --- "It would be better to kill the _____ Revenueurs, rather than suffer this loss". Such statements as these are not idle threats, for we have had several men killed and others wounded. In fact there are now two investigators lying wounded in hospitals.

Along the eastern seaboard hovered a "rummy" manned with thugs. Up-to-date equipment had been installed so that the shore station could send out messages advising when the coast was clear. Coast Guard cutters, working in conjunction with radio technicians of the Alcohol Tax Unit who had intercepted a message, accommodately left the scene and the "rummy" was advised to land his cargo. He was affectionately greeted by investigators of the Alcohol Tax Unit, while the Coast Guard cutter moved in between him and the open sea.

State troopers located a still. Having notified government men, and ascertained that it was manned by two shifts, the raid was so timed that both shifts, together with the "Big-shot" who was furnishing transportation to and from "work", were all caught.

An investigator, following a load of molasses suspected of being intended for illicit manufacture, unwittingly followed the truck right onto the premises. He was one to seven, but could not retreat. Drawing his gun,

he cornered six of them, herded them into the office and 'phoned for help.

Many such instances could be given, but time will not permit.

I wish that there were not another side to this picture, but you know as well as I do that now and then in our own group we get bad eggs along with the good ones. We have summarily separated from the service several who did not measure up to the high standard set, and must needs do more of it. But as a whole we have very high type men, and all now employed are being required to pass rigid physical, mental and character examinations.

But, independent of the general policing activities, the Treasury Department is taking other means of combating the bootlegger, which we believe, will go a long way toward eliminating him. Liquor is made from a certain limited number of commodities such as sugars, syrups, molasses, corn meal, cider and oak chips. We are now checking on the producers of these commodities and on the sales which may be suspected of going into illegal liquor. We have compiled some very interesting statistics showing the effectiveness of this program. These show that still seizures during recent weeks have decreased in the same proportion that the sales of some of these commodities have decreased. During the same period, the sale of taxpaid liquor has INCREASED in the same proportion. Most of the manufacturers of these commodities have cooperated splendidly and their assistance in furnishing us correct and reliable information promptly has resulted in many seizures being made before production had actually gotten underway.

Many concrete illustrations could be given but they are all along the same general line. Having checked the daily records of the concerns handling such commodities, and having noted and investigated suspicious

sales, we have in many instances made seizure of the very first lot of alcohol produced. This is a most effective weapon and the result being achieved demonstrate the wisdom of its use.

The last Congress authorized us to regulate the sale of bottles and other containers. It has been difficult to put this particular provision of the law into effective operation, due to the fact that most users of such containers had a substantial supply in stock on the date of the enactment of the legislation and we did not feel that we could consistently require the producers to suffer the great loss which would necessarily have resulted had they not been able to use these. However, the regulations require that from and after January 1, 1935, with a few exceptions, every bottle used for packaging distilled spirits will have blown into it a number designating the maker of the bottle, the maker of the liquor, and a warning against the re-sale or re-use of the bottle. This will ultimately make it difficult for the bootlegger to secure bottles in which to market his product. He will have difficulty in selling it in unmarked packages, as the public will not knowingly use it. This, we believe, will have a tendency to make it harder for him to stay in his nefarious business.

We have put red strip stamps around the necks of bottles containing legal tax-paid liquors. Bottles bearing this stamp are legal as it indicates that the tax has been paid. While there has been some counterfeiting of these stamps, and while at one time they could be secured with too much ease and freedom, they are now being serially numbered and their sale carefully recorded. They can be secured only by a member of the legal industry, and truly indicate tax-payment of the package on which they appear.

It was mentioned a moment ago that smuggling is one of our problems. In pre-repeal days it was estimated that as much as 20,000,000 gallons of liquor was illegally shipped into this country annually. Smuggling, however, is no longer a large problem. Following the creation of the Alcohol Tax Unit, Secretary Morgenthau gave this particular problem his personal attention. He coordinated all of the various departments dealing in any respect with liquor, throwing into his offensive against smuggling the Internal Revenue Bureau, the Coast Guard, the Customs Service, the Intelligence Unit, the Bureau of Narcotics and the Secret Service as well as the Alcohol Tax Unit proper. The cooperation of Canadian and other foreign authorities has been cheerfully given and it is believed that smuggling of liquor has been reduced to a level which is all but negligible.

I have mentioned that revenues have been steadily increasing. You gentlemen are more familiar with the question of quality and price than we are in the Treasury Department. Most of you have to do firsthand with distribution and sale. I am informed that the quality of legal liquor is improving. I know that vast stocks are accumulating in bonded warehouses for the purpose of mellowing and aging. The price, though still high, is going down in many localities. This has been accomplished under the present rate of taxation. I do not believe that we need surrender to the bootlegger. Together we can, and I believe we will, "lick" him.

We all recognize the fact that the manufacture, sale and use of alcohol as a beverage always has involved, and always will require the solution of, many related problems. Most of these are really yours, and by "trial and error" you are solving them. Perhaps some day we may have

a uniform system of control throughout the States. Perhaps this is undesirable. The method peculiarly adaptable to one State may be found wholly unworkable in another. I do not know. But I do know that you gentlemen are giving these problems your earnest, honest and capable attention, and I am sure that success will be yours.

In conclusion, may I bring you a personal message from Secretary Morgenthau and Commissioner Helvering -- they both appreciate your splendid cooperation. Your helpfulness has made their task easier, their accomplishments greater. They, and all of us in the Treasury Department, pledge you our cooperation. We believe that through our united efforts we can effectively regulate the traffic, eliminate the racketeer, and re-establish respect for law and order within our states and nation.

I thank you.

* * * * *

and families in sickness and in health, she serves then in their homes, in health centers, in schools and in industry. As a health teacher, scientifically prepared, with an influence and opportunity in the community held by few, she can arouse community interest for constructive and intelligent action to promote health and prevent disease.

Dr. Winslow will tell what is being done by this splendid group of citizens, our public health nurses, as visiting nurses, Department of Health nurses, school nurses, industrial nurses, Red Cross nurses, and you should be listening to his story rather than mine, over the radio.

Their services in these ^{recent} dark years cannot be over valued. Governor Lehman of New York has fittingly said:

"To them, I believe, more than to any other force in our discouraged world belongs the credit for upholding standards of health service. They have been unflinching in their courageous attack upon disease and suffering. They have been firm in the faith that somehow, some day, man's humanity to man might exceed his inhumanity."

Let us hope that their faith is soon to be justified as we move forward to our joint attack on the tasks ahead.

"There is hereby appropriated, from funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 for the fiscal year ending June 30, 1936, and there is hereby authorized to be appropriated for each fiscal year thereafter the sum of \$10,000,000 to be allocated to the Bureau of Public Health Service to be expended as hereinafter provided.

* * * * *

"From the amounts appropriated under this title, the Bureau of the Public Health Service shall annually allot \$8,000,000 to the several States, in amounts determined on the basis of the need of each State for such assistance, for the purpose of developing State health services including the training of personnel for State and local health work and for the purpose of assisting counties and/or other political subdivision of the States in maintaining adequate public health programs. Payment of any allotment, or installment thereof, shall be made only after the Secretary of the Treasury has made a finding of fact that there is need to make such money available in such State * * * * *

"From the amounts appropriated under this title, \$2,000,000 shall annually be available to the Bureau of the Public Health Service, for the further investigation of disease and problems on sanitation, and related matters."

Such action is surely a challenge to all citizens, individually and collectively, to increase private ~~an~~ efforts and activity, in order that the maximum progress in building for health may take place. There will be no more important role in this coming program than that of the public health nurse, whether employed by public or private agencies. We may well say, "May her tribe increase!" Concerned with individuals

economic status was not materially reduced. Experts tell us that the annual wage loss due to illness in families with \$2,500 a year income or less is approximately \$900,000,000--almost one billion dollars taken away from purchasing power, so desperately needing to be increased, not further lessened. The annual cost of care of four diseases, the morbidity from which we know how to control, is estimated at \$115,000,000.

Obviously these facts reveal not only conditions of human suffering and wretchedness, but economic waste. Taxpayers' money, in the end, will be conserved by wise and careful expenditures for prevention of disabling illness and the dependency which so often accompanies it.

As we resolutely face our second challenge, action to meet these conditions, we can do so fortified by knowledge of sure methods of progress, and by the equally heartening thought that we will go forward with our efforts, public and private, united. The long battle to gain more adequate recognition of the public responsibility involved in the nation's health seems to be gaining ground. In submitting the American Plan to Congress, our President said:

"We pay now for the dreadful consequence of economic insecurity and dearly. This plan presents a more equitable and infinitely less expensive means of meeting these costs. We cannot afford to neglect the plain duty before us. I strongly recommend action to attain the objectives sought in this report."

The bill accompanying his message provides, as you know, a ten million dollar appropriation for Public Health. Those sections read:

ties throughout the country it would be halved again. So, too, with infant mortality. The death rate of babies has been cut in half in the last quarter century, but it could be cut in half again, authorities tell us, if the known means of care and prevention could be made more widely available. ²⁴ ³¹ 1933 twenty-five states showed no decline in infant mortality.

In progressive communities, since the introduction of modern public health procedure, one-third of the burden of preventable illness and premature death has been lifted from men, women and children. But in only 528 out of our 3,000 counties are there full-time health services. Local appropriations for public health have been decreased by 20 per cent on the average since 1930. The per capita expenditure from tax funds for public health in 77 cities in 1934 was 58 cents as contrasted with 71 cents in 1931.

The general death rate showed a slight decrease at the end of 1933, but this is not the whole picture. Let's break down some death rate figures. Recent surveys by the United States Public Health Service and the Milbank Memorial Fund, in 10 industrial localities, show that during the period 1929-1932 the death rate in families with no employed members or part-time wage earners increased 20 per cent, while in those families which had full-time wage earners it declined. Data for 1934 are not yet complete, but for the first half of 1934 the gross mortality rate in cities of 100,000 population and over is reported to be appreciably higher than in the same period of 1933.

The survey of the 10 localities just referred to showed that the families which had suffered the most severe decline in income during the period 1929-1932 had a disabling sickness rate over 50% higher than those whose

over the radio. Others of us have faced the extent and the threat of mounting unemployment, of foreclosed farms and homes, of closed factories, mines and workshops. But you who as nurses, Public Health officers, directors and members of vitally important private organizations for public health, have seen these mass statistics translated in terms of individual suffering, permanent physical and mental breakdown, and even death--you can tell as no one else the black story of the depression in terms of under-nourished, sickly children deprived of all that it is a child's right to have; in terms of fathers and mothers crushed under the unbearable strain of insecurity and want. No report, I venture to say, is ever read by you/ giving mass data as to increasing death rates and sickness rates among these groups of citizens most seriously affected by the depression, that you do not instantly see before you the dreary families whose health you can do but little to safeguard against the odds of stark poverty.

The Public Health group is justified in having a special sense of the needlessness of much of our human waste because facts in the health field show what extraordinary results can be achieved in conserving human health and life. The ~~extraordinary~~ achievements of research, the discoveries of medical science and their application to the prevention and treatment of diseases, are perhaps our most dramatic and valued developments of modern times. There has been a decline in our general death rate, our span of life has increased, and the toll taken by preventable disease has been decreased. The frightful scourges which swept away large groups of our population at intervals in past years, are, we are told, substantially conquered.

Since 1900 the death rate from tuberculosis has been reduced by 60 per cent. But leading experts tell us that with adequate health facili-

in community retardation. Yet it is a common human trait to escape from the unpleasant and to forget dark and tragic conditions at the first faint signs of encouragement. We must, therefore, sternly hold ourselves and others to a continuing recognition of the widespread and disastrous consequences of economic insecurity, even as we take up the second, more pleasant but equally exacting challenge to constructive action through ways now opening to us. And this action must bring both recovery and reform; meet immediate needs and lay the ground for long-time, ever-growing social progress.

As we eagerly start toward new trails being blazed toward our goal of human security, we naturally look for the one marked "Work Program" or "Home Building" or "Public Health" or "Child Welfare", according to the particular field in which we have in the past functioned. One of the lessons we have all learned, or should have learned, out of our coming to grips with unprecedented human denials and suffering these recent years, is how completely interwoven and interdependent our various responsibilities in changing the old order are. We've long talked about our age of specialization--the field of education, of industry; the field of child welfare, of health--and now we realize that our various fields are but small lots, separated from each other only by imaginary lines, in one great general field where we must do joint battle for our common cause, security for all human beings. Under our President's masterly conception of a related program we can go forward together, public and private forces, pooling our special interests and knowledge and drawing strength for each part of our program from each other.

No one, perhaps, so accurately visualizes the interdependence of the various phases of our security program, as you of the public health movement who are here today, in person, and you who are equally here in spirit

PUBLIC HEALTH CHALLENGES TODAY

Address by Josephine Roche
Assistant Secretary of the Treasury

At a Meeting of the National Organization for Public Health Nursing in New York City on Jan. 21, 1935.

Last Thursday came the eagerly awaited security message from our President, and with it the bill outlining concrete proposals to help meet the human welfare goals which our people have long visioned and which his leadership gives us hope of actually attaining.

Security of livelihood, of homes, and against major hazards such as illness, these goals are but a restatement in modern terms of the object and purpose for which our country was founded and for which progressive spirited men and women have worked and fought through all our history.

Waste, however, rather than conservation of our human and economic resources has been the force which has dominated our society in recent years. Today we are confronted by a double challenge; our national losses and breakdown, resulting from the growing inequalities and insecurity of the past decade, have thrust themselves upon the attention of even the most indifferent and will not be longer denied. We are challenged first to face these facts fully, to realize what we have permitted to develop in our democracy. This challenge, it would seem, has been met. It is difficult to believe that there are any who do not know the toll which has been taken in human suffering, in mental and physical disability,

TREASURY DEPARTMENT
Washington

FOR RELEASE
Monday, January 21, 1935.

Press Service
No. 3 -

Following is the text of an address to be delivered Monday, January 21, 1935, at 1:30 P.M., at the luncheon of the National Organization for Public Health Nursing, Park Lane Hotel, New York,

FOR RELEASE
Monday, January 21, 1935.
1-19-35

Press Service
No. 3 - 19

Following is the text of an address to be delivered by Miss Josephine Roche, Assistant Secretary of the Treasury, on Monday, January 21, 1935, at 1:30 P.M., at the luncheon of the National Organization for Public Health Nursing, Park Lane Hotel, New York, on the topic "National Health Challenges Today." It is released for publication without further notice ~~after~~ *upon* delivery.

*The address will be broadcast by
the National Broadcasting System.*

TREASURY DEPARTMENT

Washington

FOR RELEASE,
Monday, January 21, 1935.
1-19-35.

Press Service
No. 4-19

Following is the text of an address to be delivered by Miss Josephine Roche, Assistant Secretary of the Treasury, on Monday, January 21, 1935, at 1:30 P.M., at the luncheon of the National Organization for Public Health Nursing, Park Lane Hotel, New York, on the topic "National Health Challenges Today." The address will be broadcast by the National Broadcasting System. It is released for publication without further notice upon delivery.

Last Thursday came the eagerly awaited security message from our President, and with it the bill outlining concrete proposals to help meet the human welfare goals which our people have long visioned and which his leadership gives us hope of actually attaining.

Security of livelihood, of homes, and against major hazards such as illness, these goals are but a restatement in modern terms of the object and purpose for which our country was founded and for which progressive spirited men and women have worked and fought through all our history.

Waste, however, rather than conservation of our human and economic resources has been the force which has dominated our society in recent years. Today we are confronted by a double challenge; our national losses and breakdown, resulting from the growing inequalities and insecurity of the past decade, have thrust themselves upon the attention of even the most indifferent and will not be longer denied. We are challenged first to face these facts fully, to realize what we have permitted to develop in our democracy. This challenge, it would seem, has been met. It is difficult to believe that there are any who do not know the toll which has been taken in human suffering, in mental and physical disability, in community retardation. Yet it is a common human trait to escape from the unpleasant and to forget dark and tragic conditions at the first faint signs of encouragement. We must, therefore, sternly hold ourselves and others to a continuing recognition of the widespread and disastrous consequences of economic insecurity, even as we take up the second, more pleasant but equally exacting

challenge to constructive action through ways now opening to us. And this action must bring both recovery and reform; meet immediate needs and lay the ground for long-time, ever-growing social progress.

As we eagerly start toward new trails being blazed toward our goal of human security, we naturally look for the one marked "Work Program" or "Home Building" or "Public Health" or "Child Welfare", according to the particular field in which we have in the past functioned. One of the lessons we have all learned, or should have learned, out of our coming to grips with unprecedented human denials and suffering these recent years, is how completely interwoven and interdependent our various responsibilities in changing the old order are. We've long talked about our age of specialization--the field of education, of industry; the field of child welfare, of health--and now we realize that our various fields are but small lots, separated from each other only by imaginary lines, in one great general field where we must do joint battle for our common cause, security for all human beings. Under our President's masterly conception of a related program we can go forward together, public and private forces, pooling our special interests and knowledge and drawing strength for each part of our program from each other.

No one, perhaps, so accurately visualizes the interdependence of the various phases of our security program as you of the public health movement who are here today, in person, and you who are equally here in spirit over the radio. Others of us have faced the extent and the threat of mounting unemployment, of fore-closed farms and homes, of closed factories, mines and workshops. But you who as nurses, Public Health officers, directors and members of vitally important private organizations for public health, have seen these mass statistics translated in terms of individual suffering, permanent physical and mental breakdown, and even death--you can tell as no one else the black story of the depression in terms of under-nourished, sickly children deprived of all that it is a child's right to have; in terms of fathers and mothers crushed under the unbearable strain of insecurity and want. No report, I venture to say, is ever read by you

giving mass data as to increasing death rates and sickness rates among these groups of citizens most seriously affected by the depression, that you do not instantly see before you the dreary families whose health you can do but little to safeguard against the odds of stark poverty.

The Public Health group is justified in having a special sense of the needlessness of much of our human waste because facts in the health field show what extraordinary results can be achieved in conserving human health and life. The achievements of research, the discoveries of medical science and their application to the prevention and treatment of diseases, are perhaps our most dramatic and valued developments of modern times. There has been a decline in our general death rate, our span of life has increased, and the toll taken by preventable disease has been decreased. The frightful scourges which swept away large groups of our population at intervals in past years, are, we are told, substantially conquered.

Since 1900 the death rate from tuberculosis has been reduced by 60 per cent. But leading experts tell us that with adequate health facilities throughout the country it would be halved again. So, too, with infant mortality. The death rate of babies has been cut in half in the last quarter century, but it could be cut in half again, authorities tell us, if the known means of care and prevention could be made more widely available. Yet in 1933 twenty-five states showed no decline in infant mortality.

In progressive communities, since the introduction of modern public health procedure, one-third of the burden of preventable illness and premature death has been lifted from men, women and children. But in only 528 out of our 3,000 counties are there full time health services. Local appropriations for public health have been decreased by 20 per cent on the average since 1930. The per capita expenditure from tax funds for public health in 77 cities in 1934 was 58 cents as contrasted with 71 cents in 1931.

The general death rate showed a slight decrease at the end of 1933, but this is not the whole picture. Let's break down some death rate figures. Recent surveys by the United States Public Health Service and the Milbank Memorial Fund, in 10 industrial localities, show that during the period 1929-1932 the death rate in families with no employed members or part-time wage earners increased 20 per cent, while in those families which had full-time wage earners it declined. Data for 1934 are not yet complete, but for the first half of 1934 the gross mortality rate in cities of 100,000 population and over is reported to be appreciably higher than in the same period of 1933.

The survey of the 10 localities just referred to showed that the families which had suffered the most severe decline in income during the period 1929-1932 had a disabling sickness rate over 50% higher than those whose economic status was not materially reduced. Experts tell us that the annual wage loss due to illness in families with \$2,500 a year income or less is approximately \$900,000,000--almost one billion dollars taken away from purchasing power, so desperately needing to be increased, not further lessened. The annual cost of care of four diseases, the morbidity from which we know how to control, is estimated at \$115,000,000.

Obviously these facts reveal not only conditions of human suffering and wretchedness, but economic waste. Taxpayers' money, in the end, will be conserved by wise and careful expenditures for prevention of disabling illness and the dependency which so often accompanies it.

As we resolutely face our second challenge, action to meet these conditions, we can do so fortified by knowledge of sure methods of progress, and by the equally heartening thought that we will go forward with our efforts, public and private, united. The long battle to gain more adequate recognition of the public responsibility involved in the nation's health seems to be gaining ground. In submitting the American Plan to Congress, our President said:

"We pay now for the dreadful consequence of economic insecurity and dearly. This plan presents a more equitable and infinitely less

expensive means of meeting these costs. We cannot afford to neglect the plain duty before us. I strongly recommend action to attain the objectives sought in this report."

The bill accompanying his message provides, as you know, a ten million dollar appropriation for Public Health. Those sections read:

"There is hereby appropriated, from funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 for the fiscal year ending June 30, 1936, and there is hereby authorized to be appropriated for each fiscal year thereafter the sum of \$10,000,000 to be allocated to the Bureau of Public Health Service to be expended as hereinafter provided.

"From the amounts appropriated under this title, the Bureau of the Public Health Service shall annually allot \$8,000,000 to the several States, in amounts determined on the basis of the need of each State for such assistance, for the purpose of developing State health services including the training of personnel for State and local health work and for the purpose of assisting counties and/or other political subdivision of the States in maintaining adequate public health programs. Payment of any allotment, or installment thereof, shall be made only after the Secretary of the Treasury has made a finding of fact that there is need to make such money available in such state.

"From the amounts appropriated under this title, \$2,000,000 shall annually be available to the Bureau of the Public Health Service, for the further investigation of disease and problems on sanitation, and related matters."

Such action is surely a challenge to all citizens, individually and collectively, to increase private efforts and activity, in order that the maximum progress in building for health may take place. There will be no more important role in this coming program than that of the public health nurse,

whether employed by public or private agencies. We may well say, "May her tribe increase!" Concerned with individuals and families in sickness and in health, she serves them in their homes, in health centers, in schools and in industry. As a health teacher, scientifically prepared, with an influence and opportunity in the community held by few, she can arouse community interest for constructive and intelligent action to promote health and prevent disease.

Dr. Winslow will tell what is being done by this splendid group of citizens, our public health nurses, as visiting nurses, Department of Health nurses, school nurses, industrial nurses, Red Cross nurses, and you should be listening to his story rather than mine, over the radio.

Their services in these recent dark years cannot be over valued.

Governor Lehman of New York has fittingly said:

"To them, I believe, more than to any other force in our discouraged world belongs the credit for upholding standards of health service. They have been unflinching in their courageous attack upon disease and suffering. They have been firm in the faith that somehow, some day, man's humanity to man might exceed his inhumanity."

Let us hope that their faith is soon to be justified as we move forward to our joint attack on the tasks ahead.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

January 21, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending January 18, 1935:

Philadelphia.....	201,036.46	fine ounces
San Francisco	264,370.18	" "
Denver.....	266,803.00	" "
Total for week ended Jan. 18.....	732,209.64	" "
Total receipts through Jan. 18, 1935.....	22,947,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended January 18, 1935:

Philadelphia.....	3,529.00	fine ounces
New York	38,335.00	" "
San Francisco	30,386.00	" "
Denver	2,634.00	" "
New Orleans.....	427.00	" "
Seattle.....	486.00	" "
Total for week ended Jan. 18.....	75,797.00	" "
Total receipts through Jan. 18, 1935.....	111,983,225.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended January 18, 1935:			
Philadelphia.....	\$ ----	\$ 261,193.31	\$ 154.39
New York	7,760,600.00	888,500.00	72,500.00
San Francisco.....	124,922.97	115,240.60	1,096,573.59
Denver.....	33,814.00	60,925.00	794,847.00
New Orleans	2,076.78	49,649.30	669.12
Seattle.....	-----	25,645.12	119,619.13
Total for week ended Jan. 18, 1935....	\$7,921,413.75	\$1,401,153.33	\$2,084,363.23

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:

	Gold Coin	Gold Certificates
Week ended January 16, 1935.....	\$ 34,150.44	\$ 764,840.00
Received previously.....	29,733,808.69	81,233,940.00
Total to January 16, 1935.....	\$29,767,969.13	\$81,998,780.00

Received by Treasurer's Office:

Week ended January 16, 1935.....	\$ 500.00	\$ 14,500.00
Received previously.....	258,806.00	1,965,800.00
Total to January 16, 1935.....	\$ 259,306.00	\$ 1,980,300.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

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A BILL

To amend the Second Liberty Bond Act, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Second Liberty Bond Act, as amended, is further amended as follows:

SEC. 1. The first paragraph of section 1 is amended to read as follows:

"The Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this Act, to provide for the purchase, redemption or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor bonds of the United States: Provided, that the face amount of bonds issued under this section and section 22 of this Act shall not exceed in the aggregate \$25,000,000,000 outstanding at any one time."

SEC. 2. The first sentence of subsection (a) of section 5 is amended to read as follows:

"In addition to the bonds and notes authorized by sections 1, 18 and 22 of this Act, as amended, the Secretary of the Treasury is authorized, subject to the limitation imposed by section 21 of this Act, to borrow from time to time, on the credit of the United States, for the purposes of this Act, to provide for the purchase, redemption or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States, and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor (1) certificates of indebtedness of the United States at not less than par (except as provided in section 20 of this Act, as amended) and at such rate or rates of interest, payable at such time or times as he may prescribe; or, (2) Treasury bills on a discount basis and payable at maturity without interest."

SEC. 3. Section 5 is further amended by striking out the final sentence of subsection (a) thereof, reading as follows:

"The sum of the par value of such certificates and Treasury bills outstanding hereunder and under section 6 of the First Liberty Bond Act shall not at any one time exceed in the aggregate \$10,000,000,000."

SEC. 4. Subsection (a) of section 18 is amended to read as follows:

"In addition to the bonds and certificates of indebtedness and war-savings certificates authorized by this Act and amendments

thereto, the Secretary of the Treasury, with the approval of the President, is authorized, subject to the limitation imposed by section 21 of this Act to borrow from time to time on the credit of the United States for the purposes of this Act, to provide for the purchase, redemption or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States, and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary and to issue therefor notes of the United States at not less than par (except as provided in section 20 of this Act, as amended) in such form or forms and denomination or denominations, containing such terms and conditions, and at such rate or rates of interest, as the Secretary of the Treasury may prescribe, and each series of notes so issued shall be payable at such time not less than one year nor more than five years from the date of its issue as he may prescribe, and may be redeemable before maturity (at the option of the United States) in whole or in part, upon not more than one year's nor less than four months' notice, and under such rules and regulations and during such period as he may prescribe."

SEC. 5. By adding a new section, as follows:

"SEC. 21. The face amount of certificates of indebtedness and Treasury bills authorized by section 5 of this Act, certificates of indebtedness authorized by section 6 of the First Liberty Bond Act, and notes authorized by section 18 of this Act shall not exceed in the aggregate \$20,000,000,000 outstanding at any one time."

SEC. 6. By adding a new section, as follows:

"SEC. 22. A. The Secretary of the Treasury, with the approval of the President, is authorized to issue, from time to time, through the Postal Service or otherwise, bonds of the United States to be known as United States Savings Bonds. The proceeds of the Savings Bonds shall be available to meet any public expenditures authorized by law and to retire any outstanding obligations of the United States bearing interest or issued on a discount basis. The various issues and series of the Savings Bonds shall be in such forms, shall be offered in such amounts within the limits of Section 1 of this Act, as amended, and shall be issued in such manner and subject to such terms and conditions consistent with paragraphs B and C hereof, and including any restriction on their transfer, as the Secretary of the Treasury may from time to time prescribe.

"B. Each Savings Bond shall be issued on a discount basis to mature not less than ten nor more than twenty years from the date as of which the bond is issued, and provision may be made for redemption before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe: Provided, that the issue price of Savings Bonds and the terms upon which they may be redeemed prior to maturity shall be such as to afford an investment yield not in excess of three per centum per annum, compounded semiannually. The denominations of Savings Bonds shall be in terms of their maturity value and shall not be less than \$25. It shall not be lawful for any

one person at any one time to hold Savings Bonds issued during any one calendar year in an aggregate amount exceeding \$10,000 (maturity value).

"C. The provisions of Section 7 of this Act, as amended, (relating to the exemptions from taxation both as to principal and as to interest of bonds issued under authority of Section 1 of this Act, as amended) shall apply as well to the Savings Bonds: and, for the purposes of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest. The Savings Bonds shall not bear the circulation privilege.

"D. The appropriation for expenses provided by section 10 of this Act and extended by the Act of June 16, 1921, (U.S.C., title 31, sec. 761) shall be available for all necessary expenses under this section; and the Secretary of the Treasury is authorized to advance, from time to time, to the Postmaster General from such appropriation such sums as are shown to be required for the expenses of the Post Office Department, in connection with the handling of the bonds issued under this section.

"E. The Board of Trustees of the Postal Savings System is authorized to permit, subject to such regulations as it may from time to time prescribe, the withdrawal of deposits on less than sixty days' notice for the purpose of acquiring Savings Bonds

which may be offered by the Secretary of the Treasury; and in such cases to make payment of interest to the date of withdrawal whether or not a regular interest payment date. No further original issue of bonds authorized by Section 10 of the Act approved June 25, 1910 (U.S.C., title 39, sec. 760), shall be made after July 1, 1935.

"F. At the request of the Secretary of the Treasury the Postmaster General, under such regulations as he may prescribe, shall require the employees of the Post Office Department and of the Postal Service to perform, without extra compensation, such fiscal agency services as may be desirable and practicable in connection with the issue, delivery, safe-keeping, redemption and payment of the Savings Bonds."

SEC. 7. Section 1126 of the Revenue Act of 1926 is amended by adding at the end thereof the following: "In order to avoid the frequent substitution of securities such rules and regulations may limit the effect of this section, in appropriate classes of cases, to bonds and notes of the United States maturing more than a year after the date of deposit of such bonds as security. The phrase 'bonds or notes of the United States' shall be deemed, for the purposes of this section, to mean any public debt obligations of the United States and any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States."

January 21, 1935.

Representative Robert L. Doughton, Chairman of the Ways and Means Committee, submitted the following explanation of the bill which he introduced today to amend the Second Liberty Bond Act:

The present authority of the Government to issue bonds is limited to \$2,549,512,885. The Second Liberty Bond Act in its present form carries authorization for the issuance of \$28,000,000,000 of bonds, but since \$25,450,487,115 have already been issued, the right to issue new long-term securities is very much restricted. Of the more than \$25,000,000,000 which have been issued, there are now outstanding \$13,474,947,650. But the nearly \$12,000,000,000 which have been retired may not be reissued without specific authority, since the authorization in the Second Liberty Bond Act was not in the nature of a revolving fund.

It is now proposed to substitute a \$25,000,000,000 revolving authorization for the previous \$28,000,000,000 fixed authority. This will give to the Treasury authority to issue between eleven and twelve billions in bonds, which is approximately equivalent to the amount of those which have been retired out of those issued under the \$28,000,000,000 authorization.

The bill also proposes to consolidate the two existing revolving funds relating to short term obligations. At present notes may be issued to the amount of \$10,000,000,000 outstanding at any one time, and certificates of indebtedness and Treasury bills may be outstanding in like amount. It is proposed to substitute one \$20,000,000,000 limitation applicable to the aggregate outstanding notes, certificates and bills, thus affording greater flexibility in financing the requirements of the Treasury. There were on December 31st \$9,586,000,000 of notes outstanding, while certificates and bills aggregated \$2,112,000,000. The amendment proposed in this regard would not increase the total authorization for the issuance of short term obligations.

The bill would likewise authorize the issuance, at a discount, of United States Savings Bonds maturing in from ten to twenty years, with the holder having the right in the interval to receive payment from the Treasury on an ascending scale of value. It would also permit the use of Government guaranteed bonds as security in lieu of surety bonds.

STATEMENT SHOWING PRESENT AUTHORITY TO ISSUE BONDS, NOTES, CERTIFICATES
OF INDEBTEDNESS AND TREASURY BILLS UNDER THE SECOND LIBERTY BOND ACT,
AS AMENDED, AND UNDER PROPOSED AMENDMENTS.
(December 31, 1934)

Bonds

Under present authority

Total issuable		\$28,000,000,000
Total issued		
Liberty bonds	\$14,948,096,150	
Treasury bonds	10,502,390,965	25,450,487,115
Balance now issuable		<u>\$ 2,549,512,885</u>
Total authorized	\$28,000,000,000	
Total issued	25,450,487,115	
Total retired	11,975,539,465	
Total outstanding	13,474,947,650	

Under proposed amendment

Total which may be outstanding at any one time		\$25,000,000,000
Now outstanding		
Liberty bonds	\$ 3,194,086,650	
Treasury bonds	10,280,861,000	13,474,947,650
Balance issuable		<u>\$11,525,052,350</u>

Notes, Certificates of Indebtedness and Treasury Bills

Under present authority

Notes

Total which may be outstanding at any one time	\$10,000,000,000
Now outstanding - Treasury notes	9,586,377,400
Balance issuable	<u>\$ 413,622,600</u>

Certificates of indebtedness and Treasury bills

Total which may be outstanding at any one time	\$10,000,000,000
Now outstanding	
Certificates of indebtedness	\$ 158,300,000
Treasury bills	1,954,168,000
Balance issuable	<u>\$ 7,887,532,000</u>

Under proposed amendments

Notes, Certificates of indebtedness and Treasury bills

Total which may be outstanding at any one time	\$20,000,000,000
Now outstanding	
Notes	\$9,586,377,400
Certificates of indebtedness	158,300,000
Treasury bills	1,954,168,000
Balance issuable	<u>\$ 8,301,154,600</u>

(74)

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 22, 1935.

1/21/35

Press Service

4-20

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated January 23, 1935, and maturing July 24, 1935, which were offered on January 18, were opened at the Federal reserve banks on January 21, 1935.

The total amount applied for was \$232,573,000, of which \$75,129,000 was accepted. The accepted bids ranged in price from 99.950, equivalent to a rate of about 0.10 percent per annum, to 99.921, equivalent to a rate of about 0.16 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.927 and the average rate is about 0.15 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

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Press Service
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ALLOCATION OF \$1,000,000.00 RURAL HEALTH WORK FUND
UNITED STATES PUBLIC HEALTH SERVICE

STATE	NUMBER OF RURAL HEALTH PROJECTS		USPHS COMMITMENT
	Counties	Central Units	
Alabama	31	1	\$ 63,600.28
Arizona	4	1	19,745.00
Arkansas	19	1	49,446.70
California	8	-	35,670.00
Delaware	3	1	11,900.00
Florida	2	1	6,166.67
Georgia	18	1	50,258.35
Illinois	-	1	3,450.00
Iowa	2	1	6,946.64
Kansas	3	1	6,790.00
Kentucky	43	1	86,855.00
Louisiana	18	1	30,400.00
Maine	-	1	3,031.00
Maryland	23	1	40,470.64
Michigan	22	1	37,275.91
Minnesota	2	1	12,890.00
Mississippi	18	1	43,042.00
Missouri	7	1	17,195.00
Montana	1	-	2,200.00
Nevada	-	1	1,020.00
New Mexico	6	1	13,256.66
New York	31	1	74,185.00
North Carolina	35	1	61,450.00
North Dakota	-	1	4,080.00
Ohio	15	1	36,326.96
Oklahoma	1	-	1,980.00
South Carolina	21	1	36,766.70
Tennessee	19	1	63,444.34
Texas	9	1	27,721.47
Utah	1	-	1,650.00
Virginia	37	1	66,050.08
Washington	4	1	9,195.00
West Virginia	6	1	21,143.34
Puerto Rico	18	1	24,760.00
TOTALS	427	30	\$ 966,282.74
U. S. Public Health Service for Administration			33,717.26
TOTAL 1/31/35			\$1,000,000.00

Measures for health betterment that are thus promoted, include the following:

- 1 - Prevention of infant mortality.
- 2 - Control of communicable diseases.
- 3 - Prevention of tuberculosis.
- 4 - Prevention of maternal mortality.
- 5 - Prevention of typhoid fever.

In the field of rural sanitation, public health authorities are stressing the increasing importance of proper protection of milk and water supplies. Extension of the work of adequately inspecting these supplies is made possible with funds now authorized.

Following is a list of States in which allotments have been made, together with the number of county and central unit projects benefiting under the distribution of the fund:

Sat down.

4-21

5-2-41

Secretary of the Treasury Henry Morgenthau Jr., announced today that he had completely allocated the one million dollar fund granted to him by the Federal Emergency Relief Administration to aid local communities in carrying forward rural health projects.

Final allotments approved by the Secretary embrace rural health projects in 427 counties of 33 States and Puerto Rico.

Allotments made to State health administrations in 30 of the States will enable the central administrative units to provide adequate supervisory personnel for the community projects.

The program resulting from the allotments will provide employment for upwards of 1,400 public health workers.

The allotment of Federal funds through the United States Public Health Service makes it possible to carry out a great many rural health projects that might be otherwise delayed.

Financial aid is given through State health departments for maintenance of existing full-time county or district health units when local funds are insufficient or entirely lacking, and to establish many new full-time rural health units, on the condition that not less than fifty per cent of the cost of any project is borne by state or local authorities.

The principle governing the expenditure of these funds is to reduce the incidence of diseases which are preventable. The funds will actually be devoted to supplementing existing rural health departments with larger qualified personnel.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, January 26, 1935.
1-25-35.

Press Service
No. 4-21

Secretary of the Treasury Henry Morgenthau, Jr., announced today that he had completely allocated the one million dollar fund granted to him by the Federal Emergency Relief Administration to aid local communities in carrying forward rural health projects.

Final allotments approved by the Secretary embrace rural health projects in 427 counties of 33 States and Puerto Rico.

Allotments made to State health administrations in 30 of the States will enable the central administrative units to provide adequate supervisory personnel for the community projects.

The program resulting from the allotments will provide employment for upwards of 1,400 public health workers.

The allotment of Federal funds through the United States Public Health Service makes it possible to carry out a great many rural health projects that might be otherwise delayed.

Financial aid is given through State health departments for maintenance of existing full-time county or district health units when local funds are insufficient or entirely lacking, and to establish many new full-time rural health units, on the condition that not less than fifty per cent of the cost of any project is borne by state or local authorities.

The principle governing the expenditure of these funds is to reduce the incidence of diseases which are preventable. The funds will actually be devoted to supplementing existing rural health departments with larger qualified personnel.

Measures for health betterment that are thus promoted, include the following:

- 1 - Prevention of infant mortality.
- 2 - Control of communicable diseases.
- 3 - Prevention of tuberculosis.
- 4 - Prevention of maternal mortality.
- 5 - Prevention of typhoid fever.

In the field of rural sanitation, public health authorities are stressing the increasing importance of proper protection of milk and water supplies. Extension of the work of adequately inspecting these supplies is made possible with funds now authorized.

Following is a list of States in which allotments have been made, together with the number of county and central unit projects benefiting under the distribution of the fund:

ALLOCATION OF \$1,000,000.00 RURAL HEALTH WORK FUND
UNITED STATES PUBLIC HEALTH SERVICE

STATE	Counties	NUMBER OF RURAL HEALTH PROJECTS	Central Units	USPHS COMMITMENT
Alabama	31	1		\$ 63,600.28
Arizona	4	1		19,745.00
Arkansas	19	1		49,446.70
California	8	1		35,670.00
Delaware	3	1		11,900.00
Florida	2	1		6,166.67
Georgia	18	1		50,258.35
Illinois	1	1		3,450.00
Iowa	2	1		6,946.64
Kansas	3	1		6,790.00
Kentucky	43	1		86,855.00
Louisiana	18	1		30,400.00
Maine	1	1		3,031.00
Maryland	23	1		40,470.64
Michigan	22	1		37,275.91
Minnesota	2	1		12,890.00
Mississippi	18	1		43,042.00
Missouri	7	1		17,195.00
Montana	1	1		2,200.00
Nevada	1	1		1,020.00
New Mexico	6	1		13,256.66
New York	31	1		74,185.00
North Carolina	35	1		61,450.00
North Dakota	1	1		4,080.00
Ohio	15	1		36,326.96
Oklahoma	1	1		1,980.00
South Carolina	21	1		36,766.70
Tennessee	19	1		63,444.34
Texas	9	1		27,721.47
Utah	1	1		1,650.00
Virginia	37	1		66,050.08
Washington	4	1		9,195.00
West Virginia	6	1		21,143.34
Puerto Rico	18	1		24,760.00
TOTALS	427	30		\$966,282.74
U.S. Public Health Service for Administration				33,717.26
		TOTAL		\$1,000,000.00

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

January 28, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending January 25, 1935:

Philadelphia	566,820.41	fine ounce
San Francisco	335,208.56	" "
Denver	71,276.00	" "
Total for week ended January 25, 1935	973,304.97	" "
Total receipts through January 25, 1935	23,920,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended January 25, 1935:

Philadelphia	13,576.00	fine ounce
New York	15,167.00	" "
San Francisco	30,693.00	" "
Denver	1,714.00	" "
New Orleans	389.00	" "
Seattle	538.00	" "
Total for week ended January 25, 1935	62,077.00	" "
Total receipts through January 25, 1935	112,045,302.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending January 25, 1935:

	Imports	Secondary	New Domestic
Philadelphia	\$ -----	\$ 362,474.91	\$ 394.13
New York	55,309,700.00	655,300.00	---
San Francisco	771,212.22	142,966.40	1,686,655.86
Denver	69,471.00	80,304.00	680,003.00
New Orleans	13,595.35	49,289.78	445.30
Seattle	-----	28,591.00	173,582.00
Total for week ending Jan. 25 1935	\$56,163,978.57	\$1,318,926.09	\$2,541,080.30

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended January 23, 1935	\$ 33,850.36	\$ 838,290.00
Received previously	29,767,959.13	81,998,780.00
Total to January 23, 1935	\$29,801,809.49	\$82,837,070.00
Received by Treasurer's Office:		
Week ended January 23, 1935	-----	\$ 7,100.00
Received previously	\$ 259,306.00	1,980,300.00
Total to January 23, 1935	\$ 259,306.00	\$ 1,987,400.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

MEMORANDUM FOR THE PRESS

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Total to January 23, 1935.....	\$ 259,306.00	\$ 1,987,400.00

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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, January 29, 1935.


1/28/35

Press Service

4-22

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated January 30, 1935, and maturing July 31, 1935, which were offered on January 25, were opened at the Federal reserve banks on January 28, 1935.

The total amount applied for was \$203,618,000, of which \$75,106,000 was accepted. The accepted bids ranged in price from 99.960, equivalent to a rate of about 0.08 percent per annum, to 99.928, equivalent to a rate of about 0.14 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.931 and the average rate is about 0.14 percent per annum on a bank discount basis.



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During the month of January four unlicensed national banks were reorganized, two from conservatorship and two from receivership. These were as follows:

<u>Name and Location of Bank</u>	<u>Date Reorganized</u>	<u>Deposits Involved</u>
<u>From Conservatorship:</u>		
Woodford County National Bank, El Paso, Illinois	1-11-35	\$ 173,000
Labor National Bank, Paterson, New Jersey	1-16-35	3,063,000
<u>From Receivership:</u>		
First National Bank, Cambridge, Minnesota	1- 5-35	283,000
Ansted National Bank, Ansted, West Virginia	1- 2-35	194,000
Total, 4 banks, with deposits of		<hr/> \$3,713,000

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TREASURY DEPARTMENT

Washington

FOR RELEASE _____

Press Service
No _____

2-2-35.

Comptroller of the Currency J. F. T. O'Connor announced today that at the close of business on January 31 there remained yet to be disposed of only three unlicensed national banks, with deposits at closing aggregating \$3,280,000, and that the reopening of these three awaits consummation of plans which have been approved for their reorganization.

The deposits involved in the three unlicensed banks is compared with the total of \$1,971,960,000 involved in the 1417 banks under the supervision of the Comptroller which were not licensed following the banking holidays of March, 1933.

Summarizing the activities of his office in disposing of unlicensed banks since the banking holidays, the Comptroller stated that 1091 banks, with deposits at closing aggregating \$1,805,627,000, had been reorganized under old or new charters or sold to going national banks; 31, with deposits of \$11,513,000, either quit or left the National Banking System; and 292, with deposits of \$151,540,000, are now in receivership following disapproval of plans for reorganization.

There are now in receivership ¹⁵⁴⁷~~1417~~ banks under the supervision of the Comptroller, including those banks which were placed in receivership prior to March 16, 1933, and those for which receivers have been appointed since; and these had deposits at closing aggregating \$1,880,710,184. However, provisions have already been made for the return of \$1,016,439,935, or slightly more than 54% of these funds to depositors.

Since March 16, 1933, 1652 active national banks have issued \$450,116,500 in preferred stock and 134 have issued \$17,149,776 in ~~preferred~~

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There are now in receivership 1547 banks under the supervision of the Comptroller, including those banks which were placed in receivership prior to March 16, 1933, and those for which receivers have been appointed since; and these had deposits at closing aggregating \$1,880,710,184. However, provisions have already been made for the return of \$1,016,439,935, or slightly more than 54% of these funds to depositors.

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TREASURY DEPARTMENT

Washington

FOR RELEASE Morning Newspapers
Thursday, Feb. 7, 1935
2-2-35.

Press Service
No 4-23

Comptroller of the Currency J.F.T. O'Connor announced today that at the close of business on January 31 there remained yet to be disposed of only three unlicensed national banks, with deposits at closing aggregating \$3,280,000, and that the reopening of these three awaits consummation of plans which have been approved for their reorganization.

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Thursday, February 7, 1935.
2-2-35.

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Total, 4 banks, with deposits of		<hr/> \$3,713,000

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

February 4, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending February 1, 1935:

San Francisco	321,144.37 fine ounces
Denver.....	616.00 " "
Total for week ended February 1, 1935.....	321,760.37 " "
Total receipts through February 1, 1935.....	24,242,000.00 " "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended February 1, 1935:

Philadelphia.....	84,506.00 fine ounces
New York.....	43,142.00 " "
San Francisco	4,175.00 " "
Denver.....	989.00 " "
New Orleans.....	534.00 " "
Seattle.....	750.00 " "
Total for week ended February 1, 1935.....	134,096.00 " "
Total receipts through February 1, 1935.....	112,179,398.00 " "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended February 1, 1935:	Imports	Secondary	New Domestic
Philadelphia	\$ - - -	\$ 342,417.53	\$ 418.98
New York	65,075,400.00	431,900.00	560,000.00
San Francisco	213,759.33	144,292.72	724,097.32
Denver.....	34,144.00	39,394.00	425,245.00
New Orleans	- - -	40,214.38	- - -
Seattle	- - -	33,303.77	179,506.04
Total for week ended Feb.1, 1935....	\$65,323,303.33	\$1,031,522.40	\$1,889,267.34

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended January 30, 1935.....	\$ 41,326.39	\$ 523,970.00
Received previously.....	29,801,809.49	82,837,070.00
Total to January 30, 1935.....	\$29,843,135.88	\$83,361,040.00
Received by Treasurer's Office:		
Week ended January 30, 1935.....	\$ - - -	\$ 15,200.00
Received previously.....	259,306.00	1,987,400.00
Total to January 30, 1935.....	\$ 259,306.00	\$ 2,002,600.00

Note: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

MEMORANDUM FOR THE PRESS

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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 5, 1935.

Press Service

2/4/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated February 6, 1935, and maturing August 7, 1935, which were offered on February 1, were opened at the Federal reserve banks on February 4, 1935.

The total amount applied for was \$262,985,000, of which \$75,185,000 was accepted. The accepted bids ranged in price from 99.950, equivalent to a rate of about 0.099 percent per annum, to 99.937, equivalent to a rate of about 0.125 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.939 and the average rate is about 0.120 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

For Release, Morning Newspapers
Tuesday, February 5, 1935.
2/4/35

Press Service
No. 4-24

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated February 6, 1935, and maturing August 7, 1935, which were offered on February 1, were opened at the Federal reserve banks on February 4, 1935.

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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, February 9, 1935.

Press Service

2/8/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated February 13 and maturing August 14, 1935, which were offered on February 6, were opened at the Federal reserve banks on February 8, 1935.

The total amount applied for was \$196,853,000, of which \$75,112,000 was accepted. The accepted bids ranged in price from 99.965, equivalent to a rate of about 0.069 percent per annum, to 99.941, equivalent to a rate of about 0.117 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.944 and the average rate is about 0.110 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

For Release, Morning Newspapers,
Saturday, February 9, 1935.
2-8-35

Press Service
No. 4-25

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated February 13 and maturing August 14, 1935, which were offered on February 6, were opened at the Federal reserve banks on February 8, 1935.

The total amount applied for was \$196,853,000, of which \$75,112,000 was accepted. The accepted bids ranged in price from 99.965, equivalent to a rate of about 0.069 percent per annum, to 99.941, equivalent to a rate of about 0.117 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.944 and the average rate is about 0.110 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

4-26

FOR IMMEDIATE RELEASE

Saturday, Feb 16, 1935.

The Secretary of the Treasury, with the approval of the President, has amended the Silver Regulations of August 17, 1934, so as to make it unnecessary for persons to file reports pursuant to such regulations with respect to the acquisition, importation, or disposition of silver salts. The amendment reads as follows:

"TREASURY DEPARTMENT,
Office of the Secretary,
February 13, 1935.

AMENDMENT TO THE SILVER REGULATIONS OF
AUGUST 17, 1934.

The Silver Regulations of August 17, 1934, as amended, are hereby amended in section 22 by adding at the end thereof the following:

'(g) Silver salts.'

The regulations, as so amended, may be modified or revoked at any time.

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

APPROVED:

(Signed) Franklin D. Roosevelt

February 14, 1935."

TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE,
Saturday, February 16, 1935.

Washington

Press Service
No. 4-26

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS.

February 11, 1935.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended February 8, 1935:

Philadelphia.....	1,075,307.11 fine ounces
San Francisco.....	79,590.83 " "
Denver.....	12,808.00 " "
Total for week ended February 8, 1935	1,167,705.94 " "
Total receipts through February 8, 1935.....	25,410,000.00 " "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended February 8, 1935:

Philadelphia.....	9,307.00 fine ounces
New York.....	16,641.00 " "
San Francisco.....	4,720.00 " "
Denver	2,364.00 " "
New Orleans.....	259.00 " "
Seattle.....	515.00 " "
Total for week ended February 8, 1935.....	33,806.00 " "
Total receipts through February 8, 1935.....	112,213,204.00 " "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended February 8, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ 20,859.72	\$ 380,727.93	\$ 1,586.45
New York	25,200,400.00	709,900.00	532,400.00
San Francisco.....	101,488.35	129,189.83	1,802,370.16
Denver.....	10,853.00	45,817.00	515,262.00
New Orleans.....	9,013.26	60,761.02	1,001.60
Seattle.....	-----	31,667.89	16,072.76
Total for week ended Feb. 8, 1935...	\$25,342,614.33	\$1,358,063.67	\$2,868,692.97

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended February 6, 1935	\$ 23,761.73	\$ 409,620.00
Received previously	29,843,135.88	83,361,040.00
Total to February 6, 1935	\$ 29,866,897.61	\$ 83,770,660.00
Received by Treasurer's Office:		
Week ended February 6, 1935	\$ -----	\$ 8,200.00
Received previously	259,306.00	2,002,600.00
Total to February 6, 1935	\$ 259,306.00	\$ 2,010,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

February 11, 1935.

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(Under Executive Proclamation of December 21, 1933)

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1. Since January 14th banks and dealers in foreign exchange and gold ~~have~~ have practically stopped buying and selling gold, within gold import and export points - which means that the International Gold Standard as between foreign countries and the United States has ceased its automatic operation.

2. Thanks to the foresight of 73rd Congress, we now have a Stabilization Fund.

3. When we saw that the external value of the dollar was rapidly going out of control ~~we~~ we put the Stabilization Fund to work on a moment's notice, with the result that for the past four weeks we have successfully managed the value of the dollar in terms of foreign currencies.

The country can go about its business with assurance that we are prepared to manage the external value of the dollar as long as it may be necessary.

TREASURY DEPARTMENT

Washington

February 11, 1935

STATEMENT BY SECRETARY MORGENTHAU

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LIQUOR SEIZURES FOR VIOLATIONS OF CUSTOMS LAWS
December, 1934, and January, 1935

		Gallons Seized				Boats		Automobiles	
	No. of	Distilled							
	Liquor	Liquors							
	Seizures	and Wines	Beer	Alcohol	No.	Value	No.	Value	
CUSTOMS SERVICE									
December	492	2,172	359	39,853	7	\$17,460	30	\$6,888	
January	431	610	-	2,364	3	3,700	19	2,593	
COAST GUARD									
December	5	-	-	825	1	3,000	-	-	
January	2	-	-	850	-	-	-	-	
IMMIGRATION									
December	10	81	-	6	-	-	-	-	
January	28	135	-	81	-	-	3	115	
OTHER FEDERAL AND LOCAL OFFICERS									
December	3	29	-	5	-	-	2	538	
January	3	11	-	20	-	-	1	75	
TOTAL SEIZURES -									
Dec.	510	2,282	359	40,689	8	20,460	32	7,423	
Jan.	464	756	-	3,315	3	3,700	23	2,783	

BY GEOGRAPHIC REGIONS

CANADIAN BORDER									
December	18	7	357	3,613	1	5,000	5	1,625	
January	26	51	-	258	-	-	2	500	
MEXICAN BORDER									
December	337	901	1	455	1	3,000	18	1,998	
January	319	466	-	342	-	-	17	1,433	
ATLANTIC COAST									
December	96	814	-	36,217	3	10,235	4	1,925	
January	81	76	-	2,368	-	-	3	600	
GULF COAST									
December	17	476	1	4	2	2,075	4	1,725	
January	20	138	-	57	2	3,600	1	200	
PACIFIC COAST									
December	37	65	-	2	-	-	-	-	
January	15	22	-	-	-	-	-	-	
OTHER DISTRICTS									
December	5	19	-	402	1	150	1	150	
January	3	3	-	290	1	100	-	-	

*For Immediate Release
Saturday, February 16, 1935.*

4-27

During the month of January 464 seizures of liquor were made for the violation of Customs laws, it was announced by the Bureau of Customs today.

While this was a decline from the number of seizures (510) during the previous month, it exceeded the number of seizures for any other of the preceding months since May, and compares with 411 seizures in November and 434 for October. January seizures included only 756 gallons of distilled liquor and wines, and 3,315 gallons of alcohol. This compares with 2,282 gallons of distilled liquor and wines, 359 gallons of beer, and 40,689 gallons of alcohol seized during the previous month. The quantity of distilled liquors and wines seized was smaller than during any previous month since Repeal.

Three boats valued at \$3,700 and 23 automobiles valued at \$2,783 were seized during January for the transportation of liquor, as compared with 8 boats valued at \$20,460 and 32 automobiles valued at \$7,423 during the previous month.

The following table shown the number of seizures, the number of gallons of beverages seized and the number and value of seized vehicles for the months of December and January, classed according to the various Governmental agencies which made the seizures and according to the geographical regions where the seizures were made.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, February 16, 1935.

Press Service
No. 4-27

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LIQUOR SEIZURES FOR VIOLATIONS OF CUSTOMS LAWS

December, 1934, and January, 1935

		: Gallons	Seized	:	Boats	:	Automobiles	
No. of	: Distilled:	:	:	:	:	:	:	
Liquor	: Liquors :	:	:	:	:	:	:	
Seizures	: and Wines:	Beer:	Alcohol	:	No. Value	:	No. Value	
CUSTOMS SERVICE								
December	492	2,172	359	39,853	7	\$17,460	30	\$6,888
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IMMIGRATION								
December	10	81	-	6	-	-	-	-
January	28	135	-	81	-	-	3	115
OTHER FEDERAL AND LOCAL OFFICERS								
December	3	29	-	5	-	-	2	535
January	3	11	-	20	-	-	1	75
TOTAL SEIZURES -								
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PACIFIC COAST								
December	37	65	-	2	-	-	-	-
January	15	22	-	-	-	-	-	-
OTHER DISTRICTS								
December	5	19	-	402	1	150	1	150
January	3	3	-	290	1	100	-	-

General Provisions

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

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 MORGENTHAU, JR.,
Secretary of the Treasury.

Immediate Release

4-4

News Release (Immediate) Saturday, March 2, 1935

(There may be more complete figures on first and second day sales later this afternoon.)

Almost \$2,000,000 worth of United States Savings Bonds were sold in ~~fifty leading~~ ^{forty-five leading} cities the first day they were placed on sale, according to preliminary reports which reached the Post Office Department today. Tabulations now under way from ~~the rest of the~~ ^{the rest of the} country ~~other cities and rural sections~~ ^{may} indicate that the grand total ~~will probably~~ ^{may} exceed \$5,000,000.

These figures represent actual cash paid on the basis of the issue price. ~~Since~~ ^{The} ~~in value by one-third~~ ^{maturity or face value} ~~the bonds increase by one-third~~ ^{if held for the full ten years, it means} ~~that the maturity value of bonds sold on the first day was approximately~~ ^{is one-third greater.} \$6,600,000. Officials pointed out that it was difficult to measure the demand because in many places the original supply was exhausted early in the day.

The denominations most in demand appeared to be the \$25 and \$1000 ones. Reports from postmasters indicated that purchasers of the larger units were seeking an investment for accumulated savings. They reported that they looked for a steady sale of the smaller denominations as soon as additional consignments have been furnished. The Bureau of Engraving is working extra shifts night and day to provide ~~sufficient~~ ^{adequate} amounts of this denomination. The sales in fifteen cities to report showed that New York led, with a total of \$296,325. Sales in other cities were as follows: Chicago, \$232,400; Detroit, \$185,000; Washington, \$69,750; St. Louis, \$62,000; Kansas City, \$59,268.75; Boston, \$58,556; Cincinnati, \$50,600; Cleveland, \$48,000; Los Angeles, \$45,925; St. Paul, \$42,000; Toledo, \$41,943.75; Philadelphia, \$41,075; San Francisco, \$30,850.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, March 2, 1935.

Press Service
No. 4-40

(There may be more complete figures on first and second day sales later this afternoon.)

Almost \$2,000,000 worth of United States Savings Bonds were sold in forty-five leading cities the first day they were placed on sale, according to preliminary reports which reached the Post Office Department today. Tabulations now under way from the rest of the country indicate that the grand total may exceed \$5,000,000.

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TREASURY DEPARTMENT

Washington

RELEASE UPON DELIVERY
3-2-35.

Press Service
No. 4-41

A speech to be delivered Monday, March 4, 1935, by the Secretary of the Treasury, Henry Morgenthau, Jr., as part of an Anniversary Day broadcast, arranged by the Columbia Broadcasting System, to review the first two years of President Roosevelt's Administration.

SECRETARY MORGENTHAU: I think I can best use the time that I have on this Anniversary Day broadcast by telling a few facts about the United States Treasury— and what it has been doing in the last two years.

I want to say right at the start of my talk that during the first year of the period under review, the Treasury was under the able leadership of the late William H. Woodin, Secretary of the Treasury from March, 1933, to the end of that year. The country owes a great debt to the memory of Mr. Woodin for wise and heroic service during a most difficult period.

The functions and activities of the Department fall under four general heads. Under the first of these are the agencies primarily concerned with bringing into the Treasury the funds with which to meet the expenses of the Government, and with keeping the records of fiscal transactions. These units of the Treasury borrow money by issuing securities, collect the taxes, pay the bills and keep the books.

The second group includes the six units which have police functions. Through their investigating activities they protect your Government and you from tax evasion, from fraud and deceit, and they guard against violations of laws enacted for the protection of the revenues and monies of the Government.

The third group consists of our manufacturing plants. They make our coins, print our paper currency, our bonds, our checks, our postage stamps and tax stamps. They build our public buildings. They purchase supplies for the Government.

The protection of life and health are activities which fall under the fourth heading.

ANNOUNCER: This is a remarkable array of activities for one Department of the Government, Mr. Secretary, and I think it will be surprising to most people. Would you mind giving us just a glimpse of some of the work these agencies have been doing in the last two years?

SECRETARY MORGENTHAU: I shall be glad to. Suppose we look first into the office of the Treasurer, Mr. W.A. Julian. It is right here in this building. The Treasurer cashes checks which are drawn on the Treasury. I will give you just one instance of the size of his job. In the period of three months during which the Civil Works Administration was spending its original allotment of \$400,000,000, the Treasurer cashed 58,000,000 checks drawn by that agency. To take care of this sudden increase in the work of his office, the Treasurer hired a thousand of the unemployed to run adding machines and help in clearing the checks. The Treasurer, among his other duties, cashes the interest coupons which are clipped from Government bonds on interest dates, and forwarded to the Treasury for redemption.

On another floor is the man who has been called the Nation's biggest bookkeeper, Daniel W. Bell, the Commissioner of Accounts and Deposits. On his books are kept approximately 8,000 accounts relating to the receipts, appropriations, and expenditures of all departments and establishments of the Government. By centralizing this information and bringing payroll disbursing into the Treasury, we have achieved greater efficiency and economy, and have made information more promptly available to our citizens. I have demonstrated my belief that we owe a duty to the public to keep them currently informed as to our fiscal activities. We have expanded and clarified the Daily Treasury Statement, which gives the assets and liabilities, the receipts and expenditures of the Government. The Public Debt Statement has been improved both as to form and information.

Once each month we publish a combined statement of the assets and liabilities of the corporations and credit agencies in which the Government has a proprietary interest and for whose obligations it has a contingent liability.

The Public Debt Service, headed by Commissioner William S. Broughton, has had an extraordinary record of activity in the last two years. The public debt today stands at approximately \$28,500,000,000. During the past two years this office has refunded some \$15,000,000,000 of the public debt and has issued over \$7,000,000,000 of Treasury obligations for new money.

ANNOUNCER: What do you regard as the outstanding accomplishment of Government financing during the past two years, Mr. Secretary?

SECRETARY MORGENTHAU: There is no question about that. The outstanding accomplishment of the two year period has been our ability to borrow this great amount of new money, and to refund such a large amount of existing debt and at the same time to reduce the average rate of interest paid on the whole debt. In the two year period the average rate has been brought down by nearly half of one per cent. The saving in interest to the Government by reason of this reduction is \$120,000,000 a year. The reason that the price of Government bonds has been steadily going up is because the American people have a feeling of complete confidence in their Government in Washington.

When I came to the Treasury a little over a year ago, we had to pay 2-1/2 per cent to borrow money for thirteen months. In sharp contrast, only the other day we borrowed money for nine months at one-sixth of one per cent. This is one of many proofs that business is better.

Before passing on to the next subject, I want to be sure to draw your attention to the latest of our Treasury securities, the United States Savings bond, which are now on sale at some 14,000 post offices.

Turning to our other source of funds, tax collection, I want to tell you how they have increased, due in part to better business, and in part to the fact that the 73rd Congress stopped up many of the holes in the revenue system. We pursue a fair and impartial attitude toward all tax debtors, but we are determined to collect what is rightfully due the Government. We are also determined to protect the taxpayers against unscrupulous tax lawyers and accountants who feed off the body of the Treasury.

The Bureau of Internal Revenue, under the direction of Commissioner Guy T. Helvering, has made an enviable record. In 1932 it cost \$2.17 to collect \$100 of taxes. In 1934 it cost only \$1.25 to collect \$100 in taxes.

Included in the group of Treasury units which are concerned with fiscal operations is the office of the Comptroller of the Currency, J.F.T. O'Connor. While it is not directly connected with financing the Government, it does form an important line of contact between the Treasury and the private banking system of the country.

In Mr. O'Connor's office was centered the work of licensing banks following the holiday of 1933. Since March, 1933, the Comptroller has been faced with three major problems, the reopening of unlicensed national banks, the distribution of dividends to depositors in national banks closed for liquidation, and the strengthening of the capital structures of all open national banks.

Of the 1,400 national banks remaining unlicensed in March, 1933, it was found possible to reorganize nearly 1,100 under old or new charters. Splendid progress has been made in making available to depositors substantial portions of their deposits tied up in closed and unlicensed banks. Through cooperation with the Reconstruction Finance Corporation, the Federal Government has added more than \$400,000,000 to the capital funds of our national banks in the form of preferred stock, placing those institutions in better position to take care of the credit

needs of their communities and lend to deserving borrowers.

In addition to these extraordinary duties, the Comptroller has carried on his regular functions of examining the national banks, and enforcing the national banking laws.

ANNOUNCER: Will you tell us something about the police activities of the Department, Mr. Secretary?

SECRETARY MORGENTHAU: There are six Treasury units whose job it is to protect the revenues and monies of the Government.

They are the Secret Service, headed by Chief W.H. Moran, the Customs Service, under Commissioner James H. Moyle, the Coast Guard, commanded by Admiral H.G. Hamlet, the Narcotics Bureau under Commissioner H.J. Anslinger, the Alcohol Tax Unit, supervised by Deputy Commissioner Arthur J. Mello, and the Intelligence Unit of the Bureau of Internal Revenue, headed by Elmer L. Irey.

These agencies wage unceasing warfare by land and sea and air against criminals who conspire to cheat Uncle Sam--and who, when they succeed in cheating Uncle Sam, cheat you and me as well. Our men combat a particularly vicious and heartless breed of public enemies--tax evaders, counterfeiters, smugglers, bootleggers, racketeers, gamblers and dope peddlers. Besides defrauding the Government, these criminals sell poisonous liquor, pass bogus money, prey on the poor and profit by the weakness of their fellow man. You have every right to be proud of the courage and loyalty your Treasury agents display in fighting these criminals.

ANNOUNCER: What are some of the famous cases which they have developed or solved, Mr. Secretary?

SECRETARY MORGENTHAU: I cannot, of course, go into details for obvious reasons. To publicize their accomplishments would be to warn present and potential evil-doers. But I can speak of cases which have been "closed". It was our Internal Revenue agents who sent Al Capone to the penitentiary, and jailed pretenders to

his crown in other cities. When I came to the Treasury there were five famous gangsters on the Intelligence Unit's list of "men to get". One by one they have been eliminated--John Lazia, the Al Capone of Kansas City, Leon Gleckman, leading racketeer of St. Paul, Waxey Gordon, of New York, leading beer baron of the East, Murray Humphreys of Chicago, successor to Capone, and Dutch Schultz of New York, notorious liquor runner charged with many crimes.

The Coast Guard and Customs Service have smashed numerous rings which tried to evade our laws. With their aid the Narcotics Bureau has curtailed quantity smuggling of forbidden drugs and narcotics. The Alcohol Tax Unit has carried on a continuous campaign against bootleggers and illicit distillers, and the records show that it is getting results. And this in spite of the fact that when the whole task of collecting liquor taxes and suppressing tax evaders was given to the Treasury following repeal, we inherited along with it a tradition of fourteen years of public disregard for law. Naturally it has taken time to break down public prejudice against enforcement activities too often tainted by corruption and graft and to gain respect for and support of honest and straightforward efforts to compel those who manufacture and sell liquor to pay taxes. A whole generation had grown up with the idea that there is nothing unpatriotic about disrespect for liquor laws. We honestly believe that we have made some progress in overcoming this prejudice on the part of the people. The handicap of half-hearted attempts at enforcement during Prohibition is being slowly overcome.

During the dark days of Prohibition, there was no evidence of an honest effort at enforcement. It is now a question of suppressing the tax-evader for the benefit of the Government and in protection of the law-abiding maker and dealer. With the cooperation of the public, we can and will succeed.

I have spoken of our manufacturing plants. One of these is the Bureau of Engraving and Printing, directed by Mr. A.W. Hall. The Bureau prints our currency,

our stamps and our bonds. They are now engaged in printing the United States Savings Bonds.

Another is the Bureau of the Mint, under the direction of Mrs. Nellie Taylor Ross. It mints our coins. The demand for coins during the last two years has been heavier than at any time in our history. It has recently completed the Herculean task of moving two and a half billion of gold from the San Francisco mint to the mint at Denver, the largest body of the yellow metal ever to have been moved so great a distance.

The duties of the Procurement Division, under Admiral C.J. Peoples, bring it within this third group of Treasury activities. It supervises the construction of our public buildings.

ANNOUNCER: One more question, Mr. Secretary. You spoke of the protection of life and health as a Treasury activity. To what did you refer?

SECRETARY MORGENTHAU: The Public Health Service, under Surgeon General H.S. Cumming, safeguards us from the spread of disease and epidemic. It engages in constant research and experiment, and in the past two years had made vast contributions to our store of medical knowledge. Whether it be an epidemic of dysentery in Chicago, sleeping sickness in St. Louis, infantile paralysis in California, or Rocky Mountain fever in some Eastern section, the Treasury doctors are on the job.

The Coast Guard, too, has a splendid record for saving and protecting lives. This agency, sometimes called the Red Cross of the Sea has rescued some 12,000 persons from positions of peril at sea during the last two years, and has assisted in saving property worth millions of dollars.

Many people bought bonds for their children and grand-children, as did President Roosevelt when he purchased the first six bonds of the \$25 denominations. Others had the bonds made payable to beneficiaries by writing in the latter's names along with their own. ~~They~~ The majority of purchasers preferred to take the bonds with them, *and did not avail themselves of* refusing the government's offer to safeguard them.

Fifty leading cities accounted for \$2,895,035.50, or almost half of the total. This figure does not give any true indication of the division of sales as ~~between~~ between rural and urban sections, however, because many large cities not included in the list of fifty bought large amounts. In general, reports indicated that the bonds sold better in the West ~~and in smaller communities~~ than in the East.

New York City led in sales with a total of ~~\$505,134.75~~ \$505,134.75. The New York total includes sales ~~in Brooklyn~~ of \$91,697.25 in Brooklyn, which is a separate post office from that in Manhattan. If the New York total is divided as between the two post offices, then Chicago gains first place with a total of ~~\$472,275~~ \$472,275 and Detroit stands third with \$413,519. Sales in some of the other large cities were as follows: Cleveland, \$103,822.50; St. Louis, \$103,143.75; Boston, \$97,818.75; Kansas City, \$94,443.75; Cincinnati, \$90,575; Washington, D.C., \$86,288; Minneapolis, \$78,125; Toledo, \$72,243.75; Philadelphia, \$62,781.25; Los Angeles, \$58,968.75; Omaha, \$58,800; Dallas, \$50,800; Denver, \$43,143.75; Baltimore, \$41,684.25; San Francisco, \$41,375; Louisville, \$39,150; Columbus, O., \$37,556.25; Pittsburgh, \$32,068.75; New Orleans, Dayton, \$28,143.75; Jacksonville, \$28,031.25; \$28,200; Indianapolis, \$28,125; Milwaukee, \$26,450; Portland, Ore., \$23,456.25.

Immediate News Release, Monday, March 4, 1935

Press Service
no. 4-4

More than \$6,000,000 worth of United States Savings Bonds were sold in the first day and a half of their sale, according to preliminary reports which reached the Post Office Department today. Actual sales reported by 4,000 post offices amounted to \$5,520,000, but the 10,000 post offices still to be heard from are expected to bring the total above \$6,000,000. As this figure represents the purchase price, it means that the maturity value of the bonds sold amounts to about \$8,000,000.

Sales would have been larger, according to Post Office officials, if the supply of bonds had not been exhausted in many ~~places~~ places early on Friday, the first day of the offering to the public. Many purchasers showed a preference for denominations which were not in stock or were soon sold, the \$25 and \$1000 units apparently proving the most popular. In response to specific requests for additional supplies, the Post Office Department has ~~distributed~~ shipped ^{\$10,500,000} ~~\$10,000,000~~ worth of bonds in addition to the original consignment.

Contrary to expectations, the larger denominations seemed to be most popular in small towns and cities, and the \$25 bond sold better in the metropolitan centers. Post Office officials believed that the demand for \$500 and \$1000 bonds came from people with accumulated savings, and that the smaller denominations will have a better sale in the long run. Although preliminary reports are not detailed, it is believed that the average amount invested will be about \$200.

The new type of savings bonds attracted all classes of customers, according to postmasters' reports. In many small cities and towns banks and corporations took the maximum of \$10,000 which is the total any individual or corporation may buy in a single calendar year. On the other hand, many women and children bought the \$25 bond, which costs \$18.75, with pennies ^{and other coins} poured out on post office counters and windows from bags and banks.

(more)

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, March 4, 1935.

Press Service
No. 4-42

More than \$6,000,000 worth of United States Savings Bonds were sold in the first day and a half of their sale, according to preliminary reports which reached the Post Office Department today. Actual sales reported by 4,000 post offices amounted to \$5,520,000, but the 10,000 post offices still to be heard from are expected to bring the total above \$6,000,000. As this figure represents the purchase price, it means that the maturity value of the bonds sold amounts to about \$8,000,000.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

March 4, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending March 1, 1935:

Philadelphia	831,214.34 fine ounces
San Francisco.....	352,667.68 " "
Denver.....	<u>937.00</u> " "
Total for week ended March 1, 1935.....	1,184,819.02 " "
Total receipts through March 1, 1935.....	28,124,000.00 " "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended March 1, 1935:

Philadelphia	3,542.00 fine ounces
New York	29,516.00 " "
San Francisco	821.00 " "
Denver	2,736.00 " "
New Orleans	231.00 " "
Seattle.....	<u>1,289.00</u> " "
Total for week ended March 1, 1935.....	38,135.00 " "
Total receipts through March 1, 1935.....	112,449,526.00 " "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended March 1, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ 24,419.99	\$ 320,379.77	\$ 105.18
New York	11,410,100.00	1,085,800.00	74,100.00
San Francisco.....	360,964.78	101,465.93	902,185.27
San Francisco Denver.....	54,070.00	40,694.00	638,123.00
New Orleans	450.91	23,940.63	756.36
Seattle.....	- - -	28,512.38	176,409.39
Total for week ended March 1, 1935:	\$11,850,005.68	\$1,660,792.71	\$1,791,679.20

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:

	Gold Coin	Gold Certificates
Week ended Feb. 27, 1935.....	\$ 33,728.16	\$ 579,850.00
Received previously.....	<u>29,901,821.55</u>	<u>84,639,550.00</u>
Total to Feb. 27, 1935.....	\$29,935,549.71	\$85,219,400.00

Received by Treasurer's Office:

Week ended Feb. 27, 1935.....	\$ 000	\$ 9,700.00
Received previously.....	<u>259,806.00</u>	<u>2,026,700.00</u>
Total to Feb. 27, 1935.....	\$ 259,806.00	\$ 2,036,400.00

Note: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

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March 4, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, CHICAGO.

Five Weeks Period Ended March 2.

Total number of inspections.....	9,315
Federal violations found.....	1,150
Amount collected in taxes, penalties, and offers in compromise for Federal violations.....	\$5,213.06 ¹
<u>Classification of Federal violations:</u>	
Failure to pay special tax.....	382
Failure to post special tax stamp.....	87
Unstamped bottles.....	356
Undestroyed beer stamps.....	165
Unattached strip stamps.....	101
Failure to destroy empty liquor bottles.....	51
Un-tax paid liquor found.....	4
Refilled bottles.....	4

HNG/mff

¹This is the amount actually collected. Approximately \$12,000 additional has been certified for collection to the Collector of Internal Revenue.

March 4, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY.

Four Weeks Period Ended March 2.

Total number of inspections.....	6,607
Federal violations found.....	1,196
Amount collected:	
Taxes and penalties.....	\$16,917.61
Offers in compromise.....	13,170.00
<u>Classification of Federal violations:</u>	
Failure to pay special tax.....	665
Failure to post special tax stamp.....	117
Refilled bottles.....	44
Bottles with no strip stamps attached.....	124
Unattached strip stamps.....	92
Unattached beer stamps.....	40
Failure to destroy attached beer stamps.....	106
Untaxpaid alcohol.....	2
Failure to destroy empty liquor bottles.....	4
Beer barrel with no stamp attached.....	1
<u>Action taken by police department:</u>	
Number of arrests (through Thursday, February 28, only)...	80
Number of cases referred to New York State Liquor Authority (through Thursday, February 28, only).....	363
Violations corrected by inspection unit (through Thursday, February 28, only).....	1,461

HNG/mff

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 4, 1935.

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HNG/mff

TREASURY DEPARTMENT

Washington

March 4, 1935.

MEMORANDUM FOR THE PRESS

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Violations corrected by inspection unit (through Thursday, February 28, only).	1461

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 5, 1935.
2/4/35

Press Service

4-43

Secretary of the Treasury Morgenthau announced last evening that the tenders for two series of Treasury bills, to be dated March 6, 1935, which were offered on March 1, were opened at the Federal reserve banks on March 4, 1935.


Tenders were invited for the two series to the aggregate amount of \$100,000,000, or thereabouts, and \$309,580,000 was applied for, of which \$100,186,000 was accepted. The details of the two series are as follows:

182-DAY TREASURY BILLS, MATURING SEPTEMBER 4, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$152,020,000, of which \$50,114,000 was accepted. The accepted bids ranged in price from 99.955, equivalent to a rate of about 0.089 percent per annum, to 99.946, equivalent to a rate of about 0.107 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.949 and the average rate is about 0.100 percent per annum on a bank discount basis.

273-DAY TREASURY BILLS, MATURING DECEMBER 4, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$157,560,000, of which \$50,072,000 was accepted. The accepted bids ranged in price from 99.909, equivalent to a rate of about 0.120 percent per annum, to 99.886, equivalent to a rate of about 0.150 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.889 and the average rate is about 0.147 percent per annum on a bank discount basis.



25 copies

TREASURY DEPARTMENT

Washington

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Tuesday, March 5, 1935.
3-4-35.

Press Service
No. 4-43

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4-44

Thieves don't "fall out" over United States Savings Bonds. They have already discovered that they cannot convert this kind of loot into cash.

Because the new government securities are non-transferable, and are payable only to the owner, Mrs. Lucy Plymack of Atlantic City quickly recovered a \$100 bond after three boys snatched her handbag while she was visiting in Philadelphia. The 13-year-old thieves kept \$55 in cash, but police found the discarded government bond near the scene of the robbery. Even had the thieves kept or destroyed the bond, the owner could have replaced it by application to the Treasury Department.

~~The report of this incident indicates that in some places there is a misunderstanding about the necessity of making belief that purchasers of these bonds must have their fingerprints taken for purposes of identification. Post Office officials pointed out that this is not so, and have instructed postmasters to make it clear to the public.~~

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, March 6, 1935.

Press Service
No. 4-44

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4-45

A warning against attempts to fingerprint purchasers of United States Savings Bonds was issued today by the Post Office Department as a result of reports that some postmasters ~~were~~ ^{insisted on} taking fingerprints.

Post Office officials explained that purchasers of Postal Savings certificates are fingerprinted for purposes of identification in case of two people of the same name, and to prevent forgery. But there is no such requirement in the case of the new savings bonds, which are protected against loss, theft or forgery by the fact that they are payable only to the owner, whose name is written on the bond at the time of purchase. The transaction is also recorded on the books of the United States Treasury.

The misapprehension with respect to fingerprinting came to light in the case of the theft of the handbag of Mrs. Lucy Plymack of Atlantic City. While visiting in Philadelphia, Mrs. Plymack was robbed of a handbag containing cash, ²United States Savings Bonds and Postal Savings certificates. The 13-year-old thieves kept the cash, but they discarded Mrs. Plymack's ~~one~~ \$100 United States Savings Bond. It was found near the scene of the robbery by police, who thought the bond had been thrown away because the thieves knew they could not cash it. ~~The fact that Mrs. Plymack had~~ ^{The fact that Mrs. Plymack had} ~~Even though they had kept or destroyed it, the government~~ ^{Even though they had kept or destroyed it, the government} ~~would have replaced it following application to the Treasury Department.~~

been fingerprinted ~~at~~ at the time of purchase was given as another safeguard of her ownership.

It has also been reported that some postmasters in Brooklyn and other eastern cities were insistent on fingerprinting.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 7, 1935.
3-6-35.

Press Service
No. 4-45.

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TREASURY DEPARTMENT

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 7, 1935.

Press Service

4-46

3/6/35

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of Treasury notes of Series A-1940 will close at the close of business Friday, March 8, 1935. Subscriptions placed in the mail before 12 o'clock midnight, Friday, March 8, will be considered as having been entered before the close of the subscription books. This offering is open only to the holders of Treasury notes of Series C-1935, maturing March 15, 1935.

The subscription books for the Treasury bonds of 1955-60 will remain open until further notice for the exchange of Fourth Liberty Loan bonds called for redemption on April 15, 1935.

Announcement of the amount of subscriptions for the Treasury notes and their division among the several Federal Reserve Districts will be made later.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
MONDAY, MARCH 4, 1935.
3/2/35

Press Service
No. 4-35

Secretary of the Treasury Morgenthau today announced an offering of 20-25 year 2-7/8 percent Treasury bonds of 1955-60 in exchange for Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 called for redemption on April 15, 1935 (Third-called Fourth 4-1/4's); and 5 year 1-5/8 percent Treasury notes of Series A-1940 in exchange for Treasury notes of Series C-1935, maturing March 15, 1935. The two offerings are entirely on an exchange basis, and the issues of bonds and notes will be limited to the amount of Third-called Fourth 4-1/4's and Treasury notes of Series C-1935, respectively, tendered in payment and accepted. Cash subscriptions will not be received. About \$1,850,000,000 of the Fourth Liberty Loan bonds are included in the third call for redemption on April 15, 1935, and about \$528,000,000 of the Treasury notes of Series C-1935 mature on March 15, 1935.

The Treasury bonds, now offered in exchange for Third-called Fourth 4-1/4's, will be dated March 15, 1935 and will bear interest from that date at the rate of 2-7/8 percent per annum payable semiannually. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955.

The Treasury notes of Series A-1940, now offered in exchange for Treasury notes of Series C-1935 maturing March 15, 1935, will be dated March 15, 1935, and will bear interest from that date at the rate of 1-5/8 percent per annum, payable semiannually. They will mature March 15, 1940 and will not be subject to call for redemption prior to that date.

As more specifically set forth in the official circulars issued today, the Treasury bonds will be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, surtaxes, excess-profits and war-profits taxes; the interest on bonds (issued under the Second Liberty Bond Act) up to \$5,000 total principal amount under one ownership will be exempt from all taxation; and the Treasury notes will be exempt, both as to principal and interest, from all taxation except estate or inheritance taxes.

The Treasury bonds will be issued in two forms, bearer bonds with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in the denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The Treasury notes will be issued only in bearer form with coupons attached, and in the denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

Applications will be received at the Federal reserve banks and branches at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks and the Treasury Department are authorized to act as official agencies.

Applications for Treasury bonds of 1955-60 should be accompanied by a like face amount of Third-called Fourth 4-1/4's tendered in payment, and applications for Treasury notes of Series A-1940 should be accompanied by a like face amount of Treasury notes of Series C-1935 maturing March 15, 1935 tendered in payment. Subject to the reservations set forth in the official circulars, all exchange subscriptions for Treasury bonds in payment of which Third-called Fourth 4-1/4's are tendered, and all subscriptions for Treasury notes of Series A-1940 in payment of which Treasury notes of Series C-1935 are tendered, will be allotted in full.

Interest on Third-called Fourth 4-1/4's tendered in payment for 2-7/8 percent Treasury bonds of 1955-60 will be paid up to March 15, 1935. In the case of coupon bonds, which must be surrendered with coupons dated April 15, 1935, and all subsequent coupons attached, this accrued interest to March 15, 1935, will be paid to the subscriber. In the case of registered bonds a different procedure is necessary. Because of the large number of registered bonds it would not be feasible for the registered accounts to be adjusted to take account of exchanges in time to assure different payment of interest on April 15 with respect to registered bonds which have been exchanged. Accordingly, to all holders of record on March 15, 1935, of registered Fourth 4-1/4's checks will be mailed for interest on their registered bonds covering the full six months period from October 15, 1934 to April 15, 1935. It will therefore be necessary for holders to accompany the tender of their registered bonds for exchange with payment of an amount equal to the interest on their bonds from March 15 to April 15, 1935.

The present offering of 2-7/8 percent Treasury bonds of 1955-60 affords the holders of the Third-called Fourth 4-1/4's an opportunity to exchange their bonds for other long term bonds of the United States. The holders of the third called bonds who wish to take advantage of the present exchange offering should act promptly. No further exchange offering will be made to holders of these called bonds, and if such bonds are not exchanged under the present offering, they should be presented for redemption on April 15, 1935.

The texts of the official circulars follow:

2-7/8 PERCENT TREASURY BONDS OF 1955-60

Treasury Department Circular No. 531
Public Debt Service

March 4, 1935.

The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, for refunding purposes, invites subscriptions from the people of the United States, for two and seven-eighths per cent bonds of the United States, designated Treasury bonds of 1955-60, in payment of which only Fourth Liberty Loan 4-1/4 per cent bonds of 1933-38 included in the third call for redemption on April 15, 1935 (hereinafter referred to as Third-called Fourth 4-1/4's) may be tendered. ¹ Treasury bonds of 1955-60 will be issued at par and accrued interest, if any, and Third-called Fourth 4-1/4's will be received in payment at par, with an adjustment of accrued interest as of March 15, 1935, on the Third-called Fourth 4-1/4's so received. The amount of the offering will be limited to the amount of Third-called Fourth 4-1/4's tendered and accepted. Fourth Liberty Loan bonds not included in the third call for redemption on April 15, 1935, will not be accepted for exchange under this circular. ²

¹ Pursuant to the third call for partial redemption (see Department Circular No. 525, dated October 12, 1934) all outstanding Fourth Liberty Loan 4-1/4 per cent bonds of 1933-38 bearing serial numbers ending in 5, 6, or 7 (in the case of permanent coupon bonds preceded by the distinguishing letter E, F, or G, respectively) have been called for redemption on April 15, 1935, on which date interest on such bonds will cease.

² First-called Fourth 4-1/4's (which ceased to bear interest on April 15, 1934) bear serial numbers ending in 9, 0, or 1 (in the case of permanent coupon bonds preceded by the distinguishing letter J, K, or A, respectively), Second-called Fourth 4-1/4's (which ceased to bear interest on October 15, 1934) bear serial numbers ending in 2 or 8 (in the case of permanent coupon bonds preceded by the distinguishing letter B or H, respectively), and uncalled Fourth 4-1/4's bear serial numbers ending in 3 or 4 (in the case of permanent coupon bonds preceded by the distinguishing letter C or D, respectively).

Description of Bonds

The bonds will be dated March 15, 1935, and will bear interest from that date at the rate of two and seven-eighths per cent per annum, payable semiannually, on September 15, 1935, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955, in whole or in part, at par and accrued interest, on any interest day or days, on four months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

The bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the Second Liberty Bond Act, approved September 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

The bonds will be acceptable to secure deposits of public moneys, and will bear the circulation privilege only to the extent provided in the act approved July 22, 1932, as amended. They will not be entitled to any privilege of conversion.

Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds under rules and regulations prescribed by the Secretary of the Treasury.

The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

Application and Allotment

Applications will be received at the Federal reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, to make classified allotments or to make allotments upon a graduated scale, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

Terms of Payment

Payment at par and accrued interest, if any, for bonds allotted hereunder

must be made or completed on or before March 15, 1935, or on later allotment, and may be made only in Third-called Fourth 4-1/4's, which will be accepted at par with an adjustment of accrued interest thereon as of March 15, 1935, and should accompany the subscription. If any subscription is rejected, in whole or in part, the Third-called Fourth 4-1/4's tendered therewith and not accepted will be returned to the subscriber.

Coupon bonds.-- Third-called Fourth 4-1/4's in coupon form tendered in payment should have coupons dated April 15, 1935, as well as all subsequent coupons attached, and accrued interest from October 15, 1934, to March 15, 1935, ³ will be paid to the subscribers.

Registered bonds.-- As checks for interest covering the full six months period from October 15, 1934, to April 15, 1935, will be issued on April 15, 1935, to holders of record on March 15, 1935, of Third-called Fourth 4-1/4's in registered form, tenders of such registered bonds hereunder must be accompanied by payment of an amount equal to the interest to accrue thereon from March 15 to April 15, 1935. ⁴

Surrender of Third-Called Fourth 4-1/4's on Exchange

Coupon bonds.-- Third-called Fourth 4-1/4's in coupon form tendered in exchange for Treasury bonds offered hereunder, should be presented and surrendered to a Federal reserve bank or to the Treasurer of the United States, and should accompany the application. Coupons dated April 15, 1935, and all coupons bearing dates subsequent to April 15, 1935, should be attached to such coupon bonds when surrendered, and if any such coupons are missing, the application must be accompanied by cash ⁵ payment equal to the face amount of the missing coupons. The bonds must be

³ Accrued interest at 4-1/4 per cent from October 15, 1934, to March 15, 1935, on \$1,000 Third-called Fourth 4-1/4's (151 days) is \$17,630.945.

⁴ Interest from March 15 to April 15, 1935, on \$1,000 Third-called Fourth 4-1/4's (31 days) is \$3.6195055.

⁵ The final coupon attached to temporary coupon bonds became due on October 15, 1920. The holders of any such temporary bonds which are included in the third call for partial redemption on April 15, 1935, will receive the past due interest from October 15, 1920, if such bonds are tendered for exchange under this circular.

delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

Registered bonds.-- Third-called Fourth 4-1/4's in registered form tendered in exchange for Treasury bonds offered hereunder should be assigned by the registered payee or assigns 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 presented and surrendered with the application to a Federal reserve bank or to the Treasury Department, Division of Loans and Currency, Washington. The bonds must be delivered at the expense and risk of the holder. If Treasury bonds are desired registered in the same name as the Third-called Fourth 4-1/4's surrendered, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1955-60"; if Treasury bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1955-60 in the name of _____"; if Treasury bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1955-60 in coupon form to be delivered to _____".

General Provisions

As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts, to issue allotment notices, to receive payment

for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

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 MORGENTHAU, JR.,
Secretary of the Treasury.

1-5/8 PERCENT TREASURY NOTES OF SERIES A-1940

Treasury Department Circular No. 532
Public Debt Service

March 4, 1935.

The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States, for one and five-eighths percent notes of the United States, designated Treasury notes of Series A-1940, in payment of which only Treasury notes of Series C-1935, maturing March 15, 1935, may be tendered. The amount of the offering will be limited to the amount of Treasury notes of Series C-1935 tendered and accepted.

Description of Notes

The notes will be dated March 15, 1935, and will bear interest from that date at the rate of one and five-eighths percent per annum, payable semi-annually, on September 15, 1935, and thereafter on March 15 and September 15 in each year. They will mature March 15, 1940, and will not be subject to call for redemption prior to maturity.

The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

Bearer notes with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

Application and Allotment

Applications will be received at the Federal reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, to make classified allotments or to make allotments upon a graduated scale, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

Payment

Payment at par for notes allotted hereunder must be made or completed on or before March 15, 1935, or on later allotment, and may be made only in 2-1/2 percent Treasury notes of Series C-1935, maturing March 15, 1935, which will be accepted at par and should accompany the subscription.

other places was doubled upon request of the postmasters in those cities. Although definite allocations of bonds have not been made, as there is no limit on their total sale, the Post Office Department distributed these new savings bonds on the basis of the sale of Treasury war savings certificates. They were also issued in small denominations.

Many of the postmasters' requests for an additional supply of the bonds contained orders for the two larger denominations--the \$500 and \$1000 units. Word that many people had announced their intention of buying the maximum amount allowed to one individual in a single calendar year--\$10,000--has been received at the Post Office Department from many sections. At the station in the Treasury Building one would-be buyer insisted on leaving his check for \$7,500, which is the cost of ten \$1000 bonds at the issue price. Each \$1000 bond costs the purchaser \$750 when he buys it, and the investment increases by one-third if held the full ten years to maturity.

(3/1/35)
The Secretary of the Treasury to-day made public the following opinion of the Attorney General relating to the circulation privilege granted certain United States bonds under Section 29 of the Federal Home Loan Bank Act of July 22, 1932:

"August 12, 1932.

My dear Mr. Secretary:

I have the honor to refer to your letter of July 28, 1932, requesting my opinion (1) as to whether the Treasurer of the United States shall collect one-half of one per centum or one-fourth of one per centum each half year upon the circulating notes issued under Section 29 of the Federal Home Loan Bank Act of July 22, 1932 (Public No. 304, 72d Congress, 1st Sess.), and (2) whether Section 29 requires bonds deposited with the Treasurer of the United States thereunder as security for the issuance of circulating notes to be withdrawn as such security at the expiration of three years from the date of the Act.

Section 29, supra, provides:

That notwithstanding any provisions of law prohibiting bonds of the United States from bearing the circulation privilege, for a period of three years from the date of enactment of this Act all outstanding bonds of the United States heretofore issued or issued during such period, bearing interest at a rate not exceeding $3 \frac{3}{8}$ per centum per annum, shall be receivable by the Treasurer of the United States as security for the issuance of circulating notes to national banking

associations, and upon the deposit with the Treasurer of the United States by a national banking association of any such bonds, such association shall be entitled to receive circulating notes in the same manner and to the same extent and subject to the same conditions and limitations now provided by law in the case of 2 per centum gold bonds of the United States bearing the circulation privilege; except that the limitation contained in section 9 of the Act of July 12, 1882, as amended, with respect to the amount of lawful money which may be deposited with the Treasurer of the United States by national banking associations for the purpose of withdrawing bonds held as security for their circulating notes, shall not apply to the bonds of the United States to which the circulation privilege is extended by this section and which are held as security for such notes. Nothing contained in this section shall be construed to modify, amend, or repeal any law relating to bonds of the United States which now bear the circulation privilege.

This statute provides for the issuance of circulating notes to national banking associations, and, with an exception not material to your first question, requires that such notes shall be issued in accordance with and subject to the conditions under which are issued circulating notes secured by 2 per centum gold bonds of the United States. One of the conditions under which the latter notes are issued is that prescribed by Section 13 of the Act of March 14, 1900, c. 41, 31 Stat. 45, 49 (U.S.C., Title 12, Sec. 542), as follows:

That every national banking association having on deposit, as provided by law, bonds of the United States bearing interest at the rate of two per centum per annum, issued under the provisions of this Act, to secure its circulating notes, shall pay to the Treasurer of the United States, in the

months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

Section 13 of the Act of March 14, 1900, just quoted, reduced the tax imposed by Section 5214 of the Revised Statutes on the average amount of notes which each national banking association has in circulation secured by 2 per centum gold bonds of the United States from one-half of 1 per centum to one-fourth of 1 per centum semi-annually. Since Section 29 of the Federal Home Loan Bank Act provides that, with an exception not material here, the notes issued pursuant to that statute are to be issued upon the same conditions as are provided by law in the case of 2 per centum gold bonds of the United States bearing the circulation privilege, and since it is clear that the tax upon notes based upon the deposit of said 2 per centum bonds is now one-fourth of 1 per centum semi-annually, it seems entirely clear that this is the rate of tax applicable to notes issued pursuant to the provisions of the Federal Home Loan Bank Act. While the provisions of Section 29 which bear upon this question are so clear that resort to the legislative history as an aid to construc-

tion seems to be unnecessary, I have examined the legislative history, and while there is very little material which bears upon this particular question, such as there is clearly supports my construction of the statute. (See Congressional Record, Vol. 75, No. 169, p. 15380, 72d Cong., 1st Sess.)

Your second question involves particularly the construction of the following portion of Section 29 of the Federal Home Loan Bank Act:

* * * for a period of three years from the date of enactment of this Act all outstanding bonds of the United States heretofore issued or issued during such period, bearing interest at a rate not exceeding $3 \frac{3}{8}$ per centum per annum, shall be receivable by the Treasurer of the United States as security for the issuance of circulating notes to national banking associations, and upon the deposit with the Treasurer of the United States by a national banking association of any of such bonds, such association shall be entitled to receive circulating notes * * *.

The provision which excepts the bonds of the United States to which the circulation privilege is extended by this section and which are held as security for such notes from the limitations contained in Section 9 of the Act of July 12, 1882, as amended, with respect to the amount of lawful money which may be deposited with the Treasurer for the purpose of withdrawing bonds held

as security for their circulating notes must also be considered in connection with your second question.

The problem presented appears to me to be whether the provisions of Section 29 require that the circulation privilege of bonds deposited pursuant to that section shall cease three years after the date of the enactment of the Act or whether the Act merely means that after three years no more of such bonds may be deposited and accorded the circulation privilege without, however, affecting the circulating privilege of bonds deposited within the three-year period, leaving such circulation privilege outstanding during the entire remaining life of the bonds deposited. The effect of the first construction is, of course, to permit a temporary expansion of the currency which is to terminate at the end of three years, while the effect of the latter construction would be to effect an expansion of the currency which would be permanent during the life of the bonds to which the circulation privilege was accorded.

It must be admitted that the language of the statute is not entirely free from ambiguity, and, in order to determine the intent of Congress and construe the language of the statute so as to effectuate that

intent, it seems to me proper and necessary to resort to the legislative history of this provision. The only committee report which deals with the section is the Report of the Conference Committee, in which the following statement is made by the managers on the part of the House with respect to the provisions of Section 29 (H. Rep. No. 1775, 72d Cong., 1st Sess.):

Amendment No. 46: This amendment authorizes United States bonds bearing interest at a rate not in excess of 3 3/8 per cent to bear the circulating privilege for a period of three years after the enactment of this act.* * *

A careful examination of the debates in the Senate and House dealing with this provision has also been made. Several statements in the course of such debates by those who may be regarded as sponsors of this legislation and others throw light on the intention of Congress. The provision for the extension of the circulation privilege to the bonds mentioned in Section 29 is referred to as not a 'permanent proposition', as 'a temporary expedient', as 'a sound way of expanding the currency to meet the exigencies of this particular time', as 'a temporary arrangement'. It is said that the provision 'expires by limitation of law'. It is also said that 'The whole thing terminates at the end

of five years * * *. [Changed later to three years in the provision as passed.] (For the foregoing, see Congressional Record, Vol. 75, No. 168, p. 15301, 72d Cong., 1st Sess.)

Reference is also made to the three-year provision by a member of the House Banking and Currency Committee, who was also one of the House conferees on the Bill, as follows (Congressional Record, Vol. 75, No. 175, p. 16113, 72d Cong., 1st Sess.):

* * * Suppose they issue \$900,000,000 of national bank notes under this provision. It is for three years. At the end of three years what will happen? You will find an inflation up to that time, and at the end of three years it has got to end, and they have got to be called in, and the contraction of a billion dollars, in round numbers, in the currency in this country in 1935 will be upon us, * * *.

A member of the House, speaking against the Bill, and referring to the circulation privilege afforded to certain bonds by its provisions, said (Congressional Record, Vol. 75, No. 175, p. 16111, 72d Cong., 1st Sess.):

* * * they would lose their circulation privilege automatically in three years, and thus all circulation would be retired * * *.

I find nothing in the legislative history which indicates that it was the purpose of Congress in adding Section 29

to the Federal Home Loan Bank Act to provide for a permanent expansion of the currency beyond the three-year period.

Reading the provisions of Section 29 in an effort to carry out the intent of Congress as disclosed by the legislative history of the measure, it is my opinion that the three-year period prescribed by Section 29 means that the bonds referred to in said section lose the circulation privilege at the end of the three-year period and the notes issued upon the deposit of such bonds must be retired in an appropriate manner.

Respectfully,

(Signed) WILLIAM D. MITCHELL,
Attorney General.

The Honorable

The Secretary of the Treasury "

250 copies
for Poole

March 1, 1935.
For immediate release.

PRESS RELEASE NOTICE.

The Comptroller of the Currency, J. F. T. O'Connor, today announced that in accordance with the opinion of the Attorney General dated August 12, 1932, and the Act of Congress of July 22, 1932, the circulation privilege on United States bonds ~~which~~ ~~was~~ conferred by the Act of July 22, 1932, would expire with respect to such bonds on July 22, 1935, that national banks will, therefore, be required to either withdraw these bonds, placing with the Treasurer of the United States lawful money in lieu thereof, or place in substitution therefor with the Treasurer of the United States bonds bearing the circulation privilege, namely, 2% Consols of 1930 or 2% Panama's of 1916-1936 and 1918-1938.

OK
J.F.T.



TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, March 2, 1935.

Press Service
No. 4-38

The Comptroller of the Currency, J.F.T. O'Connor, today announced that in accordance with the opinion of the Attorney General dated August 12, 1932, and the Act of Congress of July 22, 1932, the circulation privilege on United States bonds conferred by the Act of July 22, 1932, would expire with respect to such bonds on July 22, 1935, that national banks will, therefore, be required either to withdraw these bonds, placing with the Treasurer of the United States lawful money in lieu thereof, or place in substitution therefor with the Treasurer of the United States bonds bearing the circulation privilege, namely, 2% Consols of 1930 or 2% Panama's of 1916-1936 and 1918-1938.

be to "The Secretary of the Treasury for exchange for Treasury bonds of 1955-60"; if Treasury bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1955-60 in the name of _____"; if Treasury bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1955-60 in coupon form to be delivered to _____"

General Provisions

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal reserve banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

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 MORCEN THAU, JR.,
Secretary of the Treasury.

Surrender of Third-Called Fourth 4-1/4's on Exchange

Coupon bonds.-Third-called Fourth 4-1/4's in coupon form tendered in exchange for Treasury bonds offered hereunder, should be presented and surrendered to a Federal reserve bank or to the Treasurer of the United States, and should accompany the application. Coupons dated April 15, 1935, and all coupons bearing dates subsequent to April 15, 1935, should be attached to such coupon bonds when surrendered, and if any such coupons are missing, the application must be accompanied by cash payment equal to the face amount of the missing coupons.⁵ The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

Registered bonds.-Third-called Fourth 4-1/4's in registered form tendered in exchange for Treasury bonds offered hereunder should be assigned by the registered payee or assigns 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 presented and surrendered with the application to a Federal reserve bank or to the Treasury Department, Division of Loans and Currency, Washington. The bonds must be delivered at the expense and risk of the holder. If Treasury bonds are desired registered in the same name as the Third-called Fourth 4-1/4's surrendered, the assignment should

⁵ The final coupon attached to temporary coupon bonds became due on October 15, 1920. The holders of any such temporary bonds which are included in the third call for partial redemption on April 15, 1935, will receive the past due interest from October 15, 1920, if such bonds are tendered for exchange under this circular.

said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

Terms of Payment

Payment at par and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before March 15, 1935, or on later allotment, and may be made only in Third-called Fourth 4-1/4's, which will be accepted at par with an adjustment of accrued interest thereon as of March 15, 1935, and should accompany the subscription. If any subscription is rejected, in whole or in part, the Third-called Fourth 4-1/4's tendered therewith and not accepted will be returned to the subscriber.

Coupon bonds.-Third-called Fourth 4-1/4's in coupon form tendered in payment should have coupons dated April 15, 1935, as well as all subsequent coupons attached and ~~payment of~~ accrued interest from October 15, 1934, to March 15, 1935, ³ will be ~~made by check following acceptance of the bonds.~~ *paid to the subscribers.*

Registered bonds.-As checks for interest covering the full six months period from October 15, 1934, to April 15, 1935, will be issued on April 15, 1935, to holders of record on March 15, 1935, of Third-called Fourth 4-1/4's in registered form, tenders of such registered bonds hereunder must be accompanied by payment of an amount equal to the interest to accrue thereon from March 15 to April 15, 1935. ⁴

³ Accrued interest at 4-1/4 percent ~~from~~ October 15, 1934, to March 15, 1935, on \$1,000 Third-called Fourth 4-1/4's (151 days) is \$17.6304945.

⁴ Interest from March 15 to April 15, 1935, on \$1,000 Third-called Fourth 4-1/4's (31 days) is \$3.6195055.

the Second Liberty Bond Act, approved September 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

The bonds will be acceptable to secure deposits of public moneys, and will bear the circulation privilege only to the extent provided in the act approved July 22, 1932, as amended. They will not be entitled to any privilege of conversion.

Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds under rules and regulations prescribed by the Secretary of the Treasury.

The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

Application and Allotment

Applications will be received at the Federal reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, to make classified allotments or to make allotments upon a graduated scale, or to adopt any or all of

and accepted. Fourth Liberty Loan bonds not included in the third call for redemption on April 15, 1935, will not be accepted for exchange under this circular.²

Description of Bonds

The bonds will be dated March 15, 1935, and will bear interest from that date at the rate of two and seven-eighths percent per annum, payable semiannually, on September 15, 1935, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955, in whole or in part, at par and accrued interest, on any interest day or days, on four months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

The bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by

² First-called Fourth 4-1/4's (which ceased to bear interest on April 15, 1934) bear serial numbers ending in 9, 0, or 1 (in the case of permanent coupon bonds preceded by the distinguishing letter J, K, or A, respectively), Second-called Fourth 4-1/4's (which ceased to bear interest on October 15, 1934) bear serial numbers ending in 2 or 8 (in the case of permanent coupon bonds preceded by the distinguishing letter B or H, respectively), and uncalled Fourth 4-1/4's bear serial numbers ending in 3 or 4 (in the case of permanent coupon bonds preceded by the distinguishing letter C or D, respectively).

~~UNITED STATES OF AMERICA~~

2-7/8 PERCENT TREASURY BONDS OF 1955-60

Dated and bearing interest from March 15, 1935

Due March 15, 1960

Redeemable at the option of the United States at par and accrued interest on and after March 15, 1955

Interest payable March 15 and September 15

OFFERED ONLY IN EXCHANGE FOR THIRD-CALLED FOURTH LIBERTY LOAN BONDS

~~1935~~
Department Circular No. 531

Public Debt Service

~~TREASURY DEPARTMENT,~~
~~Office of the Secretary,~~
Washington, March 4, 1935.

The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, for refunding purposes, invites subscriptions from the people of the United States, for two and seven-eighths percent bonds of the United States, designated Treasury bonds of 1955-60, in payment of which only Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 included in the third call for redemption on April 15, 1935 (hereinafter referred to as Third-called Fourth 4-1/4's) may be tendered.¹ Treasury bonds of 1955-60 will be issued at par and accrued interest, if any, and Third-called Fourth 4-1/4's will be received in payment at par, with an adjustment of accrued interest as of March 15, 1935, on the Third-called Fourth 4-1/4's so received. The amount of the offering will be limited to the amount of Third-called Fourth 4-1/4's tendered

¹ Pursuant to the third call for partial redemption (see Department Circular No. 525, dated October 12, 1934) all outstanding Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 bearing serial numbers ending in 5, 6, or 7 (in the case of permanent coupon bonds preceded by the distinguishing letter E, F, or G, respectively) have been called for redemption on April 15, 1935, on which date interest on such bonds will cease.

UNITED STATES OF AMERICA

1-5/8 PERCENT TREASURY NOTES OF SERIES A-1940

~~Dated and bearing interest from March 15, 1935~~

~~Due March 15, 1940~~

~~Interest payable March 15 and September 15~~

~~OFFERED ONLY IN EXCHANGE FOR TREASURY NOTES OF SERIES C-1935~~

~~1935~~
Department Circular No. 532

Public Debt Service

~~TREASURY DEPARTMENT~~
~~Office of the Secretary~~
Washington, March 4, 1935.

The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States, for one and five-eighths percent notes of the United States, designated Treasury notes of Series A-1940, in payment of which only Treasury notes of Series C-1935, maturing March 15, 1935, may be tendered. The amount of the offering will be limited to the amount of Treasury notes of Series C-1935 tendered and accepted.

Description of Notes

The notes will be dated March 15, 1935, and will bear interest from that date at the rate of one and five-eighths percent per annum, payable semiannually, on September 15, 1935, and thereafter on March 15 and September 15 in each year. They will mature March 15, 1940, and will not be subject to call for redemption prior to maturity.

The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the

Interest on Third-called Fourth 4-1/4's tendered in payment for 2-7/8 percent Treasury bonds of 1955-60 will be paid up to March 15, 1935. In the case of coupon bonds, which must be surrendered with coupons dated April 15, 1935, and all subsequent coupons attached, ^{this} ~~from~~ accrued interest to March 15, 1935, will be paid ^{to} the subscriber. In the case of registered bonds a different procedure is necessary. Because of the large number of registered bonds it would not be feasible for the registered accounts to be adjusted to take account of exchanges in time to assure different payment of interest on April 15 ^{with regard to} ~~to the holders of~~ registered bonds which have been exchanged. ^{Accordingly, to all} ~~all~~ holders of registered Fourth 4-1/4's ^{of record on March 15, 1935,} ~~will accordingly~~ ^{checks will} be mailed ~~checks~~ for interest on their registered bonds covering the full six months period from October 15, 1934 to April 15, 1935. It will therefore be necessary for ^{holders} ~~them~~ to accompany the tender of their registered bonds for exchange with payment of an amount equal to the interest on their bonds from March 15 to April 15, 1935.

The present offering of 2-7/8 percent Treasury bonds of 1955-60 affords the holders of the Third-called Fourth 4-1/4's an opportunity to exchange their bonds for other long term bonds of the United States. The holders of the third called bonds who wish to take advantage of the present exchange offering should act promptly. No further exchange offering will be ^{made} ~~accorded~~ to holders of these called bonds, and if such bonds are not exchanged under the present offering, they should be presented for redemption on April 15, 1935.

The texts of the official circulars follow:

As more specifically set forth in the official circulars issued today, the Treasury bonds will be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, surtaxes, excess-profits and war-profits taxes; the interest on bonds (issued under the Second Liberty Bond Act) up to \$5,000 total principal amount under one ownership will be exempt from all taxation; and the Treasury notes will be exempt, both as to principal and interest, from all taxation except estate or inheritance taxes.

The Treasury bonds will be issued in two forms, bearer bonds with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in the denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The Treasury notes will be issued only in bearer form with coupons attached, and in the denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

Applications will be received at the Federal reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks and the Treasury Department are authorized to act as official agencies.

Applications for Treasury bonds of 1955-60 should be accompanied by a like face amount of Third-called Fourth 4-1/4's tendered in payment, and applications for Treasury notes of Series A-1940 should be accompanied by a like face amount of Treasury notes of Series C-1935 maturing March 15, 1935 tendered in payment. Subject to the reservations set forth in the official circulars, all exchange subscriptions for Treasury bonds in payment of which Third-called Fourth 4-1/4's are tendered, and all subscriptions for Treasury notes of Series A-1940 in payment of which Treasury notes of Series C-1935 are tendered, will be allotted in full.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
MONDAY, MARCH 4, 1935

Press Service
no. 4-38

Secretary of the Treasury Morgenthau today announced an offering of 20-25 year 2-7/8 percent Treasury bonds of 1955-60 in exchange for Fourth Liberty Loan 4-1/4 percent bonds of 1935-38 called for redemption on April 15, 1935 (Third-called Fourth 4-1/4's); and 5 year 1-5/8 percent Treasury notes of Series A-1940 in exchange for Treasury notes of Series C-1935, maturing March 15, 1935. The two offerings are entirely on an exchange basis, and the issues of bonds and notes will be limited to the amount of Third-called Fourth 4-1/4's and Treasury notes of Series C-1935, respectively, tendered in payment and accepted. Cash subscriptions will not be received. About \$1,850,000,000 of the Fourth Liberty Loan bonds are included in the third call for redemption on April 15, 1935, and about \$528,000,000 of the Treasury notes of Series C-1935 mature on March 15, 1935.

The Treasury bonds, now offered in exchange for Third-called Fourth 4-1/4's, will be dated March 15, 1935 and will bear interest from that date at the rate of 2-7/8 percent per annum payable semiannually. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955.

The Treasury notes of Series A-1940, now offered in exchange for Treasury notes of Series C-1935 maturing March 15, 1935, will be dated March 15, 1935, and will bear interest from that date at the rate of 1-5/8 percent per annum, payable semiannually. They will mature March 15, 1940 and will not be subject to call for redemption prior to that date.

Interest on Third-called Fourth 4-1/4's tendered in payment for 2-7/8 percent Treasury bonds of 1955-60 will be paid up to March 15, 1935. In the case of coupon bonds, which must be surrendered with coupons dated April 15, 1935, and all subsequent coupons attached, ^{This} accrued interest to March 15, 1935 will be paid the subscriber. In the case of registered bonds a different procedure is necessary. Because of the large number of registered bonds it would not be feasible for the registered accounts to be adjusted to take account of exchanges in time to assure different payment of interest on April 15 ^{with respect to} ~~to the holders of registered bonds which have been exchanged.~~ ^{Accordingly, to all} ~~all~~ ^{holders of record on March 15, 1935,} ~~holders of registered Fourth 4-1/4's will accordingly be mailed checks~~ ^{checks} for interest on their registered bonds covering the full six months period from October 15, 1934 to April 15, 1935. It will therefore be necessary for ~~them~~ ^{holders} to accompany the tender of their registered bonds for exchange with payment of an amount equal to the interest on their bonds from March 15 to April 15, 1935.

The present offering of 2-7/8 percent Treasury bonds of 1955-60 affords the holders of the Third-called Fourth 4-1/4's an opportunity to exchange their bonds for other long term bonds of the United States. The holders of the third called bonds who wish to take advantage of the present exchange offering should act promptly. No further exchange offering will be accorded to holders of these called bonds, and if such bonds are not exchanged under the present offering, they should be presented for redemption on April 15, 1935.

The texts of the official circulars follow:

As more specifically set forth in the official circulars issued today, the Treasury bonds will be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, surtaxes, excess-profits and war-profits taxes; the interest on bonds (issued under the Second Liberty Bond Act) up to \$8,000 total principal amount under one ownership will be exempt from all taxation; and the Treasury notes will be exempt, both as to principal and interest, from all taxation except estate or inheritance taxes.

The Treasury bonds will be issued in two forms, bearer bonds with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in the denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The Treasury notes will be issued only in bearer form with coupons attached, and in the denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

Applications will be received at the Federal reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal reserve banks and the Treasury Department are authorized to act as official agencies.

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(Pee)

TREASURY DEPARTMENT

Washington

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MONDAY, MARCH 4, 1935

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The Treasury bonds, now offered in exchange for Third-called Fourth 4-1/4's, will be dated March 15, 1935 and will bear interest from that date at the rate of 2-7/8 percent per annum payable semiannually. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955.

The Treasury notes of Series A-1940, now offered in exchange for Treasury notes of Series C-1935 maturing March 15, 1935, will be dated March 15, 1935, and will bear interest from that date at the rate of 1-5/8 percent per annum, payable semiannually. They will mature March 15, 1940 and will not be subject to call for redemption prior to that date.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, February 20, 1935.
2-19-35.

Press Service
No. 4-32

Secretary of the Treasury Morgenthau visited the Bureau of Engraving today (Tuesday) to watch the printing of the first batch of United States Savings Bonds that will go on sale at the postoffices on or about March 1.

Mr. Morgenthau was told that first delivery of the new bonds will be made within a few days. They will then be distributed to 14,000 postoffices, where they are to be sold over the counter for cash. They will be on sale at all first, second and third-class postoffices, and at all fourth-class postoffices located at county seats. It is expected that the postoffices will set aside separate windows for their sale, and also delegate special officials to handle them. Postmasters or their agents will aid purchasers in the sale, delivery, safekeeping, redemption and payment of the bonds.

Secretary Morgenthau has announced that the bonds will sell for prices which will yield a return in ten years equal to interest at slightly less than 3 per cent compounded semi-annually. They will be in five denominations, ranging from \$25 maturity value to \$1000. The \$25 bond will sell for \$18.75 and the \$1000 bond for \$750. They are cashable at any time after sixty days from the date of issue, which shall be the first day of the month in which the bonds are bought. The owner gets back only his original investment in the first year. After the first year, the bonds increase in value every six months.

The bond is about eight inches square. On the face there is a table of redemption values which shows the redemption value of the bond at all times. The \$100 bond, for instance, increases in value by \$1 every six months after the first year, and by \$2 every six months after the seventh year. The other denominations increase in value proportionately.

In buying a bond, the purchaser simply pays cash to the postmaster or his agent. The postmaster then writes on the face of the bond the name and address of the owner, the date of issue and the date of sale. No bond will be valid unless it bears these notations, and no bond will be payable to anybody but the person whose name appears on it, with the exception of payments to the proper person or agent in case of death or disability. Attached to the bond is a stub which the postmaster detaches and forwards to the Treasury Department as record of the sale. These provisions guarantee complete protection to the owner in event of loss or destruction, for he may replace the bond under Treasury regulations. He cannot be deprived of payment through forgery or any legal process.

The purchaser may take his bond with him, or he may leave it with the Government for safekeeping.

of capital increased in the two-and-a-half and twelve-month periods \$13,896,000 and \$198,159,000, respectively. The par value of the stock showed increases of \$14,326,000 and \$198,700,000, respectively, in the two and a half and twelve month periods. Surplus funds of \$837,888,000, undivided profits of \$261,491,000, reserves for contingencies of \$141,880,000 and preferred stock retirement fund of \$2,320,000, or a total of \$1,243,579,000, showed a decrease of \$40,198,000 since October 17, and a decrease of \$70,337,000 in the year.

Circulating notes outstanding amounted to \$654,476,000, in comparison with \$665,845,000 on October 17, 1934, and \$778,566,000 on December 30, 1933.

The total deposits of licensed banks on December 31, 1934, were \$21,676,303,000 showing an increase of \$854,911,000, or 4.11 per cent, since October 17, and an increase of \$4,086,421,000, or 23.23 per cent, since December 30, the year previous. The aggregate on December 31, 1934, included amounts due to banks subject to immediate withdrawal and certified and cashiers' checks outstanding of \$3,362,954,000 United States Government deposits of \$887,240,000, other demand deposits of \$10,410,202,000, and time deposits of \$7,015,907,000. In the total of time deposits were included postal savings of \$350,686,000, time certificates of deposit of \$658,502,000 and deposits evidenced by savings pass books of \$5,394,518,000, the latter figure representing 14,069,665 accounts. Postal savings in national banks on December 31, 1934, showed a decrease of \$9,697,000, or 2.69 per cent, since October 17, and a decrease of \$219,793,000, or 38.53 per cent, in the year.

Bills payable of \$7,342,000 and rediscounts of \$383,000, a total of \$7,725,000, showed decreases in the two-and-a-half and twelve-month periods of \$1,061,000 and \$74,262,000, respectively.

The percentage of loans and discounts to total deposits reported as of December 31, 1934, was 34.55, in comparison with 36.66 on October 17, 1934, and 46.06 on December 30, 1933.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,

afternoon
Thursday, Feb. 21-1935

Press Service

No. 4-33

Comptroller of the Currency J.F.T. O'Connor announced today that the total assets of the 5,467 licensed national banks operating on an unrestricted basis in the continental United States, Alaska and Hawaii, on December 31, 1934, the date of the last call for statements of condition, aggregated \$25,629,580,000, which is an increase of \$818,190,000 over the amount reported by 5,466 licensed banks on October 17, 1934, the date of the previous call, and an increase of \$3,882,097,000 over the amount reported by 5,159 licensed banks as of December 30, 1933, the date of the corresponding call made a year ago.

Loans and discounts, including rediscounts, on December 31, 1934, totaled \$7,488,652,000, in comparison with \$7,633,924,000 on October 17, 1934, and \$8,101,156,000 on December 30, 1933.

Investments in United States Government obligations, direct and ~~in~~ fully guaranteed, aggregated \$6,960,208,000, which was an increase of \$611,976,000 since October 17, and an increase of \$2,491,061,000 in the year. Investments in United States Government obligations reported for the recent call comprise direct obligations of the United States of \$6,262,109,000, obligations of the Reconstruction Finance Corporation of \$185,953,000, Federal Farm Mortgage Corporation bonds of \$183,569,000, and Home Owners' Loan Corporation bonds guaranteed as to interest and principal of \$328,577,000. Other bonds and securities held amounting to \$3,495,724,000, which included Home Owners' Loan Corporation 4% bonds of \$71,963,000 guaranteed by the United States as to interest only, showed a decrease of \$74,413,000 since October 17, but an increase of \$94,099,000 in the year.

Balances due from correspondent banks and bankers of \$5,976,623,000, which included reserve with Federal Reserve Banks of \$2,525,448,000, were \$364,589,000 more than on October 17 last, and \$1,915,805,000 more than reported on December 30, 1933. Cash in vault of \$456,466,000 showed increases in the two-and-a-half and twelve-month periods of \$37,710,000 and \$113,349,000, respectively.

The book value of capital stock of the licensed national banks on December 31, 1934, was \$1,786,409,000 and represented a par value of \$1,788,154,000. The latter figure was composed of class A preferred stock of \$464,752,000, class B preferred stock of \$17,178,000, and common stock of \$1,306,224,000. The book value

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Thursday, February 21, 1935.
2-20-35.

Press Service
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Bills payable of \$7,342,000 and rediscounts of \$383,000, a total of \$7,725,000, showed decreases in the two-and-a-half and twelve-month periods of \$1,061,000 and \$74,262,000, respectively.

The percentage of loans and discounts to total deposits reported as of December 31, 1934, was 34.55, in comparison with 36.66 on October 17, 1934, and 46.06 on December 30, 1933.

the owner cannot be deprived of payment by loss, destruction, theft, ~~forgeries~~ ^{or} ~~legal process~~

The official circular also contains the table of redemption values which is printed on the ~~back~~ ^{face} of each bond. This shows ~~that~~ the value of the bond at any time before maturity, so that the owner will know at all times how much he will obtain if it becomes necessary to cash it in an emergency. The circular notes that the bonds are exempt from all present or future Federal, state or local taxation, with the exception of ~~federal income s urtaxes, war profits taxes and excess income taxes.~~ ^{estate or inheritance taxes and}

Postal Savings depositors may withdraw their savings for the purchase of United States Savings Bonds without loss of interest. They may withdraw their ~~Postal~~ Savings certificates and exchange them for the new government securities at the same postoffice window. The new bonds will sell at prices which will yield an increase of value equal to a return of slightly less than 3 per cent compounded semiannually, if held until maturity in ten years.

Each denomination bears the ~~reproduction~~ ^{portrait} of a President. The \$25 bond carries a picture of George Washington, while the likeness of Jefferson appears on the \$50 bond, Cleveland on the \$100, Wilson on the \$500 and Lincoln on the \$1000 unit.

~~It is understood that~~ ^{first time that} this is the smallest denomination of a government security ~~to display the picture of former President Wilson. His likeness now appears only on a \$100,000 Treasury bill.~~

^{has been used on}
a public debt security of the United States

##

Many advance orders have been received at the Treasury Department for the purchase of the United States Savings Bonds which go on sale at postoffices on or about March 1. The requests have come from ~~all~~ ^{many} sections of the country, and the amounts asked range from the smallest denomination of \$25, which costs \$18.75 at issue, to the largest unit of \$1,000, which will be sold at an issue price of \$750. There have been numerous requests for purchase of the maximum amount of \$10,000 which one person may buy in a single calendar year.

Although these requests indicate public interest in a ~~new~~ form of government security issued in small denominations, Treasury officials point out that no advance or private sales will be made. The bonds will be offered to the general public as a convenient means of saving and investment, and they will ~~not~~ be on sale ~~anywhere~~ ^{only} at postoffices. They will be sold at about 14,000 postoffices, which include all first, second and third-class offices and all fourth-class offices located at county seats.

The Post Office Department has ~~already~~ ^{has} begun distribution of the bonds and given instructions for their sale to postmasters. It is expected that the latter will set aside separate windows for handling the bonds, and delegate special officials to have charge of their sale. Postmasters and their assistants will be ready to advise purchasers ~~on any question in connection with the sale of~~ ^{on any question in connection with the sale of} United States Savings Bonds.

The Treasury Department has sent to postoffices and banks the official circular setting forth the terms of the offer, and these will be available ~~at the Division of Loans and Currency of the Treasury Department~~ ^{at} ~~days at the Division of Loans and Currency of the Treasury Department~~ ^{within 15}. This circular describes the bonds, and explains how they may be ~~ought~~ obtained, kept and redeemed.

It points out that a purchaser may keep them in his own possession, ~~but that he may~~ ^{or, if he} ~~prefer, he may~~ deposit them with the government for safekeeping. It is ~~generally~~ ^{generally} believed that owners will prefer to retain possession of their securities. They will be registered bonds, and

TREASURY DEPARTMENT

Washington

Release, Morning Newspapers,
Monday, February 25, 1935.
2-23-35.

Press Service
No. 4 - 34

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the Government for safekeeping.

It is believed that owners generally will prefer to retain possession of their securities. They will be registered bonds, and the owner cannot be deprived of payment by loss, destruction, theft or forgery.

The official circular also contains the table of redemption values which is printed on the face of each bond. This shows the value of the bond at any time before maturity, so that the owner will know at all times how much he will obtain if it becomes necessary to cash it in an emergency. The circular notes that the bonds are exempt from all present or future Federal, state or local taxation, with the exception of estate or inheritance taxes and Federal income surtaxes.

Postal Savings depositors may withdraw their savings for the purchase of United States Savings Bonds without loss of interest. They may withdraw their Postal Savings certificates and exchange them for the new Government securities at the same post office window. The new bonds will sell at prices which will yield an increase of value equal to a return of slightly less than 3 per cent compounded semiannually, if held until maturity in ten years.

Each denomination bears the portrait of a President. The \$25 bond carries a picture of George Washington, while the likeness of Jefferson appears on the \$50 bond, Cleveland on the \$100, Wilson on the \$500 and Lincoln on the \$1,000 unit.

This is the first time that the picture of former President Wilson has been used on a public debt security of the United States.

UNITED STATES SAVINGS BONDS SERIES A

1935
Department Circular No. 529
PUBLIC DEBT SERVICE

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, February 25, 1935.

Offering of United States Savings Bonds, Series A

The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, offers for sale, to the people of the United States, through the Postal Service, an issue of bonds of the United States, designated United States Savings Bonds, Series A, which will be issued on a discount basis, will mature in 10 years, but will be redeemable before maturity at the option of owners. Beginning March 1, 1935, these bonds will be on sale at post offices of the first, second, and third classes and at selected post offices of the fourth class, in amounts of \$25 (maturity value) and multiples thereof; and they will continue to be on sale until this offering is terminated by notice given by the Secretary of the Treasury to the Postmaster General.

Description of Bonds Offered

United States Savings Bonds, Series A, will be issued only in registered form, in denominations of \$25, \$50, \$100, \$500, and \$1,000 (maturity value), at prices hereinafter set forth, and will bear the name and address of the owner, the date as of which issued, and the date of maturity, which on original issue shall be inscribed thereon by the authorized postmaster at the time of issue. All such savings bonds are to be dated as of the first day of the month in which the issue price is received, and will mature and be payable 10 years from such issue date. They may be redeemed prior to maturity (but not within 60 days after the issue date), at the owner's option, in accordance with the table of redemption values appearing at the end of this circular, and set forth on the face of each bond. No interest will be paid on savings bonds, but the purchase price has been fixed so as to afford an investment yield of about 2.9 percent per annum compounded semi-annually if the bonds are held to maturity. If the owner exercises his option to redeem his bond prior to maturity the yield will be less, varying with the respective redemption values.

The savings bonds will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as a result of judicial proceedings, and then only in accordance with regulations prescribed from time to time by the Secretary of the Treasury. (See Treasury Department Circular No. 530, dated February 25, 1935.) Savings bonds issued through a post office shall be valid only if inscribed with the owner's name and address, dated the first day of the month in which the issue price is received, and duly delivered by an authorized postmaster; they will bear the facsimile signature of the Secretary of the Treasury, the seal of the Treasury Department will be impressed thereon, and they will bear the post-office dating stamp.

The savings bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the Second Liberty Bond Act, approved September 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above. For the purposes of determining taxes and tax exemptions, the increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.

Purchase

Savings bonds of Series A may be purchased for cash, at post offices of the first, second, and third classes, and at selected post offices of the fourth class, at any time while this offer is in effect; and, subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits, without loss of interest, will be permitted for the purpose of acquiring savings bonds. The issue prices of the various denominations of these bonds follow:

<i>Denomination (maturity value)</i>	<i>Issue price</i>
\$25.....	\$18. 75
50.....	37. 50
100.....	75. 00
500.....	375. 00
1, 000.....	750. 00

It shall not be lawful for any one person at any one time to hold savings bonds issued during any one calendar year in an aggregate amount exceeding \$10,000 (maturity value).

Delivery and Safekeeping of Bonds

Postmasters from whom savings bonds may be purchased are authorized to deliver such bonds duly inscribed and dated upon receipt of the purchase price. Deliveries should not be accepted by any purchaser until he has verified that his name and address are duly inscribed on the face of the bond and that the bond is duly dated the first day of the month in which he made payment of the purchase price.

Any savings bond will be held in safekeeping by the Secretary of the Treasury if the purchaser so desires, and in this connection the Secretary will utilize the facilities of the Federal Reserve banks as fiscal agents of the United States. The purchaser may arrange for such safekeeping at the time he purchases his bond or subsequently. Postmasters generally will assist owners in arranging for safekeeping, but will not act as safekeeping agents.

[OVER]

Payment at Maturity or on Redemption Prior to Maturity

Payment of any savings bond in accordance with its terms at maturity, or at the appropriate redemption value prior to maturity (but not within 60 days after the issue date), will be made following presentation and surrender of the bond, by registered mail or otherwise, at the expense and risk of the owner, to the Treasury Department, Division of Loans and Currency, Washington, D. C., or to any Federal Reserve bank, with the request for payment appearing on the back of the bond duly executed by the owner and certified by any United States postmaster from whom United States Savings Bonds may be purchased (authenticated by the imprint of his post-office dating stamp), by an executive officer of an incorporated bank or trust company (authenticated by the impress of the corporate seal of the bank or trust company), or by any other person duly designated by the Secretary of the Treasury for the purpose. Payment will be made by check drawn to the order of the owner, promptly after discharge of registration at the Treasury Department. In case of the death or disability of the registered owner, instructions should be obtained from the Treasury Department, Division of Loans and Currency, Washington, D. C., before the request for payment is executed. Postmasters generally will assist holders in securing payment at or before maturity, but they will not make payment of savings bonds.

General Provisions

All bonds issued pursuant to this circular shall be subject to regulations prescribed from time to time by the Secretary of the Treasury. Such regulations may require, among other things, reasonable notice in case of presentation of savings bonds for redemption prior to maturity. The initial regulations governing savings bonds are contained in Treasury Department Circular No. 530, dated February 25, 1935.

The Secretary of the Treasury may designate agencies other than post offices for the sale of savings bonds of this series, and he reserves the right to refuse to issue or permit to be issued hereunder any such savings bonds in any case or class of cases if he deems such action to be in the public interest. The Secretary of the Treasury further reserves the right to terminate this offer at any time, on notice to the Postmaster General.

Postmasters of the first, second, and third classes, and selected postmasters of the fourth class, under regulations promulgated by the Postmaster General, and Federal Reserve banks, as fiscal agents of the United States, are authorized to perform such fiscal agency services as may be requested of them in connection with the issue, delivery, safekeeping, redemption, and payment of savings bonds.

The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, information as to which will be promptly furnished to the Postmaster General and to Federal Reserve banks.

HENRY MORGENTHAU, JR.,

Secretary of the Treasury.

Table showing how United States Savings Bonds of Series A increase in value during successive half-years following issue:

Maturity value.....	\$25. 00	\$50. 00	\$100. 00	\$500. 00	\$1, 000. 00
ISSUE PRICE.....	\$18. 75	\$37. 50	\$75. 00	\$375. 00	\$750. 00

Redemption values after the issue date:

First year.....	\$18. 75	\$37. 50	\$75. 00	\$375. 00	\$750. 00
1 to 1½ years.....	19. 00	38. 00	76. 00	380. 00	760. 00
1½ to 2 years.....	19. 25	38. 50	77. 00	385. 00	770. 00
2 to 2½ years.....	19. 50	39. 00	78. 00	390. 00	780. 00
2½ to 3 years.....	19. 75	39. 50	79. 00	395. 00	790. 00
3 to 3½ years.....	20. 00	40. 00	80. 00	400. 00	800. 00
3½ to 4 years.....	20. 25	40. 50	81. 00	405. 00	810. 00
4 to 4½ years.....	20. 50	41. 00	82. 00	410. 00	820. 00
4½ to 5 years.....	20. 75	41. 50	83. 00	415. 00	830. 00
5 to 5½ years.....	21. 00	42. 00	84. 00	420. 00	840. 00
5½ to 6 years.....	21. 25	42. 50	85. 00	425. 00	850. 00
6 to 6½ years.....	21. 50	43. 00	86. 00	430. 00	860. 00
6½ to 7 years.....	21. 75	43. 50	87. 00	435. 00	870. 00
7 to 7½ years.....	22. 00	44. 00	88. 00	440. 00	880. 00
7½ to 8 years.....	22. 50	45. 00	90. 00	450. 00	900. 00
8 to 8½ years.....	23. 00	46. 00	92. 00	460. 00	920. 00
8½ to 9 years.....	23. 50	47. 00	94. 00	470. 00	940. 00
9 to 9½ years.....	24. 00	48. 00	96. 00	480. 00	960. 00
9½ to 10 years.....	24. 50	49. 00	98. 00	490. 00	980. 00
MATURITY VALUE.....	25. 00	50. 00	100. 00	500. 00	1, 000. 00

TREASURY DEPARTMENT

MEMORANDUM FOR THE PRESS

February 25, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended February 21, 1935:

Philadelphia	234,238.36	fine ounces
San Francisco	55,809.00	" "
Denver	<u>113,132.00</u>	" "
Total for week ended February 21, 1935	403,179.36	" "
Total receipts through February 21, 1935	27,833,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended February 21, 1935

Philadelphia	2,909.00	fine ounces
New York	144,362.00	" "
San Francisco	2,111.00	" "
Denver	1,377.00	" "
New Orleans	807.00	" "
Seattle	<u>765.00</u>	" "
Total for week ended February 21, 1935	152,331.00	" "
Total receipts through February 21, 1935	112,411,338.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended February 21, 1935:

	Imports	Secondary	New Domestic
Philadelphia	\$ 4,820.00	\$ 237,325.84	\$ 66.82
New York	46,670,200.00	300.00	174,300.00
San Francisco	17,504.80	80,344.15	851,568.66
Denver	17,916.00	36,318.00	546,350.00
New Orleans	15,045.33	58,805.85	2,067.64
Seattle	-----	23,247.87	138,155.43
Total for week ended Feb. 21, 1935	\$46,725,486.43	\$ 436,341.71	\$ 1,712,508.55

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended February 20, 1935	\$ 17,083.80	\$ 452,930.00
Received previously	29,884,737.75	84,186,620.00
Total to February 20, 1935	\$29,901,821.55	\$84,639,550.00

Received by Treasurer's Office:

Week ended February 20, 1935	\$ -----	\$ 4,900.00
Received previously	259,806.00	2,021,800.00
Total to February 20, 1935	\$ 259,806.00	\$ 2,026,700.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 26, 1935.
2/25/35

Press Service
4-35

Secretary of the Treasury Morgenthau announced last evening that the tenders for two series of Treasury bills, to be dated February 27, 1935, which were offered on February 22, were opened at the Federal reserve banks on February 25, 1935.

Tenders were invited for the two series to the aggregate amount of \$100,000,000, or thereabouts, and \$285,892,000 was applied for, of which \$100,239,000 was accepted. The details of the two series are as follows:

182-DAY TREASURY BILLS, MATURING AUGUST 28, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$120,712,000, of which \$50,054,000 was accepted. The accepted bids ranged in price from 99.961, equivalent to a rate of about 0.077 percent per annum, to 99.942, equivalent to a rate of about 0.115 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is ^{99.946}99.948 and the average rate is about ^{0.108}~~0.104~~ percent per annum on a bank discount basis.

273-DAY TREASURY BILLS, MATURING NOVEMBER 27, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$165,180,000, of which \$50,185,000 was accepted. The accepted bids ranged in price from 99.911, equivalent to a rate of about 0.117 percent per annum, to 99.872, equivalent to a rate of about 0.169 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.874 and the average rate is about 0.166 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

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2-25-35.

Press Service
No. 4-35

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, February 27, 1935.
2-26-35.

Press Service
No. 4-36

Two people may share ownership in a United States Savings Bond, according to a regulation governing their sale made public today by the Treasury Department. The circular, which has been distributed to all banks, explains how the new Government securities may be bought for minors, relatives, estates, trusts and other classes of beneficiaries.

It answers many questions which have been asked about the bonds, which will go on sale at 14,000 postoffices on or about March 1. The Treasury has received many advance orders, and in many instances prospective purchasers have asked whether they could buy bonds in the name of their children, their wives and trusts in their charge. Provision for such purchases and for insuring payment to the actual owner or his legal representative has been made in every case.

When two people buy a bond, as a husband and wife, the names of both are written on the bond as evidence of joint ownership. But either person may obtain payment without requiring the signature of the other on the application form on the back of the bond. In purchasing a bond for a minor who will collect the full amount at maturity, a parent may write on the bond the name of the intended beneficiary.

Purchasers may designate beneficiaries to whom they intend the bond to be paid by writing in the latter's names at the time of sale. Guardians, executors, administrators and trustees may acquire bonds for individuals or estates in their legal charge, and officers may buy them for their firms. In all instances of purchases of this kind, the relationship between buyer and beneficiary must be written on the face of the bond.

The circular also explains the procedure to be followed in case of death or disability of the owner. Strict regulations to safeguard the rights of the actual owner or his heirs have been made by the Treasury Department.

Many of the postmasters' requests for an additional supply of the bonds contained orders for the two larger denominations--the \$500 and \$1000 units. Word that many people had announced their intention of buying the maximum amount allowed to one individual in a single calendar year--\$10,000--has been received at the Post Office Department from many sections. At the station in the Treasury Building one would-be buyer insisted on leaving his check for \$7,500, which is ~~the~~ ^{the} cost of ten \$1000 bonds at the issue price. Each \$1000 bond costs the purchaser \$750 when he buys it, and the investment increases by one-third if held the full ten years to maturity.

~~50~~
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News Release for Friday Morning *papers* March 1

Friday March 1, 1935

2-26-35

Press Service

No. 4-37

President Roosevelt is scheduled to buy the first of the United States Savings Bonds which were placed on sale today at 14,000 postoffices throughout the country. The Chief Executive will buy the bond from Postmaster General Farley after Secretary of the Treasury Morgenthau has told Mr. Roosevelt how this new form of government security affords ~~individual~~ investors the first opportunity to buy this kind of security since World War days.

As head of the Post Office Department, which will be the sales agency for the new bonds, Mr. Farley will explain how they will be handled at postoffices. He has instructed postmasters and their staffs to give every assistance to people who wish to purchase the bonds. Although it is not known what denominations the President will buy, the first run of all ~~these~~ units—\$25, \$50, \$100, \$500 and \$1000—have been laid aside for a presidential purchase.

The various denominations are designated by prefix letters and numbers. The first \$25 bond bears the designation of "Q1", while the letters L, C, D and M are used, respectively, for the ~~other~~ *\$50, \$100, \$500 and \$1000 units*. Thus the first bond of the ~~\$100~~ *\$100* denomination would be "C1". These designations will simplify handling of the bonds at postoffices during their sale and at the Treasury, where a record of each transaction will be kept.

The Post Office Department has supplied ~~sufficient~~ *sufficient* securities to all postoffices where the bonds will be on sale. Because of the interest shown in this new form of government obligation, however, postmasters in many cities asked for an additional supply. The original total sent to New York, Omaha, Washington and other places was doubled upon request of the postmasters in those cities. Although definite allocations of bonds have not been made, as there is no limit on their total sale, ~~the~~ the Post Office Department distributed these new savings bonds on the basis of the sale of Treasury war savings certificates. *They were also issued in small denominations.*

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING PAPERS,
Friday, March 1, 1935.
2-28-35.

Press Service
No. 4-37

President Roosevelt is scheduled to buy the first of the United States Savings Bonds which were placed on sale today at 14,000 post offices throughout the country. The Chief Executive will buy the bond from Postmaster General Farley today (Friday) after Secretary of the Treasury Morgenthau has told Mr. Roosevelt how this new form of Government security affords individual investors the first opportunity to buy this kind of security since World War days. The purchase at the White House is scheduled for 10:30 A.M.

As head of the Post Office Department, which will be the sales agency for the new bonds, Mr. Farley will explain how they will be handled at post offices. He has instructed postmasters and their staffs to give every assistance to people who wish to purchase the bonds. Although it is not known what denominations the President will buy, the first run of all units--\$25, \$50, \$100, \$500 and \$1000-- have been laid aside for a Presidential purchase.

The various denominations are designated by prefix letters and numbers. The first \$25 bond bears the designation of "Q1", while the letters, L, C, D and M are used, respectively, for the \$50, \$100, \$500 and \$1000 units. Thus the first bond of the \$100 denomination would be "C1". These designations will simplify handling of the bonds at postoffices during their sale and at the Treasury, where a record of each transaction will be kept.

The Post Office Department has supplied securities to all post offices where the bonds will be on sale. Because of the interest shown in this new form of Government obligation, however, postmasters in many cities asked for an additional supply. The original total sent to New York, Omaha, Washington and

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

February 18, 1935.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ending February 15, 1935:

Philadelphia	371,556.67	fine ounces
San Francisco	676,852.65	" "
Denver.....	78,163.00	" "
Total for week ended February 15, 1935.....	1,126,572.32	" "
Total receipts through Feb. 15, 1935.....	26,536,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ending February 15, 1935:

Philadelphia	4,650.00	fine ounces
New York	33,016.00	" "
San Francisco.....	1,495.00	" "
Denver.....	5,615.00	" "
New Orleans	675.00	" "
Seattle.....	352.00	" "
Total for week ended February 15, 1935.....	45,803.00	" "
Total receipts through February 15, 1935.....	112,259,007.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended February 15, 1935:

	Imports	Secondary	New Domestic
Philadelphia	\$ 6,671.25	\$ 260,987.52	\$ 100.70
New York	34,236,100.00	308,000.00	—
San Francisco	58,605.84	102,913.28	1,582,559.60
Denver	79,847.00	47,509.00	636,376.00
New Orleans	535.99	50,540.74	821.19
Seattle	—	22,001.71	208,337.88
Total for week ended Feb. 15, 1935 ..	\$34,381,760.08	\$ 791,952.25	\$ 2,428,195.37

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:

	Gold Coin	Gold Certificates
Week ended February 13, 1935	\$ 17,840.14	\$ 415,960.00
Received previously	29,866,897.61	83,770,660.00
Total to February 13, 1935	\$29,884,737.75	\$84,186,620.00

Received by Treasurer's Office:

Week ended February 13, 1935	\$ 500.00	11,000.00
Received previously	259,306.00	2,010,800.00
Total to February 13, 1935	\$ 259,806.00	\$ 2,021,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

February 18, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending February 15, 1935:

Philadelphia.....	371,556.67	fine ounces
San Francisco	676,852.65	" "
Denver.....	78,163.00	" "
Total for week ended February 15, 1935.....	1,126,572.32	" "
Total receipts through February 15, 1935.....	26,536,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended February 15, 1935:

Philadelphia.....	4,650.00	fine ounces
New York.....	33,016.00	" "
San Francisco	1,495.00	" "
Denver	5,615.00	" "
New Orleans	675.00	" "
Seattle.....	352.00	" "
Total for week ended February 15, 1935.....	45,803.00	" "
Total receipts through February 15, 1935.....	112,259,007.00	

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended February 15, 1935:			
Philadelphia.....	\$ 6,671.25	\$ 260,987.52	\$ 100.70
New York.....	34,236,100.00	308,000.00	-----
San Francisco.....	58,605.84	102,913.28	1,582,559.60
Denver.....	79,847.00	47,509.00	636,376.00
New Orleans.....	535.99	50,540.74	821.19
Seattle.....	-----	22,001.71	208,337.88
Total for week ended Feb. 15, 1935..	\$34,381,760.08	\$ 791,952.25	\$2,428,195.37

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended February 13, 1935.....	\$ 17,840.14	\$ 415,960.00
Received previously.....	29,866,897.61	83,770,660.00
Total to February 13, 1935.....	\$29,884,737.75	\$84,186,620.00
Received by Treasurer's Office:		
Week ended February 13, 1935.....	\$ 500.00	\$ 11,000.00
Received previously.....	259,306.00	2,010,800.00
Total to February 13, 1935.....	\$ 259,806.00	\$ 2,021,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

It will be as easy for a purchaser to buy a bond as it ~~now~~ is to obtain a money order. He simply presents cash to the postmaster or his agent, who writes the purchaser's name and address, the date of issue and the date of sale, on the bond. The owner may then keep the bond, or he may turn it over to the government for safekeeping.

~~From, provision which has been made to prevent the purchaser from suffering through the loss of the bond~~

The bonds are registered, and payable only to the person whose name appears on the face of the bond. In case of death or disability, adequate provision has been made for payment to the proper person. In case of loss ~~theft~~ or destruction of the bonds, the owner may replace them in accord ^{ance} with Treasury regulations.

News Release (Monday Morning, February 18, 1935)

Secretary of the Treasury Morgenthau today announced that the new United States Savings Bonds to go on sale through the postoffices on or about March 1 would yield an interest rate of ^{2.9 per cent compounded semi-annually if held till maturity} slightly less than 3 per cent. ~~The bonds, which~~ ^{The redemption value of the bonds, which} range in denominations from \$25 to \$1,000, will increase in value regularly after the first year, ~~until they return the 3 per cent rate on maturity in ten years.~~ ^{at approximately 2.9 per cent, compounded semi-annually} President Roosevelt is scheduled to buy the first bond in this issue of an entirely new kind of government obligations.

Under the rate fixed by the Secretary of the Treasury, purchasers will pay ^{total of \$25 - maturity value,} \$18.75 for a \$25 bond, \$37.50 for a \$50 bond, \$75 for a \$100 bond, \$375 for a \$500 bond and \$750 for a \$1000 bond. The bonds sell on a discount basis, and the difference between the price paid at issue and the maturity value represents accrual of interest, ~~compounded semi-annually.~~ ^{redemption} On this basis the \$100 bond increases in value by \$1 every six months after the first year. After the seventh year it gains in value at the rate of \$2 every six months. The other denominations increase proportionately.

^{which range in denominations from \$25 to \$100} These bonds will not be transferable, but they ^{will} be ^{redeemed for cash on the} cashed at any time after sixty days from the date of issue. The face of each bond bears a table of redemption values which enables the purchaser to know its ^{redemption} value at all times. ~~Upon redeeming a bond, the owner receives his original investment plus any amount which has accrued during the period he has held it.~~

The new government securities will be on sale at approximately 14,000 postoffices. These include all first, second and third-class postoffices, and all fourth-class postoffices located at county seats. ~~There~~ ^{The} postoffice department will have complete charge of the distribution of the bonds to the public, and preparations for handling the work are under way.

It will be as easy for a purchaser to buy a bond as it is to obtain a money order. He simply presents cash to the postmaster or his agent, who writes the purchaser's name and address, the date of issue and the date of sale, on the bond. The owner may then keep the bond, or he may turn it over to the government for safekeeping.

The bonds are registered, and payable only to the person whose name appears on the face of the bond. In case of death or disability, adequate provision has been made for payment to the proper person. In case of loss or destruction of the bonds, the owner may replace them in accordance with Treasury regulations.

~~News Release (Monday Morning, February 18, 1935)~~

~~For Release, Morning newspapers~~
~~Monday, February 18, 1935~~

2-16-35

Press Service
No. 4-28

Secretary of the Treasury Morgenthau today announced that the new United States Savings Bonds to go on sale through the postoffices on or about March 1 would yield an interest rate of 2.9 per cent compounded semi-annually if held till maturity.

These bonds, which range in denominations from \$25 to \$100⁰, will not be transferable, but they will be redeemed for cash on the owner's request at any time after sixty days from the date of issue. The face of each bond bears a table of redemption values which enables the purchaser to know its redemption value at all times. The redemption value will increase regularly after the first year.

Under the rate fixed by the Secretary of the Treasury, purchasers will pay \$18.75 for a bond of \$25 maturity value; \$37.50 for a \$50 bond; \$75 for a \$100 bond; \$375 for a \$500 bond and \$750 for a \$1,000 bond. The bonds sell on a discount basis, and the difference between the price paid at issue and the maturity value represents accrual of interest. The \$100 bond increases in redemption value by \$1 every six months after the first year. After the seventh year it gains in value at the rate of \$2 every six months. The other denominations increase proportionately.

The new government securities will be on sale at approximately 14,000 postoffices. These include all first, second and third-class postoffices, and all fourth-class postoffices located at county seats. The Postoffice Department will have complete charge of the distribution of the bonds to the public, and preparations for handling the work are under way.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, February 18, 1935.
2-16-35.

Press Service
No. 4-28

Secretary of the Treasury Morgenthau today announced that the new United States Savings Bonds to go on sale through the postoffices on or about March 1 would yield an interest rate of 2.9 per cent compounded semi-annually if held till maturity.

These bonds, which range in denominations from \$25 to \$1000, will not be transferable, but they will be redeemed for cash on the owner's request at any time after sixty days from the date of issue. The face of each bond bears a table of redemption values which enables the purchaser to know its redemption value at all times. The redemption value will increase regularly after the first year.

Under the rate fixed by the Secretary of the Treasury, purchasers will pay \$18.75 for a bond of \$25 maturity value; \$37.50 for a \$50 bond; \$75 for a \$100 bond; \$375 for a \$500 bond and \$750 for a \$1,000 bond. The bonds sell on a discount basis, and the difference between the price paid at issue and the maturity value represents accrual of interest. The \$100 bond increases in redemption value by \$1 every six months after the first year. After the seventh year it gains in value at the rate of \$2 every six months. The other denominations increase proportionately.

The new government securities will be on sale at approximately 14,000 postoffices. These include all first, second and third-class postoffices, and all fourth-class postoffices located at county seats. The Postoffice Department will have complete charge of the distribution of the bonds to the public, and preparations for handling the work are under way.

It will be as easy for a purchaser to buy a bond as it is to obtain a money order. He simply presents cash to the postmaster or his agent, who writes the purchaser's name and address, the date of issue and the date of sale, on the bond. The owner may then keep the bond, or he may turn it over to the government for safekeeping.

The bonds are registered, and payable only to the person whose name appears on the face of the bond. In case of death or disability, adequate provision has been made for payment to the proper person. In case of loss or destruction of the bonds, the owner may replace them in accordance with Treasury regulations.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, February 18, 1935.

Press Service
No. 4-29

Mrs. Nellie Tayloe Ross, Director of the Mint, said today that many collectors of old coins, acting upon erroneous information, had written to her in the false hope that they could dispose of their coins at more than face value, by communicating with the Bureau of the Mint.

"The Government pays no premium upon any issue of coins", Director Ross said. "No premium list of coins, or list of coin dealers, is published by the Government. The Government does not undertake to determine whether or not specific coins have special value or to decide questions of numismatics, whether referring to coins of the United States or of foreign countries."



COMMISSIONER OF
ACCOUNTS AND DEPOSITS

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

WASHINGTON

February 16, 1935.

~~TO MR. COOLIDGE~~
MR. GASTON:

During the calendar month of January, 1935, transactions on the market in Government securities were as follows for the accounts specified:

U. S. Government Life Insurance Fund:

Purchases, Treasury bonds \$5,200,000

Collector, Panama Canal:

Purchase, Treasury bonds \$ 220,800

Federal Deposit Insurance Corporation:

Purchase, Treasury bonds \$6,500,000

Sales, Treasury bonds 6,500,000

SUMMARY

Grand total of Government securities
purchased on market \$11,920,800

Grand total of Government securities
sold on market 6,500,000

Net purchases on market in Jan.: \$5,420,800

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, February 18, 1935.

Press Service
No. 4-30

Net market purchases of Government securities for Treasury investment accounts for the calendar month of January, 1935, amounted to \$5,420,800, Secretary Morgenthau announced today.

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 19, 1935.

2/18/35

Press Service

4-3 /

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated February 20 and maturing August 21, 1935, which were offered on February 15, were opened at the Federal reserve banks on February 18, 1935.

The total amount applied for was \$156,544,000, of which \$75,024,000 was accepted. Except for two bids totaling \$24,000, the accepted bids ranged in price from 99.956, equivalent to a rate of about 0.870 percent per annum, to 99.935, equivalent to a rate of about 0.129 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.941 and the average rate is about 0.117 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, February 19, 1935.
2/18/35.

Press Service
No. 4-31

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$75,000,000, or thereabouts, of 182-day Treasury bills, dated February 20 and maturing August 21, 1935, which were offered on February 15, were opened at the Federal reserve banks on February 18, 1935.

The total amount applied for was \$156,544,000, of which \$75,024,000 was accepted. Except for two bids totaling \$24,000, the accepted bids ranged in price from 99.956, equivalent to a rate of about ^{0.087}~~0.870~~ percent per annum, to 99.935, equivalent to a rate of about 0.129 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.941 and the average rate is about 0.117 percent per annum on a bank discount basis.

notations, and no bond will be payable to anybody but the person whose name appears on it, with the exception of payments to the proper person or agent in case of death or disability. Attached to the bond is a stub which the postmaster detaches and forwards to the Treasury Department as record of the sale. These provisions guarantee complete protection to the owner in event of loss or destruction, for he may replace the bond under Treasury regulations. He cannot be deprived of payment through forgery or ~~even a~~ ~~court decision.~~ *any legal process.*

The purchaser may take his bond with him, or he may leave it with the government for safekeeping. ~~From the postmaster he may obtain an application blank and an envelope addressed to the Federal Reserve Bank of his district, and that institution will take charge of the bond in the name of the Secretary of the Treasury, giving a receipt to the owner. He may regain possession of his bond by forwarding the receipt to the bank where it is held, receiving a check payable only to him.~~

4-32-68

Secretary of the Treasury Morgenthau visited the Bureau of Engraving ^{Today} ~~day~~ (Tuesday) to watch the printing of the first batch of United States Savings Bonds that will go on sale at the postoffices on or about March 1.

Mr. Morgenthau was told that first delivery of the new bonds will be made within a few days. They will then be distributed to ~~the~~ 14,000 postoffices, where they are to be sold over the counter for cash. They will be on sale at all first, second and third-class postoffices, and at all fourth-class postoffices located at county seats. It is expected that the postoffices will set aside separate windows for their sale, and also delegate special officials to handle them. Postmasters or their agents will aid purchasers in the sale, delivery, safekeeping, redemption and payment of the bonds.

Secretary Morgenthau has ~~announced~~ ^(sell for price) announced that the bonds will yield an interest rate of ~~2.9 per cent. at maturity in ten years.~~ ^{which will yield a return in ten years equal to} They will ~~sell~~ ^{be sold} in five denominations, ranging from \$25 maturity value to \$1000. The \$25 bond will sell for \$18.75 ^{interest at slightly less than 3 per cent compounded semi-annually} and the \$1000 bond for \$750. They are cashable at any time after sixty days from the date of issue, which shall be the first day of the month in which the bonds are bought. The owner ~~always~~ ^{only} gets back his original investment ^(in the first year.) After the first year, ^{the bonds increase in value every six months} when ~~accrual of interest begins, he gets back both principal and accrued interest.~~ ^{when accrual of interest begins, he gets back both principal and accrued interest.}

The bond is about eight inches square. ~~The first series bears a reproduction of George Washington on the face, together with the great seal of the Treasury and the facsimile signature of the Secretary of the Treasury.~~ On the face there is a table of redemption values which shows the redemption value of the bond at all times. The \$100 bond, for instance, increases in value by \$1 every six ~~monthly~~ months after the first year, and by \$2 every six months after the seventh year. The other denominations increase in value proportionately.

In buying a bond, the purchaser simply pays cash to the postmaster or his agent. The postmaster then writes on the face of the bond the name and address of the owner, the date of issue and the date of sale. No bond will be valid unless it bears these

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 11, 1935

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY

Five Weeks Period Ended March 9.

Total number of inspections.	8,408
Federal violations found	1,439

Amount collected:

Taxes and penalties.	\$19,787.83
Offers in compromise	17,118.75

Classification of Federal violations:

Failure to pay special tax	783
Failure to post special tax stamp.	137
Refilled bottles	56
Unstamped bottles.	156
Unattached strip stamps.	118
Unattached beer stamps	67
Failure to destroy attached beer stamps.	110
Un-tax paid alcohol.	4
Failure to destroy empty liquor bottles.	4
Beer barrel with no beer stamp attached.	4

Action taken by police department (through Thursday, March

7, only):

Number of arrests.	118
Number of cases referred to New York State Liquor Authority.	453
Violations corrected by Inspection Unit.	1,856

March 11, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, CHICAGO.

Six Weeks Period Ended March 9.

Total number of inspections.....	12,568
Federal violations found.....	1,524
Amount collected in taxes, penalties, and offers in compromise for Federal violations.....	\$12,159.25

Classification of Federal violations:

Failure to pay special tax.....	520
Failure to post special tax stamp.....	118
Unstamped bottles.....	482
Undestroyed beer stamps.....	203
Unattached strip stamps.....	121
Failure to destroy empty liquor bottles.....	51
Un-tax paid liquor found.....	9
Refilled bottles.....	20

HNG/mff

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

March 11, 1935.

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Failure to destroy empty liquor bottles	51
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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 12, 1935.
3/11/35

Press Service

4-51

Secretary of the Treasury Morgenthau announced last evening that the tenders for two series of Treasury bills, to be dated March 13, 1935, which were offered on March 8, were opened at the Federal reserve banks on March 11, 1935.

Tenders were invited for the two series to the aggregate amount of \$100,000,000, or thereabouts, and \$250,337,000 was applied for, of which \$100,201,000 was accepted. The details of the two series are as follows:

182-DAY TREASURY BILLS, MATURING SEPTEMBER 11, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$129,722,000, of which \$50,052,000 was accepted. The accepted bids ranged in price from 99.975, equivalent to a rate of about 0.049 percent per annum, to 99.949, equivalent to a rate of about 0.101 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.953 and the average rate is about 0.094 percent per annum on a bank discount basis.

273-DAY TREASURY BILLS, MATURING DECEMBER 11, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$120,615,000, of which \$50,149,000 was accepted. The accepted bids ranged in price from 99.925, equivalent to a rate of about 0.099 percent per annum, to 99.887, equivalent to a rate of about 0.149 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.893 and the average rate is about 0.141 percent per annum on a bank discount basis.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 12, 1935.
3-11-35.

Press Service
No. 4-51

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FIRST LIBERTY LOAN OF 1932-47
(February 28, 1935)

First 3½'s - Original issue June 15, 1917

Amount offered for subscription		\$2,000,000,000	
Amount subscribed		<u>3,035,226,850</u>	
Amount allotted - final (amount issued)		\$1,989,455,550	
Amount retired on conversion to			
First 4's	\$568,318,450		
First 4½'s	7,570,550		
First-2nd Conv. 4½'s	<u>3,492,150</u>	\$579,381,150	
Amount redeemed		<u>17,848,150</u>	597,229,300
Amount outstanding			<u>\$1,392,226,250</u>

First 4's - Converted issue Nov. 15, 1917

Amount issued on conversion from First 3½'s	568,318,450		
Amount retired on conversion to First 4½'s	<u>547,641,750</u>		
	20,676,700		
Amount redeemed	15,674,250		
Amount outstanding			5,002,450

First 4½'s - Converted issue May 9, 1918

Amount issued on conversion from			
First 3½'s	7,570,550		
First 4's	<u>547,641,750</u>		
Total issued on conversion		555,212,300	
Amount redeemed		22,723,200	
Amount outstanding			\$ 532,489,100

First - Second 4½'s - Converted issue Oct. 24, 1918

Amount issued on conversion from First 3½'s -			
all outstanding		<u>3,492,150</u>	
Total amount First Liberty Loan bonds outstanding			<u>\$1,933,209,950</u>

3
Notice of call for redemption
G.P.D. 3/13/35

FIRST LIBERTY LOAN BONDS

NOTICE OF CALL FOR REDEMPTION BEFORE MATURITY

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

Public notice is hereby given:

1. All outstanding First Liberty Loan bonds of 1932-47 are hereby called for redemption on June 15, 1935. The various issues of First Liberty Loan bonds (all of which are included in this call) are as follows:

First Liberty Loan 3-1/2 percent bonds of 1932-47 (First 3-1/2's), dated June 15, 1917;

First Liberty Loan Converted 4 percent bonds of 1932-47 (First 4's), dated November 15, 1917;

First Liberty Loan Converted 4-1/4 percent bonds of 1932-47 (First 4-1/4's), dated May 9, 1918; and

First Liberty Loan Second Converted 4-1/4 percent bonds of 1932-47 (First-Second 4-1/4's), dated October 24, 1918.

2. Interest on all such outstanding First Liberty Loan bonds will cease on said redemption date, June 15, 1935.

3. Full information regarding the presentation and surrender of First Liberty Loan bonds for redemption under this call will be given in a Treasury Department circular to be issued later.

4. Holders of First Liberty Loan bonds now called for redemption on June 15, 1935, may, in advance of that date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury

Treasury Department,
Washington, March 14, 1935.

~~Draft of Press Statement~~
C.P.D. 6/13/35

TREASURY DEPARTMENT

WASHINGTON

Secretary of the Treasury Morgenthau today announced that all outstanding First Liberty Loan bonds, including those of the original issue and those subsequently issued on conversion, are called for redemption on June 15, 1935.

The First Liberty Loan, in the form of 3-1/2 percent bonds, was originally issued June 15, 1917, in the total amount of \$1,989,455,550. Subsequently three conversion privileges arose and the 3-1/2 percent bonds were in part converted into other First Liberty Loan bonds bearing interest at 4 or 4-1/4 percent, and the 4 percent bonds issued on conversion were largely converted into 4-1/4 percent bonds. First Liberty Loan bonds now outstanding, are divided among the four issues as follows:

First 3-1/2's	\$1,392,226,250
First Converted 4's	5,002,450
First Converted 4-1/4's	532,489,100
First-Second Converted 4-1/4's. .	3,492,150
Total	<u>\$1,933,209,950</u>

The text of the formal notice of call follows:

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Thursday, March 14, 1935.

Press Service
No. 4 - 52

Secretary of the Treasury Morgenthau today announced that all outstanding First Liberty Loan bonds, including those of the original issue and those subsequently issued on conversion, are called for redemption on June 15, 1935.

The First Liberty Loan, in the form of 3-1/2 percent bonds, was originally issued June 15, 1917, in the total amount of \$1,939,455,550. Subsequently three conversion privileges arose and the 3-1/2 percent bonds were in part converted into other First Liberty Loan bonds bearing interest at 4 or 4-1/4 percent, and the 4 percent bonds issued on conversion were largely converted into 4-1/4 percent bonds. First Liberty Loan bonds now outstanding, are divided among the four issues as follows:

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First Converted 4's	5,002,450
First Converted 4-1/4's	532,489,100
First-Second Converted 4-1/4's	3,492,150
Total	<u>\$1,933,209,950</u>

The text of the formal notice of call follows:

FIRST LIBERTY LOAN BONDS

NOTICE OF CALL FOR REDEMPTION BEFORE MATURITY

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

Public notice is hereby given:

1. All outstanding First Liberty Loan bonds of 1932-47 are hereby called for redemption on June 15, 1935. The various issues of First Liberty Loan bonds (all of which are included in this call) are as follows:

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dated June 15, 1917;

First Liberty Loan Converted 4 percent bonds of 1932-47 (First 4's),
dated November 15, 1917;

First Liberty Loan Converted 4-1/4 percent bonds of 1932-47 (First
4-1/4's), dated May 9, 1918; and

First Liberty Loan Second Converted 4-1/4 percent bonds of 1932-47
(First-Second 4-1/4's), dated October 24, 1918.

2. Interest on all such outstanding First Liberty Loan bonds will
cease on said redemption date, June 15, 1935.

3. Full information regarding the presentation and surrender of First
Liberty Loan bonds for redemption under this call will be given in a
Treasury Department circular to be issued later.

4. Holders of First Liberty Loan bonds now called for redemption on
June 15, 1935, may, in advance of that date, be offered the privilege of
exchanging all or any part of their called bonds for other interest-bearing
obligations of the United States, in which event public notice will hereafter
be given.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Treasury Department,
Washington, March 14, 1935.

FIRST LIBERTY LOAN OF 1932-47
(February 28, 1935)

First $3\frac{1}{2}$'s - Original issue June 15, 1917

Amount offered for subscription.....			\$2,000,000,000
Amount subscribed.....			<u>3,035,226,850</u>
Amount allotted - final (amount issued).....			\$1,989,455,550
Amount retired on conversion to			
First 4's.....	\$568,318,450		
First $4\frac{1}{4}$'s.....	7,570,550		
First-2nd Conv. $4\frac{1}{4}$'s.....	<u>3,492,150</u>	\$579,381,150	
Amount redeemed		<u>17,848,150</u>	597,229,300
Amount outstanding.....			<u>\$1,392,226,250</u>

First 4's - Converted issue Nov. 15, 1917

Amount issued on conversion from First $3\frac{1}{2}$'s	568,318,450		
Amount retired on conversion to First $4\frac{1}{4}$'s	<u>547,641,750</u>		
		20,676,700	
Amount redeemed.....		15,674,250	
Amount outstanding.....			5,002,450

First $4\frac{1}{4}$'s - Converted issue May 9, 1918

Amount issued on conversion from			
First $3\frac{1}{2}$'s.....	7,570,550		
First 4's.....	<u>547,641,750</u>		
Total issued on conversion.....		555,212,300	
Amount redeemed.....		22,723,200	
Amount outstanding.....			\$ 532,489,100

First - Second $4\frac{1}{4}$'s - Converted issue Oct. 24, 1918

Amount issued on conversion from First $3\frac{1}{2}$'s -			
all outstanding.....			<u>3,492,150</u>
Total amount First Liberty Loan bonds outstanding.....			<u>\$1,933,209,950</u>

March 4, 1935.

My dear Mr. Chairman:

In accordance with the understanding reached at Saturday's hearing I am enclosing, herewith, a report given me by Deputy Commissioner Mellott of the Alcohol Tax Unit of the Bureau of Internal Revenue with relation to the civil service status of the personnel affected by the proviso found in the Emergency Appropriation Act of 1935, in the item "Collecting the Internal Revenue."

I think that you will find from this report that there is no foundation in fact for the suggestion that these men had been blanketed into the former Bureau of Prohibition without civil service examination. They had all qualified by open competitive examination in complete accord with the civil service rules. I believe that you will find also that the appointment of approximately 700 of these men in the Bureau of Industrial Alcohol, by reinstatement, was likewise in full compliance with the civil service rules. Your attention is specially invited in this connection to the quoted extract from the Attorney General's opinion addressed to the President on May 26, 1934, advising him that the classified status of employees separated from the service under the provisions of the Executive Order of June 10, 1933, was in no wise affected by such separation.

I will very much appreciate your favorable consideration of the pending estimate for funds from which this personnel may be compensated. Should the Committee desire further information upon any phase of the matter I shall be only too glad to furnish it.

Very truly yours,

(Signed) H. MORGENTHAU, JR.,
Secretary.

Honorable Carter Glass,
Chairman, Committee on Appropriations,
United States Senate.

March 2, 1935.

MEMORANDUM for the Secretary of the Treasury:

In accordance with your instructions, I submit below a resume of the history of the Alcohol Tax Unit and its predecessor agencies from the standpoint of the application of the civil service laws:

From the adoption of the Eighteenth Amendment until April 1, 1927, the enforcement of the Prohibition laws was carried on by the Bureau of Internal Revenue, in a special division known as the Prohibition Unit. By the Act of March 3, 1927, which became effective April 1, 1927, the Prohibition Unit of the Bureau of Internal Revenue was abolished and until July 1, 1930, the duty of the prohibition enforcement was performed by a separate bureau in the Treasury Department, known as the Bureau of Prohibition. By the Act of May 27, 1930, which became effective July 1, 1930, the Bureau of Prohibition was transferred to the Department of Justice. Those of its functions, however, which had to do with the supervision of the production and distribution of alcohol for industrial and scientific uses were transferred to a new bureau in the Treasury Department which was given the name Bureau of Industrial Alcohol.

The Bureau of Prohibition in the Department of Justice was abolished on August 9, 1933, pursuant to the provisions of the President's Order of June 10th, effecting a general reorganization of the Executive Departments. Its functions, however, were continued without substantial change in a separate division called the Alcoholic Beverage Unit.

The Executive Order of March 10, 1934, abolished the Bureau of Industrial Alcohol in the Treasury Department and the Alcoholic Beverage Unit in the Department of Justice, and transferred their functions, records and personnel to the Bureau of Internal Revenue. This Order became effective May 10, 1934,

and to carry out its provisions a special unit was created in the Bureau of Internal Revenue under the name Alcohol Tax Unit. With minor exceptions, this Unit, under the direction of the Commissioner of Internal Revenue, is now charged with the enforcement of all Federal liquor laws.

CIVIL SERVICE REQUIREMENTS

From the establishment of the Prohibition Unit in the Bureau of Internal Revenue in 1920, until 1927, the appointments in the Prohibition Service, with the exception of clerical personnel, were, by special provision of law, made without reference to the civil service rules. By the Act of March 3, 1927, which became effective April 1, 1927, Congress provided that all appointments should be subject to the provisions of the civil service laws, and provided further that the term of office of any person in the Prohibition Service who was not appointed subject to the civil service laws should expire October 1, 1927. The number of employees in the Bureau of Prohibition when this law became effective was approximately 4,300, of whom approximately 2,600 were officers, agents, administrators, inspectors and investigators who had been appointed without regard to the civil service laws.*

Following the Act of March 3, 1927, the Civil Service Commission announced open competitive examinations for all positions in the Bureau of Prohibition, excepting clerical positions already held by persons with a classified civil service status. The certification of eligibles from these open competitive examinations was not completed by the Civil Service Commission until September, 1928, and in the meantime the Commission found it necessary, pending the establishment of eligible lists, to authorize an indefinite extension of the employment of persons then in the Bureau without civil service status, this to be terminated in any individual case upon an adverse finding by the Commission in respect to the incumbent's character. From the lists of eligibles certified by the Commission in September, 1928, the Department proceeded to make

*Of this number, approximately 400 were inspectors assigned to the supervision of permittees licensed under the provisions of the National Prohibition Act.

appointments as required by law, replacing those of the existing force who had not qualified in the examination, and within a few months had exhausted the lists of eligibles in practically all field districts. In most districts, however, it developed that there were insufficient eligibles to fill all positions and it became necessary for the Civil Service Commission to announce further examinations to meet this deficiency, from which eligibles were certified and appointments made late in the year 1929.

By April 30, 1930, the whole force of the Bureau of Prohibition, consisting of about 4,750 employees, were in their positions in full accord with the civil service rules. A certain number of positions had been filled by the transfer of classified employees from other government departments or by reinstatement of classified employees, with the approval of the Civil Service Commission, but with these exceptions the entire personnel had qualified under the open competition examinations conducted by the Civil Service Commission pursuant to the requirements of the Act of March 3, 1927.

These examinations were of the type regularly given by the Civil Service Commission for appointments in the classified civil service. For approximately 500 positions above the grade of investigator, that is, administrators, assistant administrators, deputy administrators, senior investigators, attorneys and chemists, the examinations were nonassembled, consisting of a showing by each applicant of his education, training and experience. For all other positions the examinations were assembled and consisted of a mental test in three sections calculated to determine the applicant's general intelligence as well as his special fitness for the duties of a prohibition officer. All candidates in the case of the non-assembled, as well as the assembled, examinations were subjected to a searching character investigation and to an oral examination to determine the applicant's personal characteristics and address, quickness of understanding, adaptability and judgment. The examinations were in all particulars as strict and comprehensive as any which had been given by the Commission up to that time for analogous positions in any branch of the government service. Some evidence of the difficulty of the examinations will be found in the fact that the first of the two tests was taken by 12,436 persons of whom only 4,504 received eligible ratings on the mental requirements, and from

the further fact that of this latter number 1,865 were later declared ineligible by the Commission as a result of the personality, character and fitness investigations.

It is to be understood, of course, that virtually all the 2,600 non-civil service employees in the Bureau of Prohibition at the time competed in these examinations. In this connection, it is to be noted that only thirty per cent, or about 800, of these old employees survived the first examination and received ratings making them eligible to hold their positions. Of those failing in the first examination, however, almost 500 successfully completed the second examination. In other words, about half the old personnel of the Prohibition Service were ultimately able to retain their positions under the civil service requirements imposed by the Act of March 3, 1927.

In view of the foregoing facts it will be correct to say that at the time the Bureau of Prohibition was transferred from the Treasury Department to the Department of Justice on July 1, 1930, its personnel was entirely a civil service personnel, recruited in full compliance with all the laws and regulations pertaining to the civil service system.

THE EXECUTIVE ORDER OF JUNE 10, 1933

From July 1, 1930, when the Bureau of Prohibition became a part of the Department of Justice, until July 1, 1933, appointments to positions in the Prohibition Service continued to be made exclusively from the lists of eligibles established by the Civil Service Commission, with the exception, of course, of instances of transfers or reinstatements of persons with a classified civil service status. Until July 1, 1932, the tendency was to increase the Bureau's personnel to keep pace with the continued efforts of the Department to give effective enforcement to the Prohibition laws. With the enactment of the first Economy Law some slight reduction in the force of field agents was made on July 1, 1932, following which the Bureau's total force stood at a figure of about 3,300. By June 30, 1933, this personnel had been reduced by normal separations to 3,100. At that time, partly to meet the reduced appropriations available for the fiscal year 1934, and partly in

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, March 7, 1935.
3-6-35.

Press Service
No. 4-46

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of Treasury notes of Series A-1940 will close at the close of business Friday, March 8, 1935. Subscriptions placed in the mail before 12 o'clock midnight, Friday, March 8, will be considered as having been entered before the close of the subscription books. This offering is open only to the holders of Treasury notes of Series C-1935, maturing March 15, 1935.

The subscription books for the Treasury bonds of 1955-60 will remain open until further notice for the exchange of Fourth Liberty Loan bonds called for redemption on April 15, 1935.

Announcement of the amount of subscriptions for the Treasury notes and their division among the several Federal Reserve Districts will be made later.

STATEMENT MADE BY THE SECRETARY OF THE
TREASURY ON THE ANTI-SMUGGLING BILL BEFORE THE
WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES
ON MARCH 8, 1935.

Prior to Prohibition, this country was not troubled much with smuggling. During the fourteen years of Prohibition the business of smuggling liquor into the United States from all parts of the world developed to very serious and troublesome proportions.

It was generally expected that, with the repeal of Prohibition, liquor smuggling operations and frauds on our revenue would be materially reduced. How widespread this opinion was may be evidenced by the fact that the appropriation for the Coast Guard, the first line of defense against the rum runners, was reduced from \$25,772,950.00 for the fiscal year of 1934 to \$18,046,400.00 for 1935. This drastic reduction resulted from a belief that Repeal would largely relieve the Coast Guard of those portions of its law enforcement activities which were directed against smuggling. For a time after Repeal, such proved to be the case, but, commencing with the spring of 1934, liquor smugglers again appeared along our coasts, and their operations have now increased to alarming proportions. Thus in March 1934, only two smuggling vessels were observed off the coast, but by February of this year, this number had increased to twenty-two. Thirty-nine foreign vessels are presently known to the Coast Guard to be regularly engaged in the illicit liquor traffic. Inasmuch as these vessels are hovering beyond our customs waters, they are not subject to seizure under existing laws, and hence they carry on their smuggling operations almost with impunity.

Alcohol constitutes almost the entire cargo of these vessels. This is due to several things. It is very cheap. It can be produced abroad at costs ranging from twenty to fifty cents a gallon. It is highly concentrated. Two and one-half gallons of whiskey can be made from a gallon of alcohol. It enjoys a large price differential due to the customs duties and internal revenue taxes which amount to \$13.30 on a gallon of 190 proof.

A summary of the movements of known alcohol smugglers for the last four months of 1934, indicates an outward movement from the principal ports of supply to the coast of the United States, of over three quarters of a million gallons of alcohol. At this rate there would be an annual movement of over two and a quarter ^{million} gallons. The annual internal revenue loss on this amount of alcohol, at \$3.80 per gallon, would be \$8,625,981.00; the loss in customs duties, at \$9.50 per gallon, would be \$21,564,952.00, making a total loss of \$30,190,933.00.

The principal enforcement agencies engaged in the prevention of smuggling are the Coast Guard and the Bureau of Customs. The appropriations for the Coast Guard for 1935 are \$18,346,400.00; those for the Bureau of Customs (omitting the refund and drawback figures) are \$18,500,000.00. It is estimated that, of these appropriations, about twenty per cent, or between seven and eight million dollars, is properly chargeable to our efforts to prevent smuggling.

The practical difficulties in ^{checking} smuggling can hardly be exaggerated. Our 10,000-mile coastline with the many opportunities it affords for concealment, our comparatively small Coast Guard force of about 10,000 men, the seamanship and daring of the rum runners, and the highly efficient and well financed smuggling organizations that have grown up since the advent of Prohibition, are all prime factors in making the smuggling problem one difficult of solution. Another, and not the least important factor, is the inadequacy of existing anti-smuggling legislation. The ineffective legislative weapons at present at our disposal for this work have time and time again permitted the escape from punishment of vessels which were violating every principle behind our customs enforcement laws, vessels in fact which had never earned an honest dollar in their entire seagoing life, but had been designed, built, and used exclusively for smuggling into the United States.

To arm and equip the Coast Guard to a point where it could completely wipe out all smuggling by sea would be an expensive business. But it will cost nothing to give them adequate legislation with which to fight smuggling. The proposed legislation which your Committee has under consideration is designed to do this. It provides for no appropriation by Congress. Its sole purpose is to give enforcement officers of the Government adequate weapons with which to fight a traffic that yearly is robbing the United States of millions of dollars of revenue.

The Treasury Department has submitted to your Committee suggestions for legislation dealing with this problem. These suggestions are the product of several months of work both by the experts in the various Bureaus of the Department who have had years of actual experience in dealing with smuggling and also by Dr. Hessel E. Yntema of the University of Michigan Law School, an expert in those phases of international and maritime laws that are involved. Representatives of the Department and Dr. Yntema are here this morning and will be glad to render your Committee any assistance possible.

I can not urge too strongly upon you the importance of this legislation. In fact, the enactment of this Bill is imperative if the Government of the United States is to wipe out smuggling and collect the millions of dollars in revenue lost annually through the successful operations of the liquor smugglers who are now able to carry on their illicit trade near our shores largely because of the inadequacy of present anti-smuggling laws.

of \$842,000,000 which will now be used as a basis for debt retirement.

By this program the outstanding interest bearing debt of the United States will be reduced by \$600,000,000 on July 1, and by an additional amount of \$75,000,000 on August 1, these amounts being transferred to the classification of non-interest bearing obligations that will be retired on presentation. ⁷ As the outstanding national bank notes are retired and replaced with Federal Reserve notes, this item ^{see} will disappear from the public debt statement entirely. ³

The total amount of outstanding currency should not be changed as a result of this program. National bank notes will merely be replaced by Federal Reserve notes, ~~and there~~ The effect on member bank reserves will be immaterial.

To the aggregate of non-interest bearing obligations there will also be added on July 22 an amount of some \$150,000,000, all this will be offset by a deposit of an equivalent amount of lawful money.

for issuance of national bank notes against other bonds will accomplish a simplification of the currency system through the elimination of national bank notes, an action contemplated at the time of the passage of the Federal Reserve Act. More than \$500,000,000 of the bonds being called are now on deposit with the Treasurer as security for this type of currency.

The Federal Reserve bank notes authorized as emergency currency in the Emergency Banking Act of 1933 are now in process of retirement. ~~With the redemption of the circulation bonds now being called,~~ National bank notes ~~will be retired as rapidly as they are presented to the Treasury.~~ It is expected that the great majority will be cancelled within a year. This will leave ^{as permanent} circulation Federal Reserve notes, silver certificates, and United States notes. Additional Federal Reserve notes will be issued to replace the national bank notes as they are retired, and as demand arises. The gold certificates to be delivered to the Federal Reserve banks will form added reserves against which ~~to issue~~ Federal Reserve notes *may be issued*.

increment At the time the gold content of the dollar was reduced, a gold ~~amount~~ of \$2,812,000,000 was realized. Of this amount \$2,000,000,000 was placed in the Stabilization Fund. Congress has appropriated \$139,000,000 for loans to industry through the Federal Reserve banks, some \$13,500,000 of which has been used for that purpose. Congress has appropriated an indefinite sum to meet losses in melting gold coins estimated at \$8,000,000, and has authorized an appropriation of over \$25,000,000 for the Philippine currency fund. This leaves free gold

Release, Morning Newspapers
Monday, March 11, 1935.

Press Release
no.

3-9-35

Secretary of the Treasury Morgenthau announced today (March 9) that the two per cent Consols of 1950 would be called by the Treasury on March 11 for redemption on July 1, 1935, and the two per cent Panama Canal Loan bonds of 1916-36 and 1918-38 for redemption on August 1, 1935. About \$600,000,000 of the Consols and about \$75,000,000 of the Panama Canal bonds are now outstanding. These bonds bear the circulation privilege.

In retiring these bonds, the Treasury will make use of the free gold resulting from the reduction in the weight of the gold dollar. The Treasury proposes to issue to the Federal Reserve banks an amount of gold certificates about equal to the bonds being retired. The gold certificates will be issued under the authority of the Gold Reserve Act of 1934, and for every gold certificate so issued there will be withdrawn from the general fund of the Treasury and held as security an amount of gold equal to the gold certificates so issued.

By a provision of the Federal Home Loan Bank Act, enacted July 22, 1932, all bonds of the United States bearing an interest rate of 3-3/8 per cent per annum, or less, were given the circulation privilege for a period of three years. This provision expires July 22, 1935. At that time, banks with circulating notes outstanding under this temporary authorization will have to replace the bonds, now serving as security, with lawful money, *to retire their outstanding notes, then secured.*

The retirement of the two per cent Consols and the two per cent Panama Canal bonds, and the expiration of the temporary authorization

TREASURY DEPARTMENT

Washington

40 Copies
Press Service
No. 4 - 47

RELEASE, MORNING NEWSPAPERS,
Monday, March 11, 1935.
3-9-35.

Secretary of the Treasury Morgenthau announced today (March 9) that the two per cent Consols of 1930 would be called by the Treasury on March 11 for redemption on July 1, 1935, and the two per cent Panama Canal Loan bonds of 1916-36 and 1918-38 for redemption on August 1, 1935. About \$600,000,000 of the Consols and about \$75,000,000 of the Panama Canal bonds are now outstanding. These bonds bear the circulation privilege.

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By a provision of the Federal Home Loan Bank Act, enacted July 22, 1932, all bonds of the United States bearing an interest rate of 3-3/8 per cent per annum, or less, were given the circulation privilege for a period of three years. This provision expires July 22, 1935. At that time, banks with circulating notes outstanding under this temporary authorization will have to replace the bonds, now serving as security, with lawful money to retire their outstanding notes thus secured.

The retirement of the two per cent Consols and the two per cent Panama Canal bonds, and the expiration of the temporary authorization for issuance of national bank notes against other bonds will accomplish a simplification of the currency system through the elimination of national bank notes, an action contemplated at the time of the passage of the Federal Reserve Act. More

than \$500,000,000 of the bonds being called are now on deposit with the Treasurer as security for this type of currency.

The Federal Reserve bank notes authorized as emergency currency in the Emergency Banking Act of 1933 are now in process of retirement. National bank notes will be retired as rapidly as they are presented to the Treasury. It is expected that the great majority will be cancelled within a year. This will leave as permanent circulation Federal Reserve notes, silver certificates, and United States notes. Additional Federal Reserve notes will be issued to replace the national bank notes as they are retired, and as demand arises. The gold certificates to be delivered to the Federal Reserve banks will form added reserves against which Federal Reserve notes may be issued.

At the time the gold content of the dollar was reduced, a gold increment of \$2,812,000,000 was realized. Of this amount, \$2,000,000,000 was placed in the Stabilization Fund. Congress has appropriated \$139,000,000 for loans to industry through the Federal Reserve banks, some \$13,500,000 of which has been used for that purpose. Congress has appropriated an indefinite sum to meet losses in melting gold coins estimated at \$8,000,000, and has authorized an appropriation of over \$23,000,000 for the Philippine currency fund. This leaves free gold of \$642,000,000 which will now be used as a basis for debt retirement.

As the outstanding national bank notes are retired and replaced with Federal Reserve notes, these items will disappear from the public debt statement entirely. The total amount of outstanding currency should not be changed as a result of this program. National bank notes will merely be replaced by Federal Reserve notes. The effect on member bank reserves will be immaterial.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Saturday, March 9, 1935.
3/9/35

Press Service
No. 4-48

Secretary of the Treasury Morgenthau announced today that subscriptions aggregating \$513,000,000 have been received for the current offering of five-year 1-5/8 percent Treasury notes, which were offered only in exchange for Treasury notes maturing March 15, 1935. The subscription books for that offering closed last night.

The Secretary further stated that up to this time approximately \$555,000,000 of the Fourth Liberty Loan bonds called for redemption on April 15, 1935, have been exchanged for the Treasury bonds of 1955-60. The subscription books for the bond offering will remain open until further notice.

oOo-oOo

News Release--2

Pittsburgh,\$96,937.50 ;San Francisco,\$95,393.75 ;Milwaukee,\$94,616.25 ;
Louisville,\$89,343.75 ;Indianapolis,\$64,087.50;Buffalo,\$37,837.50.

-30-

To Howard C. Allen

News Release Immediate, March 11, 1935

Rush ! Press Service
No. 4-50

Almost \$15,000,000 worth of United States Savings Bonds were sold in the first eight days of their sale, according to reports ~~received by the~~ to the Post Office Department today. The actual total from March 1 to the close of business last Saturday was \$14,575,695.37, but ~~reports from~~ sales at post offices which have not reported are counted on to bring the total to at least \$15,000,000.

This figure represents the purchase ~~price~~ ^I, which means that the maturity value of the bonds disposed of is about \$20,000,000. The number of purchasers was 34,726, and the average purchase ~~totalled \$401.24~~ was slightly more than \$400. The demand for the \$500 and \$1000 denominations still exceeds the supply of these units, and postmasters reported that they have many orders on file for these bonds.

Postmasters ~~reported~~ ^{said} that many banks and small corporations ~~were~~ ^{were} buying the maximum ~~which~~ of \$10,000 which one purchaser can purchase in a single calendar year. They also ~~also~~ reported that trustees and guardians were investing funds in the bonds, as well as the managers of real and insurance funds for policemen and firemen.

New York City led in total sales, with \$1,100,081.25 sold in Manhattan and The Bronx, and \$195,131.25 in the three boroughs of Brooklyn, Queens and Richmond. The total ~~for the city~~ for New York City was \$1,295,212.50. Chicago stood next with \$816,634.50, and Detroit was third with \$670,674.

Sales in other large cities were as follows: Kansas City, \$320,643.75 ; Cleveland, \$295,556.25 ; Boston, \$274,488 ; St. Louis, \$252,993.50 ; Washington, \$209,775 ; Cincinnati, \$203,137 ; Brooklyn, \$195,131.25 ; St. Paul, \$173,831.25 ; Philadelphia, \$158,812.50 ; Los Angeles, \$154,769.75 ; Toledo, \$145,987.50 ; Memphis, \$128,831.25 ; Portland, Ore., \$119,481.25 ; Baltimore, \$116,475 ;

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, March 11, 1935.

Press Service
No. 4-49

Almost \$15,000,000 worth of United States Savings Bonds were sold in the first eight days of their sale, according to reports to the Post Office Department today. The actual total from March 1 to the close of business last Saturday was \$14,575,695.37, but sales at post offices which have not reported are counted on to bring the total to at least \$15,000,000.

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Postmasters said that many banks and small corporations were buying the maximum of \$10,000 which one purchaser can purchase in a single calendar year. They also reported that trustees and guardians were investing funds in the bonds, as well as the managers of relief and insurance funds for policemen and firemen.

New York City led in total sales, with \$1,100,081.25 sold in Manhattan and The Bronx, and \$195,131.25 in the three boroughs of Brooklyn, Queens and Richmond. The total for New York City was \$1,295,212.50. Chicago stood next with \$816,634.50, and Detroit was third with \$670,674.

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2 PERCENT BONDS OF THE PANAMA CANAL LOAN
SERIES OF 1916-36 AND SERIES OF 1918-38

NOTICE OF CALL FOR REDEMPTION

To the Holders of the 2 percent Bonds of the Panama Canal Loan, Series
of 1916-36 and Series of 1918-38, and Others Concerned:

Public notice is hereby given that all outstanding United States 2 percent bonds of the Panama Canal Loan, Series of 1916-36, dated August 1, 1906, and Series of 1918-38, dated November 1, 1908, issued under authority of the Act of Congress approved June 28, 1902, are called for redemption on August 1, 1935, and will cease to bear interest on that date.

Full information regarding the presentation and surrender of the 2 percent bonds of the Panama Canal Loan, Series of 1916-36 and Series of 1918-38, for redemption on August 1, 1935, will be given in a Treasury Department Circular to be dated April 1, 1935.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, March 11, 1935.

2 PERCENT CONSOLS OF 1930

NOTICE OF CALL FOR REDEMPTION

To Holders of the 2 percent Consols of 1930, and Others Concerned:

1. Public notice is hereby given that all outstanding United States 2 percent Consols of 1930, dated April 1, 1900, issued under authority of the Act of Congress approved March 14, 1900, are called for redemption on July 1, 1935.

2. For the purpose of terminating interest ^{on July 1, 1935,} this call shall be effective as of April 1, 1935. Accordingly, interest on all outstanding 2 percent Consols of 1930 will cease three months thereafter, that is, on July 1, 1935.

3. Full information regarding the presentation and surrender of 2 percent Consols of 1930 for redemption on July 1, 1935, will be given in a Treasury Department Circular to be dated April 1, 1935.

HENRY MOROWITZ, JR.,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, March 11, 1935.

Immediate Release.

4-50

Secretary of the Treasury Morgenthau announced today that the two per cent Consols of 1930 had been called for redemption on July 1, 1935, and the two per cent Panama Canal Loan bonds of 1916-36 and 1918~~0~~38 had been called~~y~~ for redemption on August 1, 1935. Announcement was made March 9 that these calls would be made today.

The text[✓] of the formal notice[✓] of call ^{are} ~~is~~ as follows:

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, March 11, 1935.

Press Service
No. 4-50

Secretary of the Treasury Morgenthau announced today that the two per cent Consols of 1930 had been called for redemption on July 1, 1935, and the two per cent Panama Canal Loan bonds of 1916-36 and 1918-38 had been called for redemption on August 1, 1935. Announcement was made March 9th that these calls would be made today.

The texts of the formal notices of call are as follows:

2 PERCENT CONSOLS OF 1930

NOTICE OF CALL FOR REDEMPTION

To Holders of the 2 percent Consols of 1930, and Others Concerned:

1. Public notice is hereby given that all outstanding United States 2 percent Consols of 1930, dated April 1, 1900, issued under authority of the Act of Congress approved March 14, 1900, are called for redemption on July 1, 1935.
2. For the purpose of terminating interest on July 1, 1935, this call shall be effective as of April 1, 1935. Accordingly interest on all outstanding 2 percent Consols of 1930 will cease three months thereafter, that is, on July 1, 1935.
3. Full information regarding the presentation and surrender of 2 percent Consols of 1930 for redemption on July 1, 1935, will be given in a Treasury Department Circular to be dated April 1, 1935.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, March 11, 1935.

2 PERCENT BONDS OF THE PANAMA CANAL LOAN

SERIES OF 1916-36 AND SERIES OF 1918-38

NOTICE OF CALL FOR REDEMPTION

To the Holders of the 2 percent Bonds of the Panama Canal Loan, Series of 1916-36 and Series of 1918-38, and Others Concerned.

Public notice is hereby given that all outstanding United States 2 percent bonds of the Panama Canal Loan, Series of 1916-36, dated August 1, 1906, and Series of 1918-38, dated November 1, 1908, issued under authority of the Act of Congress approved June 28, 1902, are called for redemption on August 1, 1935, and will cease to bear interest on that date.

Full information regarding the presentation and surrender of the 2 percent bonds of the Panama Canal Loan, Series of 1916-36 and Series of 1918-38, for redemption on August 1, 1935, will be given in a Treasury Department Circular to be dated April 1, 1935.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, March 11, 1935.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

March 11, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ending March 8, 1935:

Philadelphia.....	735,638.67 fine ounces
San Francisco.....	91,030.07 " "
Denver.....	17,860.00 " "
Total for week ended March 8, 1935.....	844,528.74 " "
Total receipts through March 8, 1935.....	28,969,000.00 " "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ending March 8, 1935:

Philadelphia	5,770.00 fine ounces
New York	12,953.00 " "
San Francisco	34,554.00 " "
Denver	2,594.00 " "
New Orleans	435.00 " "
Seattle	779.00 " "
Total for week ended March 8, 1935	57,085.00 " "
Total receipts through March 8, 1935	112,506,611.00 " "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended March 8, 1935:			
Philadelphia	\$ 32,683.00	\$ 331,098.29	\$ 341.29
New York	9,279,300.00	816,800.00	107,200.00
San Francisco	18,048.70	125,481.89	904,216.35
Denver	26,789.00	36,666.00	656,446.00
New Orleans	2,954.47	46,940.43	666.73
Seattle	-----	31,662.26	12,327.19
Total for week ended March 8, 1935	\$9,359,775.17	\$1,388,648.87	\$1,681,197.56

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended March 6, 1935.....	\$ 61,328.54	\$ 754,270.00
Received previously.....	29,935,549.71	85,219,400.00
Total to March 6, 1935	\$ 29,996,878.25	\$ 85,973,670.00
Received by Treasurer's Office:		
Week ended March 6, 1935	\$ 400.00	\$ 6,200.00
Received previously	259,806.00	2,036,400.00
Total to March 6, 1935	\$ 260,206.00	\$ 2,042,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

March 11, 1935.

MEMORANDUM FOR THE PRESS

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NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

March 11, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY

Five Weeks Period Ended March 9.

Total number of inspections.....	8,408
Federal violations found.....	1,439
Amount collected:	
Taxes and penalties.....	\$19,787.83
Offers in compromise.....	17,118.75

Classification of Federal violations:

Failure to pay special tax.....	793
Failure to post special tax stamp.....	137
Refilled bottles.....	56
Unstamped bottles.....	156
Unattached strip stamps.....	118
Unattached beer stamps.....	67
Failure to destroy attached beer stamps.....	110
Un-tax paid alcohol.....	4
Failure to destroy empty liquor bottles.....	4
Beer barrel with no beer stamp attached.....	4

Action taken by police department (through Thursday, March 7, only):

Number of arrests.....	118
Number of cases referred to New York State Liquor Authority.....	453
Violations corrected by Inspection Unit.....	1,856

HNG/mff

anticipation of the repeal of the Prohibition Amendment, it was found advisable to make a drastic reduction in the number of employees. Almost 1,400 field agents and clerks were furloughed at the close of business on June 30, 1933, or shortly thereafter, of which number about 160 were subsequently reinstated. Approximately 100 new appointments were made, and the Bureau's personnel in active-duty status on August 9th consisted of slightly less than 2,000 employees of all classes.

As has been seen the Bureau of Prohibition was abolished by Executive Order No. 6166, dated June 10, 1933. This Executive Order, which became effective on August 9, 1933, abolished or consolidated a large number of agencies in many departments of the government, and with regard to all such abolished agencies it contained the following provision respecting the disposition to be made of the personnel:

"All personnel employed in connection with the work of an abolished agency or function disposed of shall be separated from the service of the United States, except that the head of any successor agency, subject to my approval, may, within a period of 4 months after transfer or consolidation, reappoint any of such personnel required for the work of the successor agency without reexamination or loss of civil-service status."

Pursuant to this provision the entire force of the Bureau of Prohibition, consisting of approximately 2,000 employees of all classes in active-duty status and approximately 1,240 who had previously been placed on furlough, were separated from the service at the close of business on August 9th. As authorized by the Executive Order, 1,191* of this number were reappointed on August 10th, in the Alcoholic Beverage Unit, to which the functions of the Prohibition Service were now assigned. During the period which intervened between August 9th and the transfer of the personnel to the Bureau of Internal Revenue a considerable number of those separated from the service on August 9th were reinstated and a number of new appointments were

*Including approximately 300 clerical employees. Exact records of the personnel transactions which occurred in the Department of Justice during the period under discussion are not available in the Treasury Department.

made, under special Executive authorization, without regard to the civil service rules. In the same period upwards of 300 additional clerks and investigators were separated from the service. On May 10, 1934, when the personnel was transferred to the Bureau of Internal Revenue it consisted of 977 persons, exclusive of approximately 70 who were retained in the Department of Justice. Of this number 639 were investigators or field agents. The remainder were clerical and technical employees of various classifications.

THE ALCOHOL TAX UNIT

With the repeal of the Prohibition Amendment in December, 1933, it was determined by the President, upon the advice of the Attorney General and the Secretary of the Treasury, that responsibility for the enforcement of Federal laws relating to the production and distribution of alcoholic beverages should properly be transferred from the Department of Justice to the Bureau of Internal Revenue and this transfer was ultimately consummated by Executive Order No. 6639, dated March 10, 1934, which became effective on May 10, 1934. Pending this transfer it was also determined that the Treasury Department, through the Bureau of Industrial Alcohol, should at once lay plans for the enforcement of the internal revenue laws relating to intoxicating beverages and to recruit personnel which could be used in enforcement work in different parts of the country. After conference with the Civil Service Commission it was determined by the Department that the only available means of recruiting an experienced force would be by making appointments, by reinstatement, from among the approximately 2,000 investigators and agents who had been separated from the Department of Justice under the provisions of the Executive Order of June 10, 1933, as above noted. Accordingly, the records of all such investigators and agents were carefully examined by the Commissioner of Industrial Alcohol and during the period from February 1 to April 10, 1934, 698 men were selected for appointment to the rolls of the Bureau of Industrial Alcohol in this way, and their reinstatement was authorized by the Civil Service Commission. In making these appointments the sole basis taken was the efficiency, character

and disciplinary records of the men and no consideration was given to any other factor.* To aid him in passing upon these records the Commissioner of Industrial Alcohol made use of a committee informally designated by him and consisting of experienced officers selected from the Bureau of Industrial Alcohol, the Intelligence Unit of the Bureau of Internal Revenue, and the Alcoholic Beverage Unit of the Department of Justice.

On May 10, 1934, under the provisions of Executive Order No. 6639, the personnel of the Bureau of Industrial Alcohol and the Alcoholic Beverage Unit of the Department of Justice were transferred to the Bureau of Internal Revenue and consolidated in the Alcohol Tax Unit. Under this Order the 698 agents who had been appointed by the Commissioner of Industrial Alcohol, as above indicated, were merged with the 639 investigators transferred from the Alcoholic Beverage Unit of the Department of Justice into a single field investigative organization.

THE PROVISIONS OF THE EMERGENCY APPROPRIATION ACT

The Emergency Appropriation Act, approved June 19, 1934, contained an appropriation of \$10,000,000 for the Bureau of Internal Revenue, to which was attached the following proviso:

"Provided, That after December 1, 1934, no part of the appropriation made herein or heretofore made for the fiscal year 1935 shall be used

*The reinstatement eligibility of classified employees who are separated from the service without fault is determined by Executive Order. Employees eligible for reinstatement are not listed by the Civil Service Commission in the order of their eligibility, and reinstatement must in any case be made upon the judgment and opinion of the appointing officer as to the qualifications of those eligible, subject to the approval of the Civil Service Commission.

to pay the salary of any person formerly employed as investigator, special agent, senior warehouseman, deputy prohibition administrator, agent, assistant attorney, assistant prohibition administrator, senior investigator, deputy production administrator, storekeeper or gauger, or any other position in the Prohibition Bureau or Alcoholic Beverage Unit, Department of Justice, who was separated from the service of such Bureau or Unit between June 10, 1933, and December 31, 1933, while in any such position in the Treasury Department, unless and until such person shall be appointed thereto as a result of an open, competitive examination to be hereafter held by the Civil Service Commission."

Although the purpose of this legislation is not evident from the terms of the statute, it is to be assumed from contemporary discussions that its framers were of the opinion, first, that the employees of the classes enumerated had not secured their positions in the former Bureau of Prohibition through proper civil service examination, and, second, that the employees of these classes who were separated from the service under the provisions of the Executive Order of June 10, 1933, who had not been reappointed prior to the expiration of the four months period defined in that Order, had lost their eligibility for reinstatement under the civil service rules and that, therefore, the appointment of 698 of such persons in the Bureau of Industrial Alcohol, as above described, was not authorized by law.

As to the first of these points, it has already been observed that the field agents who were in the service of the Bureau of Prohibition prior to the abolishment of that Bureau by the Executive Order of June 10, 1933, had, without exception, received their appointments as the result of regular open competitive civil service examinations or, in rare instances, by transfer from positions in the classified civil service, or by reinstatement in accordance with the civil service rules. The claim has been made that the civil service examinations to which this personnel were subjected amounted to nothing more than so-called character tests, or, in other words, that they were not required to pass a mental examination but were virtually blanketed into the service. There is no

evidence to support this charge. The record shows no instance of blanketing into the service. The facts with reference to the examinations given have been set forth above, but it will be well to add that of the persons who were employed in the former Bureau of Prohibition prior to the establishment of civil service requirements only 268 remained on May 10, 1934, when the residue of the Prohibition organization was consolidated in the Alcohol Tax Unit of the Treasury Department, these survivors, of course, having qualified in the meantime on open competitive civil service examination. Of this number 132 were reinstated in the Bureau of Industrial Alcohol during February and March, 1934, and 136 were transferred from the Alcoholic Beverage Unit of the Department of Justice. There is attached hereto a list of such employees.

As to the second point, that is, the charge that employees of the classes enumerated who were separated from the service by operation of the Executive Order of June 10, 1933, unless reappointed in the Alcoholic Beverage Unit within the four months' period named in that order, were ineligible to be reinstated under the civil service rules, it must be said that this is a point which received no attention by the Department at the time 698 of these employees were reinstated in the Bureau of Industrial Alcohol, as above described. It will be remembered that the Executive Order of June 10th had application to a large number of agencies in various Executive Departments which were either abolished or consolidated by its provisions. Thousands of employees in various branches of the government were affected by the provisions of the Order requiring their separation from the service; and it was a matter of common knowledge at the time that all such employees from whatever agencies separated were considered not only by the appointing officers in the Executive Departments generally, but by the Civil Service Commission also, as retaining their eligibility for reinstatement under the civil service rules without any regard to the four months' limitation found in the Executive Order. The appointments were made by the Bureau of Industrial Alcohol in good faith in accordance with the common practice which prevailed at the time. It was not until weeks after the consummation of these appointments that it came to the notice of

the Treasury Department that the eligibility of the persons selected for reinstatement in the Bureau of Industrial Alcohol had been brought into question.

The merits of this contention must, of course, depend upon the meaning and intent of the provision of the Executive Order of June 10th, which was quoted on page 5, above. A construction of this provision was requested of the Attorney General by the President following the raising of the question during the month of May, 1934. In response to the President's request the Attorney General, under date of May 26, 1934, rendered an opinion reading, in part, as follows:

"The language of the paragraph in question is plain and unambiguous. It speaks for itself. Under the provisions of the paragraph the personnel employed in connection with any abolished agency or function disposed of are separated from the service, but the head of any successor agency is authorized to reappoint within a certain period without reexamination or loss of Civil Service Status, any of such personnel required for the work of the successor agency. The purpose of this provision, as its language clearly indicates, is to enable the head of the successor agency within a limited period to make reappointments from among such personnel without regard to the Civil Service Act and Rules. Not even by the remotest implication of the language employed can it be said that it deprives or attempts to deprive those who are not reappointed within the prescribed period of the Civil Service status possessed by them at the time of their separation from the service."

At least from the standpoint of the appointing officers this is believed to dispose of any question which may have been raised with respect to the civil service eligibility of persons separated from classified positions pursuant to the provisions of the Executive Order of June 10th. Such persons must be deemed to have retained their eligibility for reinstatement in accordance with the usual civil service rules. Certainly there can be no greater reason for questioning the status of the 698 men who were reinstated in the Bureau of Industrial Alcohol

under the circumstances surrounding this particular case than to raise a similar question with regard to former classified employees of any agency abolished by the Executive Order of June 10th, who may have received employment, by reinstatement, in classified positions in other branches of the Federal service.

Respectfully submitted,

(Signed) Arthur J. Mellott,
Deputy Commissioner of Internal Revenue.

(914)

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Monday, March 18, 1935.
3/16/35

Press Service

Secretary of the Treasury Morgenthau announced today (March 16) that the issue of Treasury Notes of Series A-1940, as a result of the exchange of Treasury notes maturing March 15, 1935, amounted to \$513,884,200. The subscription books for this issue were closed on March 8, 1935. Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

<u>Federal Reserve District</u>	<u>Total Subscriptions Received and Allotted</u>
Boston	\$ 11,318,800
New York	315,785,600
Philadelphia	9,349,000
Cleveland	14,485,900
Richmond	28,403,700
Atlanta	7,574,100
Chicago	67,471,200
St. Louis	7,159,600
Minneapolis	5,680,100
Kansas City	8,443,900
Dallas	16,634,000
San Francisco	20,445,900
Treasury	<u>1,132,400</u>
Total	\$513,884,200

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, March 18, 1935.
3/16/35

Press Service
No. 4 - 53

Secretary of the Treasury Morgenthau announced today (March 16) that the issue of Treasury Notes of Series A-1940, as a result of the exchange of Treasury notes maturing March 15, 1935, amounted to \$513,884,200. The subscription books for this issue were closed on March 8, 1935. Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Monday, March 18, 1935.
3/16/35.

Press Service

4-54

Secretary of the Treasury Morgenthau announced today (March 16) that the subscription books for the current offering of 2-7/8 percent Treasury Bonds of 1955-60, in exchange for Fourth Liberty Loan Bonds called for redemption on April 15, 1935, will close at the close of business Wednesday, March 27, 1935. Subscriptions placed in the mail before 12 o'clock, midnight, Wednesday, March 27, will be considered as having been entered before the close of the subscription books.

The Secretary stated that up to this time approximately \$1, ,000,000 of the Fourth Liberty Loan Bonds called for redemption on April 15, 1935, have been exchanged for the new bonds.

The subscription books are being kept open for the considerable further period in order that all holders of the called Fourths, and particularly the small holders, may have ample opportunity to take advantage of the exchange offering.

The attention of holders of the called Fourths was invited to the fact that the new Treasury bonds issued on exchange bear interest from March 15 and on exchanges after that date accrued interest at 2-7/8 percent is charged from March 15 to the date the Fourths are submitted.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, March 18, 1935.
3/16/35

Press Service
No. 4-54

Secretary of the Treasury Morgenthau announced today (March 16) that the subscription books for the current offering of 2-7/8 percent Treasury Bonds of 1955-60, in exchange for Fourth Liberty Loan Bonds called for redemption on April 15, 1935, will close at the close of business Wednesday, March 27, 1935. Subscriptions placed in the mail before 12 o'clock, midnight, Wednesday, March 27, will be considered as having been entered before the close of the subscription books.

The Secretary stated that up to this time approximately \$1,140,000,000 of the Fourth Liberty Loan Bonds called for redemption on April 15, 1935, have been exchanged for the new bonds.

The subscription books are being kept open for the considerable further period in order that all holders of the called Fourths, and particularly the small holders, may have ample opportunity to take advantage of the exchange offering.

The attention of holders of the called Fourths was invited to the fact that the new Treasury bonds issued on exchange bear interest from March 15 and on exchanges after that date accrued interest at 2-7/8 percent is charged from March 15 to the date the Fourths are submitted.

Statement by Secretary Mergenthau for Monday morning newspapers.

"I am very greatly encouraged by the results of the co-ordinated drive against revenue law violators made on Thursday and Friday by the comprising Treasury revenue police, the six revenue law enforcement agencies of the United States Treasury Department.

"We are seeking by every means possible to rebuild respect and fear of revenue officers on the part of criminals and to teach them that the conditions that prevailed in prohibition days are not going to be permitted to endure.

"Our duty is to protect the Federal revenues. In doing that, ^{we} are protecting the pocket-book of every taxpayer, and his life and safety against a particularly obnoxious lot of criminals. We find that these gangs which steal from the Government and the taxpayer are pretty closely linked together and we are linking up revenue enforcement activities so that we can fight them more effectively. We ~~are~~ ^{are} break ^{ing} up these criminal gangs and ~~to~~ ^{ing} rout them out of business and ~~are~~ ^{are} ~~intending~~ ^{ing} to use all the laws ~~for~~ ^{and will continue to use} the protection of the revenue and all the machinery at our command to do that.

"We have the complete co-operation of the Attorney General and the great forces of the Department of Justice in prosecuting vigorously the offenders whom we arrest.

"The United forces of Government agencies are determined to meet the challenge of these crime ~~syndicate~~ syndicates and to stop the robbery of the American people."

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Monday, March 18, 1935.
3/17/35

Press Service
No. 4 - 55

STATEMENT BY SECRETARY MORGENTHAU

"I am very greatly encouraged by the results of the coordinated drive against revenue law violators made on Thursday and Friday by the Treasury revenue police, comprising the six revenue law enforcement agencies of the United States Treasury Department.

"We are seeking by every means possible to rebuild respect and fear of revenue officers on the part of criminals and to teach them that the conditions that prevailed in prohibition days are not going to be permitted to endure.

"Our duty is to protect the Federal revenues. In doing that we are protecting the pocket-book of every taxpayer and his life and safety against a particularly obnoxious lot of criminals. We find that these gangs which steal from the Government and the taxpayer are pretty closely linked together and we are linking up revenue enforcement activities so that we can fight them more effectively. We are breaking up these criminal gangs and routing them out of business and are using, and will continue to use, all the laws for the protection of the revenue and all the machinery at our command to do that.

"We have the complete cooperation of the Attorney General and the great forces of the Department of Justice in prosecuting vigorously the offenders whom we arrest.

"The united forces of Government agencies are determined to meet the challenge of these crime syndicates and to stop the robbery of the American people."

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, March 18, 1935.

Press Service
No. 4-56

During the month of February, 362 seizures of liquor were made for the violation of Customs laws, it was announced by the Bureau of Customs today.

This was a decline from the number of seizures (465) during the previous month, and represents the fewest seizures for any month since Repeal. Despite the small number, February seizures compared favorably in quantity with those of earlier months, the quantity of distilled liquors and wines seized being exceeded in only three of the preceding nine months, and the quantity of alcohol seized being exceeded in only three months since Repeal. February seizures aggregated 2,126 gallons of distilled liquor and wines, 50 gallons of beer and 10,243 gallons of alcohol. This compares with January seizures of 754 gallons of distilled liquor and wines, and 3,081 gallons of alcohol.

Four boats valued at \$14,950 and 28 automobiles valued at \$10,227 were seized during February for the transportation of liquor, as compared with 3 boats valued at \$3,700, 21 automobiles valued at \$2,283, and one airplane valued at \$1,850 seized during the previous month.

The following table shows the number of seizures, the number of gallons of beverages seized, and the number and value of seized vehicles for the months of January and February, classed according to the various Governmental agencies which made the seizures and according to the geographical regions where the seizures were made.

LIQUOR SEIZURES FOR VIOLATIONS OF CUSTOMS LAWS

January and February, 1935

	Gallons Seized				Boats		Automobiles	
	Distilled	Liquor	No. of	Seizures	No.	Value	No.	Value
	Wines	Boer	Alcohol					
CUSTOMS SERVICE								
January	432	608	-	2,130	(3 (1*	\$ 3,700 1,850	17	\$2,093
February	342	2,027	30	663	2	4,450	24	3,676
COAST GUARD								
January	2	-	-	850	-	-	-	-
February	7	24	-	9,562	2	10,500	1	6,500
IMMIGRATION								
January	28	135	-	81	-	-	3	115
February	13	75	-	18	-	-	3	51
OTHER FEDERAL AND LOCAL OFFICERS								
January	3	11	-	20	-	-	1	75
February	-	-	-	-	-	-	-	-
TOTAL SEIZURES -					(1*	1,850		
Jan.	465	754	-	3,081	(3	3,700	21	2,283
Feb.	362	2,126	30	10,243	4	14,950	28	10,227

BY GEOGRAPHIC REGIONS

CANADIAN BORDER								
January	24	48	-	24	-	-	-	-
February	2	-	1	99	-	-	1	700
MEXICAN BORDER								
January	319	466	-	342	-	-	17	1,483
February	243	468	2	218	-	-	22	1,752
ATLANTIC COAST								
January	81	76	-	2,368	-	-	3	600
February	86	363	-	9,916	4	14,950	1	6,500
GULF COAST								
January	20	138	-	57	2	3,600	1	200
February	20	1,274	3	5	-	-	3	1,225
PACIFIC COAST								
January	16	22	-	-	1*	1,850	-	-
February	10	21	24	-	-	-	-	-
OTHER DISTRICTS								
January	5	4	-	290	1	100	-	-
February	1	-	-	5	-	-	1	50

* Airplane.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, ~~February 18~~, 1935.
March 18

Press Service
No. 4-~~30~~
567

Net market purchases of Government securities for Treasury
investment accounts for the calendar month of ~~January~~ *February*, 1935,
amounted to ~~\$5,450,000~~ *\$1,300,000*, Secretary Morgenthau announced today.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, March 18, 1935.

Press Service
No. 4-57

Net market purchases of Government securities for Treasury investment accounts for the calendar month of February, 1935, amounted to \$1,300,000, Secretary Morgenthau announced today.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 18, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:
(Under Executive Proclamation of December 21, 1933)

Week ended March 15, 1935:

Philadelphia	877,944.53	fine ounces
San Francisco	672,846.97	" "
Denver	5,193.00	" "
Total for week ended March 15, 1935	1,555,984.50	" "
Total receipts through March 15, 1935	30,525,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:
(Under Executive Proclamation of August 9, 1934)

Week ended March 15, 1935:

Philadelphia	3,299.00	fine ounces
New York	15,179.00	" "
San Francisco	—	" "
Denver	657.00	" "
New Orleans	414.00	" "
Seattle	395.00	" "
Total for week ended March 15, 1935	19,944.00	" "
Total receipts through March 15, 1935	112,526,555.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended March 15, 1935:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 5,462.94	\$327,538.58	\$ —
New York.....	2,051,000.00	139,000.00	—
San Francisco	30,948.00	99,538.13	970,494.95
Denver.....	40,379.00	32,098.00	593,600.00
New Orleans	368.70	48,912.48	28.52
Seattle.....	—	17,146.36	176,452.10
Total for week ended March 15, 1935	\$2,128,158.64	\$664,233.55	\$1,740,575.57

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:
(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended March 16 ³ , 1935.....	\$ 49,054.56	\$ 735,690.00
Received previously.....	29,996,878.25	\$85,973,670.00
Total to March 16 ³ , 1935.....	\$30,045,932.81	\$86,709,360.00

Received by Treasurer's Office:

Week ended March 16 ³ , 1935.....	\$ 400.00	\$ 17,900.00
Received previously.....	260,206.00	2,042,600.00
Total to March 16 ³ , 1935.....	\$ 260,606.00	\$ 2,060,500.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572 previously reported.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 18, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended March 15, 1935:

Philadelphia.....	877,944.53	fine ounces
San Francisco	672,846.97	" "
Denver.....	5,193.00	" "
Total for week ended March 15, 1935.....	1,555,984.50	" "
Total receipts through March 15, 1935.....	30,525,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended March 15, 1935:

Philadelphia	3,299.00	fine ounces
New York.....	15,179.00	" "
San Francisco.....	- - -	" "
Denver.....	657.00	" "
New Orleans.....	414.00	" "
Seattle.....	395.00	" "
Total for week ended March 15, 1935.....	19,944.00	" "
Total receipts through March 15, 1935.....	112,526,555.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended March 15, 1935:	Imports	Secondary	New Domestic
Philadelphia.....\$	5,462.94	\$327,538.58	\$ - - -
New York	2,051,000.00	139,000.00	- - -
San Francisco	30,948.00	99,538.13	970,494.95
Denver.....	40,379.00	32,098.00	593,600.00
New Orleans.....	368.70	48,912.48	28.52
Seattle.....	- - -	17,146.36	176,452.10
Total for week ended Mar. 15, 1935	\$2,128,158.64	\$664,233.55	\$1,740,575.57

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended March 13, 1935.....\$	49,054.56	\$ 735,690.00
Received previously.....	29,996,878.25	85,973,670.00
Total to March 13, 1935.....	\$30,045,932.81	\$86,709,360.00

Received by Treasurer's Office:

Week ended March 13, 1935.....\$	400.00	\$ 17,900.00
Received previously.....	260,206.00	2,042,600.00
Total to March 13, 1935.....\$	260,606.00	\$ 2,060,500.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

[Kansas City,\$507,362.50 ; Cleveland,\$390,000 ; St. Louis,\$378,225 ;
Boston, \$350,868 ; Cincinnati, \$275,000 ; Washington, \$263,006.25 ; St. Paul,
\$241,120.75 ; Philadelphia,\$222,225 ; Toledo,\$195,000 ; Minneapolis,\$193,256 ;
Memphis,\$182,643.75 ; Baltimore,\$181,125 ; Houston,\$148,218.75 ; Omaha,
\$147,631.25 ; Portland,Ore.,\$146,725 ; Dallas,\$143,193.75 ; Milwaukee,\$143,118.
Denver,\$133,881.25 ; San Francisco, \$127,000 ; Columbus,O.,\$110,000 ;
Louisville,\$107,381.25.

(To be announced by the Secretary)

4-58

Almost \$24,000,000 worth of United States Savings Bonds were sold ⁱⁿ the first fourteen days since they went on sale March 1, according to reports to the Post Office Department today. The actual total was \$23,183,953.24, with many large cities and several thousand small offices still to make a report of results. This figure represents purchase price, and the maturity value of the securities sold amounts to about \$31,000,000.

There have been 48,461 buyers, and the average purchase was about \$438, which is \$37 more than the same figure a week ago. Although this indicates that the demand for the larger denominations still continues strong, postmasters report that the purchase of ~~denominations~~ the \$25, \$50 and \$100 denominations is beginning to increase. The smaller units are more popular in the large cities, and the larger ones in towns and small places.

The reports from several ^{places} ~~places~~ indicate the popularity of the \$500 and \$1000 bonds to long-time investors. At Parkersburg, West Va., the average sale has amounted to \$6,000, while the average has been \$5,000 at Freeport, Tex., and \$2,500 at Conroe, Tex.

Comparative figures indicate that the bonds have sold steadily. About \$6,000,000 worth ^{was} ~~was~~ disposed of the first two days, \$9,000,000 the first week and ~~was~~ slightly less than that the second week. Following the example of the federal government in making its securities available to individual investors, several cities have decided to adopt the same means of financing their operations, and the question has been raised in several states.

New York again led with total sales of \$1,647,662.25, of which \$250,637.25 were sold ~~at~~ at the Brooklyn office. Chicago stood second with \$1,174,332 and Detroit was third with \$890,775. The sales in other large cities were:

~~Kansas City, \$507,562.50; Cleveland, \$590,000; St. Louis, \$373,225;~~

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Tuesday, March 19, 1935.
3-18-35.

Press Service
No. 4-58.

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TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 19, 1935.
3/18/35.

Press Service
4-59

Secretary of the Treasury Morgenthau announced last evening that the tenders for two series of Treasury bills, to be dated March 20, 1935, which were offered on March 15, were opened at the Federal Reserve banks on March 18, 1935.

Tenders were invited for the two series to the aggregate amount of \$100,000,000, or thereabouts, and \$171,976,000 was applied for, of which \$100,131,000 was accepted. The details of the two series are as follows:

182-DAY TREASURY BILLS, MATURING SEPTEMBER 18, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$104,570,000, of which \$50,125,000 was accepted. The accepted bids ranged in price from 99.965, equivalent to a rate of about 0.069 percent per annum, to 99.948, equivalent to a rate of about 0.103 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.953 and the average rate is about 0.094 percent per annum on a bank discount basis.

273-DAY TREASURY BILLS, MATURING DECEMBER 18, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$67,406,000, of which \$50,006,000 was accepted. Except for one bid of \$10,000, the accepted bids ranged in price from 99.901, equivalent to a rate of about 0.131 percent per annum, to 99.883, equivalent to a rate of about 0.154 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.889 and the average rate is about 0.147 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

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Painting and Sculpture for Justice and Post Office Department buildings.

The names appear alphabetically, and therefore the order in the list has no reference to the number of individual votes each received.

It has been decided to give an opportunity to a group of painters and sculptors to enter limited competitions for the remaining 11 painting and 8 sculptural commission to complete the decorations in these two buildings. The painters and sculptors who are being invited to enter these competitions will include all of the painters and sculptors who received one or more votes of the Advisory Committee, and who are not on the Advisory Committee. In addition to these a group of painters and sculptors will be added by the Painting and Sculpture Section who, in the opinion of the Section, are entitled to this privilege.

Each artist invited to compete will shortly receive from the Painting and Sculpture Section detailed information in reference to the competitions. It is the earnest hope of this Section that as many of these artists as can, will compete. The competitions will be carried on by the Painting and Sculpture Section. Recommendations to the Director of Procurement of artists to do the work will be made by the Section, in consultation with the Supervising Architect's office, the architects of the building in which the work is to be placed, and with Mr. Charles Moore, the chairman of the Fine Arts Commission in Washington.

To assist in the selection Mr. Ernest Peixotto, the President of the society of Mural Painters; Mr. Jonas Lie, the President of the National Academy of Design; Mr. Bancel LaFarge, Mr. Eugene Speicher and Mr. Henry Schnakenburg, have been asked to act as an Advisory Jury in connection with the painting competitions; and Mrs. Anna Hyatt Huntington, Mr. Paulanship, Mr. Maurice Sterne, and Mr. William Zorach to act as an Advisory Jury in connection with the sculpt competitions.

The Painting and Sculpture Section have felt that in announcing these recommendations a full statement should be made of the methods adopted by the Section in making the selections. It is inevitable in matters of artistic taste that differences of opinion will arise. It should be pointed out that in making these selections the members of the Advisory Committee, the staff of the Painting and Sculpture Section, and the architects of the building, were guided by their knowledge of the artists in this country who in their opinion were particularly fitted to produce the best art of the kind required for the decoration of these buildings. In the case of the painting the work consists of large decorative panels, in the case of sculpture of figures.

Edward Bruce

Edward Bruce, Consulting Expert

March 20 1935.

Approved:

J. P. Taylor
Director of Procurement

Painting and Sculpture for Justice and Post Office Department buildings

Eugene Speicher, Painter

Justice Harlan F. Stone, Justice, U. S. Supreme Court

Francis Taylor, Director, Worcester Museum of Art, Worcester, Mass.

Harry Wehle, Acting Curator of Painting, Metropolitan Museum of Art.

Attorney General Cummings, Postmaster General Farley and Mr.

Frederick A. Delano acted as ex-officio members of the committee and took no part in the selection of the artists. The members of the advisory committee, who were either painters or sculptors, very generously agreed to act on the committee on the understanding that such action would make them ineligible for commissions in the two buildings.

No member of the committee was advised who his fellow members were. Each committee member was advised that his individual votes would be kept confidential. Each member was requested to furnish the names of the 22 painters and 10 sculptors in the United States who in his opinion were best fitted to carry out the painting and sculpture for these two buildings.

Ballots have been received from all the active members of the committee. A large number of artists throughout the country received one or more votes. As a result of the balloting a group of 11 painters and 2 sculptors stood out, receiving at least two more votes than any of the other painters and sculptors mentioned. With the approval of the architects of the two buildings the Section of Painting and Sculpture has decided to accept the recommendations of the members of the Advisory Committee and to recommend to the Director of Procurement the appointment of these 11 painters and 2 sculptors to carry out 11 of the painting and 2 of the sculpture commissions in the two buildings. The 11 painters and 2 sculptors are:

Painters

Thomas Benton
George Biddle
J. S. Curry
Rockwell Kent
Leon Kroll
Reginald Marsh
Henry Varnum Poor
Boardman Robinson
Eugene Savage
Maurice Sterne
Grant Wood

Sculptors

Paul Manship
William Zorach

Treasury Department
Procurement Division

Release morning
paper Sunday, March 24, 1935

Press Service
no. 4-

Release, morning newspapers,
Sunday, March 24, 1935
3-21-35

PAINTING AND SCULPTURE FOR THE JUSTICE AND
POST OFFICE DEPARTMENT BUILDINGS
IN WASHINGTON

The most important work which has been assigned to the Painting and Sculpture Section of the Procurement Division of the Treasury Department is the decoration of the Justice and Post Office Department buildings in Washington. ~~\$75,000 has been allocated for decorations in the Justice building, and \$100,000 for decorations and sculpture in the Post Office building.~~ It has been decided to consider these two buildings as one project. After conferences with officials of the Procurement Division, the Post Office and Justice Department, with Messrs. Delano and Aldrich the architects for the Post Office building, with Messrs. Zantzinger and Borie, architects for the Justice Department building, and with Mr. Charles Moore, Chairman of the Fine Arts Commission of Washington, the painting and sculpture work in the two buildings has been divided into 22 painting units, and 10 sculptural units. These involve the appointing of 22 painters and 10 sculptors to carry out the work. In order to secure for the Government the best possible contemporary art on the sole basis of quality, the staff of the Painting and Sculpture Section has had a large number of conferences not only with the above-mentioned officials but also with large groups of well-known artists.

As a result of these discussions an Advisory Committee to the Painting and Sculpture Section was appointed to advise and assist the Section in its recommendations of the artists to carry out the work. The committee appointed was as follows:

John S. Ankeney, formerly Director of the Dallas Museum of Art, Dallas,
C. L. Borie, Jr., Architect, Justice Department Building
Homer S. Cummings, Attorney General of the United States
F. A. Delano, Chairman, National Planning Board
William A. Delano, Architect, Post Office Department Building
James A. Farley, Postmaster General of the United States
Robert Harshe, Director, Chicago Institute of Art, Chicago, Illinois
Walter S. Heil, Director, M. H. deYoung Memorial Museum, San Francisco,
Anna Hyatt Huntington, Sculptor
Bancel LaFarge, Painter
Henry Allen Moe, Secretary, Guggenheim Memorial Foundation, New York, N.Y.
Charles Moore, Chairman, Fine Arts Commission, Washington, D. C.
William Milliken, Director, Cleveland Museum of Art, Cleveland, Ohio
C. Powell Minnegerode, Director, Corcoran Gallery of Art, Washington, D. C.
Ernest Peixotto, President, Society of Mural Painters
Duncan Phillips, Founder of Phillips Memorial Gallery, Washington, D. C.
Henry Schnakenberg, Painter

TREASURY DEPARTMENT

Procurement Division

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Sunday, March 24, 1935.
3-21-35.

Press Service
No. 4-60

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POST OFFICE DEPARTMENT BUILDINGS
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MAR 21 1935

TO MR. GASTON
ACTING
FROM THE COMMISSIONER OF CUSTOMS:

On November 10, 1930, the Bureau, at the request of the various owners of trade-marks applied to perfumery and toilet preparations whose trade-marks are recorded in the Treasury Department in pursuance of the provisions of Section 526 of the Tariff Act of 1930, issued instructions to the Collectors of Customs and others concerned limiting the importation in passengers' baggage to one bottle of each manufacturer, after opening the bottle and removing or obliterating the trade-mark thereon.

The Bureau, under date of February 5, 1931, after the receipt of a communication from the attorneys representing the Perfumery Importers Association, issued instructions to the Collectors of Customs and others concerned revoking its instructions of November 10, 1930, except as to ports located on the Mexican Border.

On February 7, 1935, at the request of the attorneys representing the Perfumery Importers Association, the Bureau addressed a letter to Collectors of Customs and others concerned informing them that the instructions contained in its letter of February 5, 1931, had been revoked, effective April 1, 1935, and, further, instructed the officers of Customs to revert to the instructions contained in the Bureau's letter of November 10, 1930. A copy of C.I.E. 1547, containing the Bureau's instructions of November 10, 1930, as well as a copy of the Bureau's letters of February 5, 1931, and February 7, 1935, are inclosed.

Also inclosed is a copy of Bureau of Customs Circular Letter of even date, addressed to Collectors of Customs and others concerned, relative to importations in passengers' baggage of perfumery and toilet preparations bearing trade-marks which are entitled to the protection of Section 526 of the Tariff Act of 1930.

In order that the travelling public may be fully apprised regarding the prohibition against the importation of trade-marked perfumes and toilet preparations, it is earnestly requested that the contents of the attached circular be given as much publicity as possible. The instructions to limit the importation to one bottle of each manufacturer are effective as of April 1, 1935.

For and S. W.

"It should be understood that there is no waiver herein against importation of perfumery for resale, but that the above applies to tourist baggage only."

In an accompanying letter, the attorneys state that the letter was approved unanimously at a meeting of the Perfumery Importers Association at which representatives of Yardley & Co., Bourjois, Coty, Roger & Gallet, Rigaud, Houbigant, Oriza L. Legrand, and Parfums de Rosine voted. It also stated that the letter has been approved by representatives of Caron Corporation and Guerlain.

In view of the foregoing, the circular letter of November 10, 1930, CIE 1547, is hereby revoked, except as to the Mexican border, and you will revert to your former practice.

The present instructions will be applied to all importations which have been detained as the result of the circular letter of November 10, 1930.

The instructions contained in the circular letter of November 10, 1930, remain in full force and effect so far as the ports on the Mexican border are concerned.

(Signed) F. M. A. EELE,
Commissioner of Customs.

February 5, 1931.

To Collectors of Customs and Others Concerned:

Reference is made to a circular letter issued under date of November 10, 1930, CIE 1547, relative to the importation of trademarked perfumery.

The Bureau is now in receipt of a letter dated January 20, 1931, from the Legal Department of the Perfumery Importers Association, signed by their attorneys, which reads as follows:

"We are informed that the enforcement of your recent order requiring the application of Section 526 of the Tariff Act of 1930 to perfumery trademarked as described in the statute and imported in the baggage of passengers arriving from foreign countries has caused serious administrative difficulties, especially at the Port of New York.

"The request for the enforcement of Section 526 was made by us only after careful consideration and because the protection of the law was deemed to be of vital importance to American dealers in foreign perfumes. We appreciate your willingness to give the protection afforded by the law and regret that your efforts in that direction have proved embarrassing to your administration. We desire very much to avoid such result if it be possible and we have accordingly decided for the time being, and in order to give further opportunity for the study of ways and means by which the statutory protection may be secured with the minimum of friction, to withdraw our request for the immediate enforcement of the law, except with respect to the Mexican border.

"You may accordingly take this letter as embodying our consent for the suspension for the present of the application of Section 526, in so far as it affects perfumery imported by passengers arriving in the United States, with the reservation that such suspension shall not affect the Mexican border and that Section 526 shall be strictly enforced against passengers and others at all points on said border. The undersigned feel that perfumery importations through the Mexican border are not genuine tourist traffic but commercial or illicit importations which have greatly demoralized the California retail trade in perfumery.

perfumery to a foreign country, under customs supervision, at the expense of the persons involved. In the event an importer does not care to export such seized perfumery, and you are unable to obtain his written assent to forfeiture, the same should be forfeited under the provisions of Section 607 of the Tariff Act and sold in accordance with Section 609 thereof, provided the trademark label or design can be removed or obliterated without injury to the article itself. Otherwise, the merchandise should be destroyed under Customs supervision.

Inasmuch as the new procedure established hereby appears to be a practical and desirable means of administering Section 526 of the Tariff Act with a minimum of difficulty, you should also follow it, in the absence of protests from the trademark owners, in the treatment of attempted importations of perfumes manufactured by concerns other than those mentioned above, and bearing trademarks entitled to the protection of the said Section 526, supra.

The foregoing instructions apply to nonresidents as well as to returning American residents."

Circulated by the Customs Information Exchange.

Respectfully,

C. B. WEBB

Supervising Customs Agent

CBW:HS

C.I.E.-1547

'In correspondence refer to
BUREAU #110768-11/10/30,
and CIE-1547.'

CUSTOMS INFORMATION EXCHANGE
201 Varick Street
New York, N.Y.

Nov.12, 1930.

TO CUSTOMS OFFICERS:

The following Bureau letter #110768, dated November 10, 1930 and signed by F.X.A.Eble, Commissioner of Customs, has been received through the office of the Deputy Commissioner of Customs, and pertains to importations of trademarked perfumery by returning American residents and nonresidents:

"Certain collectors of customs have been authorized heretofore to release perfumery brought in by returning American residents and bearing trade marks protected by Sec.526 of the Tariff Act, upon the removal or obliteration of the trademark label or design appearing on the articles, and provided the collectors were satisfied that the trademarked articles were imported in good faith by the passenger for personal use or gifts, and not for sale.

Recently, it has been represented to the Bureau by Mock & Blum, attorneys for the perfumery importers listed below, that the above practice of permitting the importations of perfumery bearing trade marks protected by Section 526 of the Tariff Act, is injuring their trade materially:

Bourjois, Inc.
Caron Corporation
Coty, Inc.
Gabilla
Houbigant
Oriza L. Legrand, Inc.

Lenthéric, Inc.
Les Parfums de Rosine, Inc.
Parfumerie Rigaud, Inc.
Roger & Gallet
Alfred H. Smith Co.
Yardley & Co., Ltd.

Therefore, in accordance with an understanding reached with Attorneys Mock & Blum, acting on behalf of the above concerns, each passenger hereafter will be permitted to import only one bottle of each of the aforementioned manufacturers' perfumes bearing duly registered and recorded trademarks entitled to the protection of Section 526 of the Tariff Act. The trademark in each instance should be obliterated after the bottle has been opened.

Duly protected trademarked perfumery attempted to be brought into the United States by passengers in excess of the quantity authorized herein will be seized. If you are satisfied that the forfeiture which accrued was incurred without willful negligence or fraud you may permit the exportation of the seized



IN REPLY REFER TO
53-21

TREASURY DEPARTMENT
BUREAU OF CUSTOMS
WASHINGTON

OFFICE OF THE COMMISSIONER

ADDRESS REPLY TO
COMMISSIONER OF CUSTOMS

February 7, 1935.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

The Department's instructions contained in its letter dated February 5, 1931 (CIE 2378, dated February 7, 1931), amending the Bureau's instructions dated November 10, 1930 (CIE 1547, dated November 12, 1930), in respect to the treatment to be accorded passengers in the matter of perfumery contained in their baggage bearing trade-marks registered and recorded in conformity with the provisions of Section 526 of the Tariff Act are hereby revoked, effective April 1, 1935.

The effect of this decision is to leave in full force and effect on and after April 1, 1935, the instructions contained in the Bureau's letter dated November 10, 1930, referred to above.

(SIGNED) JAMES H. MOYLE,
Commissioner of Customs.



OFFICE OF THE COMMISSIONER

ADDRESS REPLY TO
COMMISSIONER OF CUSTOMS

IN REPLY REFER TO

53-21

TREASURY DEPARTMENT

BUREAU OF CUSTOMS

WASHINGTON

FEB 7 1935

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

The Department's instructions contained in its letter dated February 5, 1931 (CIE 2378, dated February 7, 1931), amending the Bureau's instructions dated November 10, 1930 (CIE 1547, dated November 12, 1930), in respect to the treatment to be accorded passengers in the matter of perfumery contained in their baggage bearing trade-marks registered and recorded in conformity with the provisions of Section 526 of the Tariff Act are hereby revoked, effective April 1, 1935.

The effect of this decision is to leave in full force and effect on and after April 1, 1935, the instructions contained in the Bureau's letter dated November 10, 1930, referred to above.

J. A. Mayle
Commissioner of Customs.

- 2 -

Perfumery, in excess of one bottle, bearing the registered and recorded trade-mark of any of the above-named owners is subject to seizure and forfeiture.

(Signed) Frank Dow

Acting Commissioner of Customs.

GAW/gfk
3-16-35

Treasury Department
Washington

53421

MAR 21 1935

Immediate Release

MAR 21 1935

Press Service
No. 4 -

BUREAU OF CUSTOMS
CIRCULAR LETTER NO. 1356.

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

Reference is made to C.I.E. 1385/35, dated February 9, 1935, publishing a letter approved by the Commissioner of Customs on February 7, 1935, relative to importations in passengers' baggage of perfumery bearing trade-marks which are entitled to the protection of Section 526 of the Tariff Act of 1930.

The Collectors of Customs located on seaboard and border ports are requested to have the following mimeographed and inserted in the pamphlets "United States Customs Information for Passengers from Overseas" and "United States Customs Information for Persons Entering the United States from Canada and Mexico:

Merchandise including perfumery which at the time of entry into the United States bears a trade-mark registered and recorded in conformity with the provisions of Section 526 of the Tariff Act of 1930 is prohibited importation and is subject to seizure and forfeiture to the United States unless the written consent of the trade-mark owner is filed at the time of entry. The following named owners of perfumery trade-marks have filed written consent to the importation of perfumery bearing their registered and recorded marks by returning American residents to the extent of one bottle of each manufacturer by each passenger, subject to the condition that the trade-mark be obliterated or destroyed and that the bottle be opened prior to its release to the passenger:

Bourjois, Inc.
Caron Corporation
Coty, Inc.
Houbigant, Inc.
Ariza L. Legrand, Inc.
Chanel, Inc.
Les Parfums de Rosine, Inc.
Roger and Gallet
~~Fardley and Company, Ltd.~~
Lanvins Parfums, Inc.
Guerlain, Inc.
Lionel Trading Company

TREASURY DEPARTMENT

WASHINGTON

FOR IMMEDIATE RELEASE, *Morning newspapers*
Saturday, March 23, 1935. Press Service
Monday 25
3-23-35 4-62

Secretary of the Treasury Morgenthau announced today that up to this time subscriptions aggregating \$1,332,000,000 have been received for the current offering of 2-7/8 percent Treasury Bonds of 1955-60, which are offered only in exchange for Fourth Liberty Loan Bonds called for redemption on April 15, 1935.

As previously announced, the subscription books for this offering will close at the close of business Wednesday, March 27, 1935.

For NYN

TREASURY DEPARTMENT

Washington

RELEASE, MORNING NEWSPAPERS,
Monday, March 25, 1935.
3/23/35

Press Service
No. 4 - 62

Secretary of the Treasury Morgenthau announced today that up to this time subscriptions aggregating \$1,332,000,000, have been received for the current offering of 2-7/8 percent Treasury Bonds of 1955-60, which are offered only in exchange for Fourth Liberty Loan Bonds called for redemption on April 15, 1935.

As previously announced, the subscription books for this offering will close at the close of business Wednesday, March 27, 1935.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 25, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended March 22, 1935:

Philadelphia	300,240.06	fine	ounce
San Francisco	250,062.21	"	"
Denver	4,152.00	"	"
Total for week ended March 22, 1935	554,454.27	"	"
Total receipts through March 22, 1935	31,079,000.00	"	"

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended March 22, 1935:

Philadelphia	2,559.00	fine	ounce
New York	32,472.00	"	"
San Francisco	17,615.00	"	"
Denver	1,161.00	"	"
New Orleans	481.00	"	"
Seattle	534.00	"	"
Total for week ended March 22, 1935	54,822.00	"	"
Total receipts through March 22, 1935	112,581,377.00	"	"

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended March 22, 1935:

	Imports	Secondary	New Domestic
Philadelphia	\$ -----	\$189,139.81	\$ 63.84
New York	2,595,400.00	207,600.00	155,500.00
San Francisco	255,766.70	80,569.00	1,205,212.09
Denver	55,066.00	48,361.00	550,111.00
New Orleans	18,858.37	56,509.71	3,213.33
Seattle	-----	22,786.48	153,333.14
Total for week ended March 22, 1935	2,925,091.07	\$604,966.00	\$2,067,433.40

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended March 20, 1935	\$ 25,699.02	\$ 446,330.00
Received previously	30,045,932.81	86,709,360.00
Total to March 20, 1935	\$30,071,631.83	\$87,155,690.00

Received by Treasurer's Office:

Week ended March 20, 1935	\$ -----	\$ 7,000.00
Received previously	260,606.00	2,060,500.00
Total to March 20, 1935	\$ 260,606.00	\$ 2,067,500.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

March 25, 1935.

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(Under Executive Proclamation of December 21, 1933)

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NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

March 25, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY.

Seven Weeks Period Ended March 23.

Total number of inspections..... 11,595

Federal violations found..... 1,882

Amount collected:

Taxes and penalties..... \$25,456.02

Offers in compromise..... \$22,998.75

Classification of Federal violations:

Failure to pay special tax..... 1,036

Failure to post special tax stamp..... 158

Refilled bottles..... 73

Unstamped bottles..... 204

Unattached strip stamps..... 144

Unattached beer stamps..... 129

Failure to destroy attached beer stamps..... 114

Un-tax paid alcohol..... 6

Failure to destroy empty liquor bottles..... 4

Beer barrel with no beer stamp attached..... 12

Un-tax paid wine..... 2

Action taken by police department (through Thursday, March 21, only):

Number of arrests..... 173

Number of cases referred to New York State Liquor Authority..... 623

Violations corrected by Inspection Unit..... 2,511

HNG/mff

TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS

March 25, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY

Seven Weeks Period Ended March 23

Total number of inspections 11,595

Federal violations found 1,882

Amount collected:

Taxes and penalties \$ 25,456.02
Offers in compromise \$ 22,998.75

Classification of Federal violations:

Failure to pay special tax 1,036
Failure to post special tax stamp 158
Refilled bottles 73
Unstamped bottles 204
Unattached strip stamps 144
Unattached beer stamps 129
Failure to destroy attached beer stamps 114
Un-tax paid alcohol 6
Failure to destroy empty liquor bottles 4
Beer barrel with no beer stamp attached 12
Un-tax paid wine 2

Action taken by police department (through Thursday, March
21, only):

Number of arrests 173
Number of cases referred to New York State Liquor Authority ... 623
Violations corrected by Inspection Unit 2,511

March 25, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, CHICAGO.

Eight Weeks Period Ended March 23.

Total number of inspections.....	17,290
Federal violations found.....	2,352
Amount collected in taxes, penalties, and offers in compromise for Federal violations.....	\$27,683.37

Classification of Federal violations:

Failure to pay special tax.....	795
Failure to post special tax stamp.....	184
Unstamped bottles.....	784
Undestroyed beer stamps.....	291
Unattached strip stamps.....	149
Failure to destroy empty liquor bottles.....	52
Un-tax paid liquor found.....	14
Refilled bottles.....	63
Rectifier.....	9
Apparent un-tax paid wine.....	11

HNG/mff

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 25, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, CHICAGO

Eight Weeks Period Ended March 23.

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Rectifier	9
Apparent un-tax paid wine	11

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 26, 1935.

Press Service
4-63

Secretary of the Treasury Morgenthau announced last evening that the tenders for two series of Treasury bills, to be dated March 27, 1935, which were offered on March 22, were opened at the Federal Reserve banks on March 25, 1935.

Tenders were invited for the two series to the aggregate amount of \$100,000,000, or thereabouts, and \$225,515,000 was applied for, of which \$100,150,000 was accepted. The details of the two series are as follows:

182-DAY TREASURY BILLS, MATURING SEPTEMBER 25, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$108,329,000, of which \$50,079,000 was accepted. Except for one bid of \$10,000, the accepted bids ranged in price from 99.960, equivalent to a rate of about 0.079 percent per annum, to 99.936, equivalent to a rate of about 0.127 percent per annum, on a bank discount basis. The average price of Treasury bills of this series to be issued is 99.945 and the average rate is about 0.109 percent per annum on a bank discount basis.

272-DAY TREASURY BILLS, MATURING DECEMBER 24, 1935

For this series, which was for \$50,000,000, or thereabouts, the total amount applied for was \$117,186,000, of which \$50,071,000 was accepted. The accepted bids ranged in price from 99.895, equivalent to a rate of about 0.139 percent per annum, to 99.853, equivalent to a rate of about 0.195 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills of this series to be issued is 99.864 and the average rate is about 0.180 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 26, 1935.
3-25-35.

Press Service
No. 4-63

Secretary of the Treasury Morgenthau announced last evening that the tenders for two series of Treasury bills, to be dated March 27, 1935, which were offered on March 22, were opened at the Federal Reserve banks on March 25, 1935.

Tenders were invited for the two series to the aggregate amount of \$100,000,000, or thereabouts, and \$225,515,000 was applied for, of which \$100,150,000 was accepted. The details of the two series are as follows:

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News-Release, Wed. Morning, March 27, 1934
4-64

a letter complaining that President Roosevelt was allowed to buy United States Savings Bonds at "bargain prices" was received by the Post Office Department today. The writer expressed surprise that President Roosevelt paid only \$112.50 for six bonds of the \$25 denomination. She was informed that no special consideration was given to the President, as he paid the regular issue price of \$18.75 for a bond which will return him \$25 at maturity.

#

ALL

193

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, March 27, 1935.
3-26-35.

Press Service
No. 4-64

A letter complaining that President Roosevelt was allowed to buy United States Savings Bonds at "bargain prices" was received by the Post Office Department today. The writer expressed surprise that President Roosevelt paid only \$112.50 for six bonds of the \$25 denomination. She was informed that no special consideration was given to the President, as he paid the regular issue price of \$18.75 for a bond which will return him \$25 at maturity.

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Morning newspapers
FOR RELEASE, ~~FRIDAY~~ THURSDAY.
March 28, 1935.

Press Service
no 4-68

Forty major cities sold \$1,869,088.25 worth of United States Savings Bonds for the week ending March 23, according to reports to the Post Office Department today.

On the basis of this report officials estimated that sales in 14,000 unreporting post offices will raise the weekly total to approximately \$4,000,000.

As sales to March 16th totaled about \$24,000,000, the total disposed of in 20 business days amounted to \$28,000,000. This represents the purchase price which means that the maturity value of the bonds already sold is more than \$37,000,000.

The securities are still selling better in the west and south and in the east. Postmasters reported that the demand for the \$1000 and \$500 denominations had slackened somewhat and that the smaller units were selling better than before. It is believed that many small investors were numbered among last week's purchasers.

New York City has sold the most bonds, with a total of \$1,955,250, of which \$274,762.50 was sold in Brooklyn. Chicago stands second with \$1,453,409, while Detroit is third with \$979,649.25. The sales in other large cities to March 23rd have been as follows: Kansas City, \$603,712.50; St. Louis \$569,892; Cleveland, \$426,712.50; Boston, \$423,431.25; Washington, D.C. \$324,543.75; St. Paul, \$296,214.50; Cincinnati, \$269,493.75; Minnesota, \$249,225.00; Baltimore, \$244,931.25; Omaha, \$223,612.50; Memphis, \$208,012.50; Toledo, \$192,000; Houston, \$191,343.75; Milwaukee, \$184,485.75; Dallas, \$159,168.75; Denver, \$156,431.25; Louisville, \$133,293.75; Columbus, Ohio, \$119,700; Indianapolis, \$112,406.25; Dayton, \$99,112.50; New Orleans, \$97,931.25; Richmond, \$90,206.25; Des Moines, \$89,643.75; Newark, N.J. \$88,712.50; Rochester, \$69,693.75; Oklahoma City, \$63,000; Akron, \$58,997; Ft. Worth, \$58,125; Jersey City, \$55,563.75; Providence, \$51,675.00.

TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS,
Thursday, March 28, 1935.
3-27-35.

Press Service
No. 4-65

Forty major cities sold \$1,869,088.25 worth of United States Savings Bonds for the week ending March 23rd, according to reports to the Post Office Department today.

On the basis of this report officials estimated that sales in 14,000 unreporting post offices will raise the weekly total to approximately \$4,000,000.

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April 1, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, CHICAGO.

Nine Weeks Period Ended March 30.

Total number of inspections.....	19,526
Federal violations found.....	2,684
Amount collected in taxes, penalties, and offers in compromise for Federal violations.....	\$34,431.13

Classification of Federal violations:

Failure to pay special tax.....	904
Failure to post special tax stamp.....	209
Unstamped bottles.....	892
Undestroyed beer stamps.....	329
Unattached strip stamps.....	155
Failure to destroy empty liquor bottles.....	53
Un-tax paid liquor found.....	15
Refilled bottles.....	83
Rectifier.....	15
Apparent untax paid wine.....	28
Breaking seal detained packages.....	2

HNG/mff

RETAIL LIQUOR DEALER INSPECTIONS, CHICAGO

Nine weeks Period Ended March 30

Total number of inspections.	19,526
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Un-tax paid liquor found	15
Refilled bottles	83
Rectifier.	15
Apparent untax paid wine	28
Breaking seal detained packages	2

April 1, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY.

Eight Weeks Period Ended March 30.

Total number of inspections..... 12,940

Federal violations found..... 2,080

Amount collected:

Taxes and penalties..... \$27,860.17

Offers in compromise..... \$25,810.35

Classification of Federal violations:

Failure to pay special tax..... 1,140

Failure to post special tax stamp..... 169

Refilled bottles..... 77

Unstamped bottles..... 223

Unattached strip stamps..... 153

Unattached beer stamps..... 167

Failure to destroy attached beer stamps..... 120

Un-tax paid alcohol..... 6

Failure to destroy empty liquor bottles..... 4

Beer barrel with no beer stamp attached..... 17

Un-tax paid wine..... 4

Action taken by police department (through Thursday, March 28, only):

Number of arrests..... 193

Number of cases referred to New York State Liquor Authority..... 715

Violations corrected by Inspection Unit..... 2,892

HNG/mff

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

April 1, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, NEW YORK CITY

Eight weeks Period Ended March 30.

Total number of inspections 12,940

Federal violations found 2,080

Amount collected:

Taxes and penalties	\$27,860.17
Offers in compromise	\$25,810.35

Classification of Federal violations:

Failure to pay special tax.	1,140
Failure to post special tax stamp	169
Refilled bottles.	77
Unstamped bottles	223
Unattached strip stamps	153
Unattached beer stamps.	167
Failure to destroy attached beer stamps	120
Un-tax paid alcohol	6
Failure to destroy empty liquor bottles	4
Beer barrel with no beer stamp attached	17
Un-tax paid wine.	4

Action taken by police department (through Thursday, March 28, only).

Number of arrests.	193
Number of cases referred to New York State Liquor Authority.	715
Violations corrected by Inspection Unit.	2,892

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 1, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:
(Under Executive Proclamation of December 21, 1933)

Week ended March 29, 1935:			
Philadelphia	149,759.94	fine ounces	
San Francisco	531,117.60	" "	
Denver.....	14,678.00	" "	
Total for week ended March 29, 1935	695,555.54	" "	
Total receipts through March 29, 1935	31,775,000.00	" "	

SILVER TRANSFERRED TO UNITED STATES:
(Under Executive Proclamation of August 9, 1934)

Week ended March 29, 1935:			
Philadelphia	1,494.00	fine ounces	
New York	3,715.00	" "	
San Francisco	923.00	" "	
Denver	662.00	" "	
New Orleans	384.00	" "	
Seattle	437.00	" "	
Total for week ended March 29, 1935	7,615.00	" "	
Total receipts through March 29, 1935	51,208,000.00	" "	

112,588,992.

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended March 29, 1935:	Imports	Secondary	New Domestic
Philadelphia	\$ -----	\$ 190,893.77	\$ 63.84
New York.....	6,287,600.00	383,700.00	162,700.00
San Francisco	153,162.56	83,492.51	505,365.59
Denver	44,320.00	36,440.00	587,897.00
New Orleans	398.40	44,785.09	186.56
Seattle	-----	29,120.54	46,672.89
Total for week ended March 29, 1935	\$6,485,480.96	\$ 768,431.91	\$1,302,885.88

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:
(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended March 27, 1935	\$ 77,621.86	\$ 548,130.00
Received previously	30,071,631.83	87,155,690.00
Total to March 27, 1935	\$30,149,253.69	\$87,703,820.00
Received by Treasurer's Office:		
Week ended March 27, 1935	\$ -----	\$ 9,300.00
Received previously	260,606.00	2,067,500.00
Total to March 27, 1935	\$ 260,606.00	\$ 2,076,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 1, 1935.

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~~\$351,206.25 was sold in Brooklyn. Chicago stands second with \$1,718,328. and
Detroit third with \$1,091,135.50.~~

#735,

The sales in other large cities were as follows: Kansas City, ~~2~~,168.75;
St. Louis, \$502,975; Cleveland, \$484,387.50; Boston, \$460,500; Philadelphia,
Washington, \$376,425;
\$429,543.75; St. Paul, \$356,400; Brooklyn, \$351,206.25; Cincinnati, \$308,943.50;
Los Angeles, \$305,212; Minneapolis, \$304,218.75; Omaha, \$296,893.75; Baltimore,
\$278,118.75; Milwaukee, \$245,137.50; Pittsburgh, \$244,100.75; Toledo, \$224,312.50;
Memphis, \$214,143.75; Portland, Ore., \$207,550; Houston, \$202,593.75; Dallas,
\$200,550; Denver, \$198,225; San Francisco, \$167,700; Columbus, Ohio, \$151,087.50;
Louisville, Ky. \$145,725; Indianapolis, \$138,750; New Orleans, \$113,381.25;
Dayton, \$109,068.75; Des Moines, \$101,887.50; Newark, N.J. \$101,006.25.

4-66

Sales of United States Savings Bonds during March totaled \$38,012,982, according to reports to the Post Office Department today. Since this figure represents the purchase price, the maturity value of the bonds sold amounts to more than \$50,600,000. The bonds first went on sale on March 1.

The number of buyers was approximately 70,000. The average amount invested was \$503.15. The average investment has been increasing steadily since the bonds were made available to investors, the \$503.15 figure contrasting with earlier ~~averages~~ ^{weekly} averages of \$438 and \$401. Although the \$500 and \$1000 denominations are still popular, postmasters reported that the \$100 unit was increasing in popularity.

Postmasters reported increasing demand and interest in these new government securities. The sale for the last week of March was more than ~~\$7,000,000~~ ^{\$10,000,000} worth, and there were more than 15,000 buyers. According to reports, there have been many inquiries by people who expect to buy in the future.

Although New York City led in total sales, the banner town of the country was Mount Sterling, Ky., which has a population of 4,350. The postmaster there reported sales of \$100,000, with forty-four purchasers. The town of Laurinburg N.C., with a population of 3,312, accounted for \$75,000 worth. One purchaser bought \$45,000 worth for various members of his family, and there were eleven other buyers.

New York City's total was \$2,267,718.25, of which \$351,206.25 was sold in Brooklyn. Chicago stands second with \$1,713,328, and Detroit third with \$1,091,135.50.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 2, 1935.
4-1-35.

Press Service
No. 4-66

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TREASURY DEPARTMENT
WASHINGTON


FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 2, 1935.

Press Service

4/1/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 272-day Treasury bills, dated April 3 and maturing December 31, 1935, which were offered on March 29, were opened at the Federal Reserve banks on April 1, 1935.

The total amount applied for was \$119,428,000, of which \$50,018,000 was accepted. The accepted bids ranged in price from 99.900, equivalent to a rate of about 0.132 percent per annum, to 99.867, equivalent to a rate of about 0.176 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.882 and the average rate is about 0.157 percent per annum on a bank discount basis.



TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 2, 1935.
4/1/35

Press Service
No. 4 - 67

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TREASURY DEPARTMENT
WASHINGTON


FOR IMMEDIATE RELEASE,
Tuesday, April 2, 1935.

Press Service
4-68

Secretary of the Treasury Morgenthau today announced that preliminary reports indicate that \$1,559,569,300 of Fourth Liberty Loan Bonds called for redemption on April 15, 1935, have been exchanged for the 2-7/8 percent Treasury Bonds of 1955-60.

Subscriptions were divided among the several Federal Reserve districts and the Treasury as follows:

<u>Federal Reserve District</u>	<u>Total Subscriptions</u>
Boston	\$ 57,941,300
New York	868,337,700
Philadelphia	82,256,700
Cleveland	105,492,300
Richmond	38,681,100
Atlanta	18,476,250
Chicago	177,486,150
St. Louis	46,601,700
Minneapolis	21,227,550
Kansas City	38,815,450
Dallas	16,245,900
San Francisco	49,259,350
Treasury	<u>38,747,850</u>
Total	\$1,559,569,300



TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, April 2, 1935.

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Treasury	<u>38,747,850</u>
Total	\$1,559,569,300

April 1, 1935.

RETAIL LIQUOR DEALER INSPECTIONS, WASHINGTON, D. C.

For the Week Ended March 30.

4-69
1806. 1/4

Total number of inspections.....	1,422
Federal violations found.....	214
<u>Amount collected:</u>	
Taxes and penalties.....	\$3,248.59
Offers in compromise.....	2,080.00
Collections pending.....	435.97
<u>Classification of Federal violations:</u>	
Failure to pay special tax.....	145
Failure to post special tax stamp.....	30
Unstamped bottles.....	5
Undestroyed beer stamps.....	9
Unattached strip stamps.....	12
Beer containers with no beer stamp attached.....	2
Refilled bottles.....	1
Miscellaneous, referred to enforcement squad.....	10

This project completed, during the week of March 25-29.

HNG/mff

Arthur J. Wellott, dep. comm. of Int. Rev.
in charge of the Alcohol Tax Unit, announced
today the following results of an inspection
of retail liquor establishments in Washington
which ~~was made~~ ^{was completed by} Treasury revenue police
during the week of March 25-29:

April 1, 1935.

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For the Week Ended March 30.

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Federal violations found.....	214
<u>Amount collected:</u>	
Taxes and penalties.....	\$3,248.59
Offers in compromise.....	2,080.00
Collections pending.....	435.97
<u>Classification of Federal violations:</u>	
Failure to pay special tax.....	1145
Failure to post special tax stamp.....	30
Unstamped bottles.....	5
Undestroyed beer stamps.....	9
Unattached strip stamps.....	12
Beer containers with no beer stamp attached.....	2
Refilled bottles.....	1
Miscellaneous, referred to enforcement squad.....	10

HNG/mff

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Tuesday, April 2, 1935.

Press Service
No. 4-69

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Amount collected:

Taxes and penalties. \$3,248.59
Offers in compromise 2,080.00

Collections pending 435.97

Classification of Federal violations:

Failure to pay special tax. 145
Failure to post special tax stamp 30
Unstamped bottles 5
Undestroyed beer stamps 9
Unattached strip stamps 12
Beer containers with no beer stamp attached 2
Refilled bottles 1
Miscellaneous, referred to enforcement squad. 10

MAR 30 1935

Dear Mr. McCaslin:

I am glad to have this opportunity to acknowledge the receipt of your letter of March 20, 1935, addressed to the President, with which was enclosed a voluntary contribution of \$35 toward defraying the costs of the Government. I note from your letter that your income tax return this year did not show any tax liability but that nevertheless you feel that you should contribute to the expense of providing the protection and other advantages which you receive from the Government.

Giving effect to your desire I have directed that your remittance be deposited in the Treasury as a voluntary donation to the United States.

In accepting this gift on behalf of the Government, permit me to express my admiration both of your patriotic attitude and of the practical way in which you have given expression to it.

Sincerely yours,

(Signed) T. J. Coolidge
Acting Secretary of the Treasury.

Mr. C. H. McCaslin,
12th and Franklin Streets,
Oakland, California.

RFB/REG/mah

"Oakland, California,
March 20, 1935.

Franklin D. Roosevelt,
President of the U.S.A.,
Washington, D.C.

Mr. President:

My income tax blank this year showed that I would not be required to pay any tax. I am inclosing a check that was a voluntary contribution toward government costs and was returned for the reasons mentioned in the enclosed letter.

Being in business, I realize that whether or not business is good, overhead charges must be met. Like my gas bill the cost of Government goes on and on. I am conducting a business in Oakland, California and raising an ever increasing family, all under the most desirable circumstances and protection of government. It is not in my makeup to shift the cost of that protection on to others. Therefore, please overrule the rules and use this check to help pay the bills.

Very truly yours,

(Signed) C. H. McCASLIN"

"Internal Revenue Service
San Francisco, Calif.,
March 19, 1935.

Mr. C. H. McCaslin,
Oakland, California.

My dear Mr. McCaslin:

Enclosed please find your check for \$35.00 made out to the Department of Internal Revenue for this year's Income Tax.

Your return reports 'No tax due' and it will be impossible for me to obey your instructions in your kind letter of March 15th telling me to accept the check without argument.

I appreciate more than I can say your attitude in the matter but under the rules it would be impossible for me to obey your instructions.

With best wishes, I am

Very cordially yours,
(Signed) JOHN V. LEWIS
Collector."

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE

Thursday, April 4, 1935

Press Service
No. 4-70

The following correspondence was made public today by Secretary ^{Acting} ~~Morganthau~~ Coolidge:

" Mar. 30, 1935.

Dear Mr. McCaslin:

"I am glad to have this opportunity to acknowledge the receipt of your letter of March 20, 1935, addressed to the President, with which was enclosed a voluntary contribution of \$35 toward defraying the costs of the Government. I note from your letter that your income tax return this year did not show any tax liability but that nevertheless you feel that you should contribute to the expense of providing the protection and other advantages which you receive from the Government.

"Giving effect to your desire I have directed that your remittance be deposited in the Treasury as a voluntary donation to the United States.

"In accepting this gift on behalf of the Government, permit me to express my admiration both of your patriotic attitude and of the practical way in which you have given expression to it.

Sincerely yours,

(Signed) T. J. COOLIDGE

Acting Secretary of the Treasury."

Mr. C. H. McCaslin,
Oakland, California."

TREASURY DEPARTMENT

Washington

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Thursday, April 4, 1935.

Press Service
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Acting Secretary of the Treasury.

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With best wishes, I am

Very cordially yours,

(Signed) JOHN V. LEWIS
Collector."

FOR RELEASE, MORNING NEWSPAPERS,
Friday, April 5, 1935.

Press Service
No. 4-71

The average investment in United States Savings Bonds is much higher in small cities and rural communities than in large centers, according to a study of the March sales. The survey also shows that western and southern cities are making much larger individual investments than eastern cities.

The average investment in fifty large cities was \$487.10, as against an average of \$503.15 for the country. Purchase^{re} in these fifty cities comprised ~~27,918~~^{70,} of the total of approximately ~~70,~~^{70,} 000 buyers. Sales in these fifty cities, which usually account for half of the regular Post Office business, amounted to \$13,600,724.75, while the nationwide total for March was \$38,012,928.

Oklahoma City had the largest average investment with \$1,044. Kansas City was second with \$997, and Houston a close third with \$974. The lowest average investment was \$154 in Springfield, Ohio. The average purchases in these fifty cities were as follows:

Oklahoma City, \$1044; Kansas City, \$997; Houston, \$974; Richmond, Va., \$850; Omaha, \$755; Dallas, \$704; St. Paul, \$694; Atlanta, \$667; Des Moines, \$648; Memphis, \$594; Minneapolis, \$570; Ft. Worth, \$533; Toledo, \$532; Rochester, \$530; St. Louis, \$484; Portland, Ore., \$481; Detroit, \$479; New Orleans, \$472; Louisville, \$465; Baltimore, \$476; Buffalo, \$472; Philadelphia, \$471; Denver, \$467; Chicago, \$464; Jersey City, \$460; Newark, \$457; San Francisco, \$455; Columbus, Ohio, \$453; Los Angeles, \$417; Providence, \$416; Brooklyn, \$409; Cincinnati, \$432; Seattle, \$429; Cleveland, \$408; New York, \$407; Boston, Indianapolis, \$381; \$406; Oakland, \$405; Pittsburgh, \$392; Dayton, Ohio, \$380; New Haven, \$366; Syracuse, \$363; Milwaukee, \$365; ~~Indianapolis, \$381~~ Hartford, \$357; Akron, \$355; Albany, \$314; Washington, \$298; Harrisburg, \$276; Nashville, \$242; Springfield, Ohio, \$154.

TREASURY DEPARTMENT

Washington

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Friday, April 5, 1935.
4-4-35.

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Cincinnati, \$432; Seattle, \$429; Los Angeles, \$417; Providence, \$416; Brooklyn, \$409; Cleveland, \$408; New York, \$407; Boston, \$406; Oakland, \$405; Pittsburgh, \$392; Indianapolis, \$381; Dayton, Ohio, \$380; New Haven, \$366; Milwaukee, \$365; Syracuse, \$363; Hartford, \$357; Akron, \$355; Albany, \$314; Washington, \$298; Harrisburg, \$276; Nashville, \$242; Springfield, Ohio, \$154.

C
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P
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TREASURY DEPARTMENT

WASHINGTON

IT:E:

April 3, 1935.

Mr. Donald D. Shepard,
c/o Mr. A. W. Mellon,
Mellon National Bank Building,
Pittsburgh, Pa.

Sir:

Reference is made to Bureau letter dated March 8, 1933, in which you were advised that "The A. W. Mellon Educational and Charitable Trust" is entitled to exemption under the provisions of Section 103(6) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928; and that contributions made thereto are deductible in computing the net income of individual donors in the manner and to the extent provided by Section 23(n) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928. Those conclusions were based upon information which you had furnished by letters dated February 25, 1933 and March 5, 1933.

It now appears that no consideration was given to the question whether the instrument dated December 30, 1930, was sufficient as a matter of law to establish a valid charitable trust. It further appears that the information furnished by you was incomplete and misleading, in that it failed to disclose the nature, magnitude and true purpose of the so-called trust.

On the basis of evidence now on file, it is the view of this office that "The A. W. Mellon Educational and Charitable Trust" is not a trust organized and operated exclusively for the purposes set forth in Section 23(n) of the Revenue Act of 1932, and corresponding provisions of other revenue acts. Accordingly, the above-mentioned Bureau letter dated March 8, 1933, is hereby rescinded.

By direction of the Commissioner.

Respectfully,

(Signed) CHARLES T. RUSSELL.

Deputy Commissioner.

THIRD (Continued)

Its gifts to charity and for educational purposes are but trifling and incidental, compared with its main function as a holding trust for Mr. Mellon's art works where they will not be subject to either gift or inheritance taxes. It has received pictures valued at over \$10,000,000.00, and also 10,000 shares of Pullman Company stock valued at \$507,500.00 in four tax years. It is apparent that the gifts to charity are a small price to pay for the past and prospective exemption privilege.

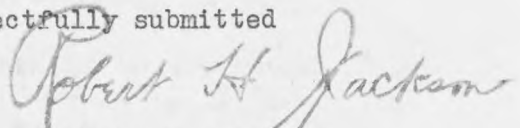
The intent of Congress in providing for this exemption was doubtless to encourage those who would provide for public needs in educational, religious, charitable or scientific lines.

These pictures have not been available for public instruction or inspection. Your agents have been refused access to them. Only after service of a summons could I learn their location. It now appears that those pictures presented to the trust during 1930 and 1931 are located in a room in the Corcoran Art Gallery, the use of which was extended to Mr. Mellon as a personal favor. We can not yet learn where the pictures given in 1932 valued at \$6,000,000.00 are located. We have been able to get no evidence of any public or semi-public exhibition of these pictures or any charitable or educational use outside of the Mellon family.

The powers of the trustees are unsupervised and unlimited. The lack of frankness in seeking the ruling and the same lack of frankness now leads me to believe that this trust is part of the Mellon plan of tax avoidance and perhaps of evasion. The function of this trust in such plan is to get the beneficial use of this valuable art collection to the next generation without gift or inheritance tax, and with deduction from income tax, and the use of the forms of a charitable trust is but a mask to that purpose.

In any event the trust has not, in my opinion, operated as intended by statute and exemption should be withheld until it is so operated.

Respectfully submitted



ROBERT H. JACKSON
Assistant General Counsel
for the
Bureau of Internal Revenue.

December 30, 1930	\$ 800,000.00
June 5, 1931	3,241,250.00
March 30, 1932	6,065,400.00

Instead of being, as the letter would lead to believe, a comparatively small trust with cash of \$45,000.00 and some incidental personal property not significant enough to detail, it was in fact a trust of very unusual size.

The letter detailed expenditures of \$9,596.00 for charitable purposes and \$4,613.42 for educational purposes and 10¢ for taxes. It gave no impression that there was also an unexpended and permanent capital of over \$10,000,000.00. Moreover, the failure to include this large item, though going into great detail as to the smaller, concealed the major purpose of the trust which was not to make gifts to charity but to hold title to the Mellon art collection.

SECOND

It is doubtful if the trust was organized for good faith charitable or educational purposes.

The use indicates that it was to take over legal title, or appearance of title of some of the Mellon art objects. The trustees were A. W. Mellon himself, his son Paul Mellon and his tax attorney D. D. Shepard. There was a purpose to keep control in A. W. Mellon's hands. It is significant that, apart from his immediate family, the only other trustee associated with the trust was distinguished, not as an art expert, but as a tax expert.

When considered in connection with the way the trust has actually operated, this strange set-up is strongly suggestive that the purpose of the trust was that in which the sole stranger to the donor's blood is especially skilled, and would be most useful. This would be tax avoidance.

THIRD

Whatever the covert purpose of the trust, it has not been operated exclusively for charitable, religious, scientific, literary or educational purposes, as required by Section 103 of the Revenue Act of 1932.

January 22, 1935

MEMORANDUM FOR THE COMMISSIONER:

Re: A. W. Mellon
Charitable & Educational Trust

The study of the income tax case of A. W. Mellon leads to a study of this trust because in his petition to the Board of Tax Appeals he claims credit for gifts to this trust of \$3,241,250.00 in 1931.

A ruling to hold this trust exempt was applied for by letter of Donald D. Shepard dated March 5, 1933 and received March 6, 1933. The ruling requested was prepared and initialed March 7, 1933, and dated and mailed March 8, 1933. The elapsed time indicates that no independent investigation was made by the Bureau and that the ruling was made in sole reliance upon the letter of Mr. Shepard.

In view of the information now in hand, I suggest reconsideration and probably revocation of the ruling of March 8, 1933 that the A. W. Mellon Charitable & Educational Trust is exempt under the provisions of Section 103 (6) of the Revenue Act of 1932 and corresponding provisions of Act of 1928, and that it would not be required to file returns of annual income and that contributions to it are deductible in computing net income of individual donors. Grounds for the suggested revocation are:

- First: The ruling appears to have been obtained by a concealment of material facts.
- Second: The trust was not organized exclusively for charitable and educational purposes.
- Third: It has not been operated during any of these years exclusively for charitable and educational purposes.

FIRST

The letter of Mr. Shepard conceals the nature, magnitude and true purpose of this trust. He states that it received from gifts a total of \$45,255.19 and says, "In addition the trust received by way of gift for educational purposes tangible personal property of considerable value."

As a matter of fact, in addition to the cash the trust had then received from A. W. Mellon pictures valued at over \$10,000,000.00 as follows:

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the Revenue Acts of 1928 and 1932 except in so far as the exemption is granted expressly under those provisions to corporations enumerated in section 103.

Any changes in your organization or method of operation must be immediately reported to the collector of internal revenue for your district in order that the effect of such changes upon your present exempt status may be determined.

Since your organization is entitled to exemption under the provisions of section 103(6) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928 it follows that contributions made thereto are deductible in computing the net income of individual donors in the manner and to the extent provided by section 23(n) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928.

A copy of this letter is being transmitted to the collector of internal revenue for your district.

By direction of the Commissioner.

Respectfully,

(Signed) W. T. Sherwood.

Acting Deputy Commissioner.

COPY

March 8, 1933.

IT:E:RR

LK

The A. W. Mellon Educational and Charitable Trust,
c/o Mr. Donald D. Shepard,
Investment Building,
Washington, D. C.

Sirs:

Reference is made to evidence submitted for the use of the Bureau in determining the status of your organization for Federal income tax purposes.

The evidence discloses that your organization was formed during 1930 for the purpose of aiding such religious, charitable, scientific, literary and/or educational purposes as in the judgment of the trustees shall be in furtherance of public welfare and tend to promote the well-doing or well-being of mankind, and/or to or for the use of the United States, any state, territory, or any political subdivision thereof, or the District of Columbia, for such exclusive public purposes as the trustees shall determine. The purposes for which funds in your hands may be used are limited to the purposes for which you were organized. It is shown that disbursements of the trust since its organization have been made for educational purposes, charitable purposes and to organizations which are engaged in charitable activities. Scholarships have been given and provided for and all funds have been used in furthering the purposes for which your organization was formed. You have no capital stock and none of your income inures to the benefit of any private member or individual, it being specifically provided that no part of the trust established, whether principal, income or accumulations, be distributed to or inure to the benefit of the donor or his heirs or personal representatives or to any of the trustees or other successors in the trust.

Based on the foregoing it is held that your organization is entitled to exemption under the provisions of section 103(6) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928. You are not therefore required to file returns of annual income for 1930 and subsequent years with respect to each of which you retain your nontaxable status.

The amount expended by the Trust on account of these scholarships to date has been \$4,103.00.

In addition, the Trust in its educational activities has paid the school expenses of one medical student at the University of Pittsburgh, which is in effect a one year scholarship. The Trust found it desirable to take this action because the medical student was in his senior year and would have been forced to abandon his career because of financial reverses of his family.

The Trust will be very glad to furnish the Bureau of Internal Revenue with such other information as it may desire.

Respectfully,

THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST.

by

(Signed) D. D. Shepard
Trustee.

With respect to disbursements of the Trust, on account of its charitable activities, it may be said that the sum of \$6,250.00 was expended from January 1, 1931 to December 31, 1932 for the relief of destitute boys and young men, such relief consisting of providing shelter, meals, shoes and clothing, medical attention and transportation, when necessary, for these boys and young men to their homes. The trust also assisted in procuring positions, both permanent and temporary, for these charges. Further information as to the number of boys and young men granted relief, and the number of positions secured for them will be supplied, if desired. It has been the object of the Trust, in all such cases, to make these unfortunates self-supporting and the activities of the Trust have been directed towards this end. other information as it may desire.

In addition to this work, the Trust in January, 1932, assisted in the transportation to Pittsburgh of a large number of unemployed men who came to Washington from that city as a part of "Father Cox's Trust. Unemployment Army", and were left destitute in this city.

In addition to the above activities carried on directly by the Trust, it has made a number of contributions to charitable institutions. Such institutions are:

by
D. C. Chapter, American Red Cross.
Central Union Mission, Inc., Washington, D. C.
Volunteer of America, Inc., District of Columbia.
Save the Children Fund.
Russian Mutilated War Veterans.

With respect to educational activities, the Trust has created two scholarships, one being established at Yale University to be held by a graduate of Clare College, Cambridge, England, and the other scholarship was established at Clare College, Cambridge, to be held by a graduate of Yale University. These scholarships embrace a two year course of study at Clare College, Cambridge, England, and a similar course of study at Yale University. The purpose of the Yale-Clare scholarship, as set forth in a plan worked out by the Trustees of the Trust, reads:

"To promote relationships of friendship and understanding between England and the United States, to encourage a mutual expression of interest in the life and thought of both nations, to advance the cause of education by the exchange of ideas of educational methods, to create a special tie between Cambridge and Yale."

C
O
P
Y

DONALD D. SHEPARD 17

Investment Building 17

Washington, D. C. 17

Telephone National 3084 23

Cable Address, Rokeby. 22

March 5, 1933.

Commissioner of Internal Revenue,
Washington, D. C.

Attention: Rules and Regulations,
Income Tax Unit.

S i r :

Reference is made to my letter of February 25, 1933, enclosing copy of The A. W. Mellon Educational and Charitable Trust agreement.

You are advised that since The A. W. Mellon Educational and Charitable Trust was organized it has been operated exclusively for charitable and educational purposes. The total cash receipts of the Trust from December 30, 1930 to December 31, 1932, as shown by the audit statement of December 31, 1932, amounted to \$45,255.19, made up as follows:

Receipts from gifts	\$45,000.00
Interest on daily bank balances	<u>255.19</u>

Total receipts to Dec. 31, 1932 \$45,255.19.

In addition, the Trust received by way of gift for educational purposes tangible personal property of considerable value.

The total disbursements of the Trust during this period, as shown by the audit report, amounted to \$14,210.02, of which \$9,596.50 was expended for charitable purposes; \$4,613.42 for educational purposes; and 10¢ for Federal tax on checks. No monies of the Trust was disbursed for salaries, and in fact the Trust had no overhead expenses other than the sum of \$10.42 for multigraphing scholarship prospectus.

DONALD D. SHEPARD

Investment Building

Washington, D. C.

Telephone National 3084
Cable Address, Rokeby

February 25, 1933.

Commissioner of Internal Revenue,
Washington, D. C.

S i r :

In accordance with the request of Mr. F. R. Leary, I have to enclose herewith copy of Deed of Trust between Andrew W. Mellon, party of the first part, and Andrew W. Mellon, Paul Mellon and Donald D. Shepard, as Trustees, parties of the second part, creating a Trust known and designated as "The A. W. Mellon Educational and Charitable Trust".

I understand that a copy of this Deed of Trust is desired in connection with the audit of the income tax return of the Honorable Andrew W. Mellon for the year 1930. When this instrument has served its purpose, kindly have the same returned to me.

Yours very truly,

(Signed) D. D. Shepard.

Enclosure

"The Bureau has also taken the position which is being maintained in a proceeding before the Board of Tax Appeals, that donations of art objects of great value said to have been made by Mr. Andrew W. Mellon to the A.W. Mellon Charitable and Educational Trust during the calendar year 1931, were not deductible for income taxation purposes from Mr. Andrew W. Mellon's income for that year, since no evidence has at any time been presented to the Bureau that if such donations were made they were actually made for educational and charitable purposes.

"If Mr. Mellon should, during the present calendar year or in any future year, make irrevocable gifts of money or of objects of art or of any other things of value to a genuine public educational or charitable purpose, he will be entitled to claim, and will be granted, the right to make any and all of the deductions on ~~an~~ account of such gifts which are allowable under the existing laws."

The following are copies of the documents to which references have been made above.



4-72

Guy T. Helvering, Commissioner of Internal Revenue, today made public a file of correspondence and a memorandum of the Assistant General Counsel for the Bureau of Internal Revenue relating to eligibility for tax exemption of the A.W. Mellon Charitable and Educational Trust. In making public these records, Mr. Helvering issued the following explanatory statement:

"Newspaper articles and editorials within the last two days reveal ^a material misconceptions of the facts of the position and rulings of the Bureau of Internal Revenue with respect to the taxability of the A.W. Mellon Charitable and Educational Trust and the right of Mr. Andrew W. Mellon to claim deductions from income for tax purposes on account of donations made by him to this Trust.

"It has been asserted that ~~by~~ ^{to the nation} a sudden reversal of decision the Treasury Department holds that the projected gift by Andrew W. Mellon of \$50,000,000 for a National Gallery of Art would not be exempt from taxation, and it is stated that this ruling places the project in serious jeopardy.

"Neither the Treasury Department nor the Bureau of Internal Revenue has announced any ~~ruling~~ ^{or made} ~~nor has any such~~ ^{that the projected gift of a national art} decision been made. The rulings made by the Bureau of Internal Revenue and the Treasury Department have been solely on the questions (1) of the liability to taxation of the A.W. Mellon Charitable and Educational Trust, and (2) as to the right of Andrew W. Mellon to claim deductions from income for taxation purposes on account of donations made to the A.W. Mellon Charitable and Educational Trust.

"As to the first, the Bureau has held, in a letter to Mr. Donald D. Shepard, a Trustee of the A.W. Mellon Educational and Charitable Trust, that this trust is not a trust organized and operated exclusively for educational and charitable purposes ^{as prescribed by the statute,} and that, therefore, it is not entitled to claim exemption from income taxation. This letter rescinds a Bureau letter dated March 8, 1933, finding, on the basis of evidence then before the Bureau, that the Trust would be exempt from such taxation.

TREASURY DEPARTMENT

Washington

FOR RELEASE ,MORNING NEWSPAPERS,
Sunday, April 7, 1935.
4-6-35.

Press Service
No. 4-72

Guy T. Helvering, Commissioner of Internal Revenue, today made public a file of correspondence and a memorandum of the Assistant General Counsel for the Bureau of Internal Revenue relating to eligibility for tax exemption of the A.W. Mellon Charitable and Educational Trust. In making public these records, Mr. Helvering issued the following explanatory statement:

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"It has been asserted that by a sudden reversal of decision the Treasury Department holds that the projected gift to the Nation by Andrew W. Mellon of \$50,000,000 for a National Gallery of Art would not be exempt from taxation, and it is stated that this ruling places the project in serious jeopardy.

"Neither the Treasury Department nor the Bureau of Internal Revenue has announced any ruling or made any decision that the projected gift of a National Art Gallery would not be exempt from taxation. The rulings made by the Bureau of Internal Revenue and the Treasury Department have been solely on the questions (1) of the liability to taxation of the A.W. Mellon Charitable and Educational Trust, and (2) as to the right of Andrew W. Mellon to claim deductions from income for taxation purposes on account of donations made to the A.W. Mellon Charitable and Educational Trust.

"As to the first, the Bureau has held, in a letter to Mr. Donald D. Shepard,

a Trustee of the A.W. Mellon Educational and Charitable Trust, that this trust is not a trust organized and operated exclusively for educational and charitable purposes, as proscribed by the Statute, and that, therefore, it is not entitled to claim exemption from income taxation. This letter rescinds a Bureau letter dated March 8, 1933, finding, on the basis of evidence then before the Bureau, that the Trust would be exempt from such taxation.

"The Bureau has also taken the position which is being maintained in a proceeding before the Board of Tax Appeals, that donations of art objects of great value said to have been made by Mr. Andrew W. Mellon to the A.W. Mellon Charitable and Educational Trust during the calendar year 1931 were not deductible for income taxation purposes from Mr. Andrew W. Mellon's income for that year, since no evidence has at any time been presented to the Bureau that if such donations were made they were actually made for educational and charitable purposes.

"If Mr. Mellon should, during the present calendar year or in any future year, make irrevocable gifts of money or of objects of art or of any other things of value to a genuine public educational or charitable purpose, he will be entitled to claim, and will be granted, the right to make any and all of the deductions on account of such gifts which are allowable under the existing laws."

The following are copies of the documents to which references have been made above:

DONALD D. SHEPARD
Investment Building
Washington, D. C.

Telephone National 3084
Cable Address, Rokeby

February 25, 1933.

Commissioner of Internal Revenue,
Washington, D. C.

Sir:

In accordance with the request of Mr. F. R. Leary, I have to enclose herewith copy of Deed of Trust between Andrew W. Mellon, party of the first part, and Andrew W. Mellon, Paul Mellon and Donald D. Shepard, as Trustees, parties of the second part, creating a Trust known and designated as "The A. W. Mellon Educational and Charitable Trust".

I understand that a copy of this Deed of Trust is desired in connection with the audit of the income tax return of the Honorable Andrew W. Mellon for the year 1930. When this instrument has served its purpose, kindly have the same returned to me.

Yours very truly,

(Signed) D. D. Shepard.

Enclosure

DONALD D. SHEPARD

Investment Building

Washington, D. C.

Telephone National 3084

Cable Address, Rokeby.

March 5, 1933.

Commissioner of Internal Revenue,
Washington, D. C.

Attention: Rules and Regulations,
Income Tax Unit.

S i r :

Reference is made to my letter of February 25, 1933, enclosing copy of The A. W. Mellon Educational and Charitable Trust Agreement.

You are advised that since The A. W. Mellon Educational and Charitable Trust was organized it has been operated exclusively for charitable and educational purposes. The total cash receipts of the Trust from December 30, 1930 to December 31, 1932, as shown by the audit statement of December 31, 1932, amounted to \$45,255.19, made up as follows:

Receipts from gifts	\$45,000.00
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Total receipts to Dec. 31, 1932 \$45,255.19.

In addition, the Trust received by way of gift for educational purposes tangible personal property of considerable value.

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With respect to disbursements of the Trust, on account of its charitable activities, it may be said that the sum of \$6,250.00 was expended from January 1, 1931 to December 31, 1932 for the relief of destitute boys and young men, such relief consisting of providing shelter, meals, shoes and clothing, medical attention and transportation, when necessary, for these boys and young men to their homes. The trust also assisted in procuring positions, both permanent and temporary, for these charges. Further information as to the number of boys and young men granted relief, and the number of positions secured for them will be supplied, if desired. It has been the object of the Trust, in all such cases, to make these unfortunates self-supporting and the activities of the Trust have been directed towards this end.

In addition to this work, the Trust in January, 1932, assisted in the transportation to Pittsburgh of a large number of unemployed men who came to Washington from that city as a part of "Father Cox's Unemployment Army", and were left destitute in this city.

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- D. C. Chapter, American Red Cross.
- Central Union Mission, Inc., Washington, D. C.
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The Trust will be very glad to furnish the Bureau of Internal Revenue with such other information as it may desire.

Respectfully,

THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST.

by

(Signed) D. D. Shepard
Trustee.

COPY

March 8, 1933.

IT:E:RR

LK

The A. W. Mellon Educational and Charitable Trust,
c/o Mr. Donald D. Shepard,
Investment Building,
Washington, D. C.

Sirs:

Reference is made to evidence submitted for the use of the Bureau in determining the status of your organization for Federal income tax purposes.

The evidence discloses that your organization was formed during 1930 for the purpose of aiding such religious, charitable, scientific, literary and/or educational purposes as in the judgment of the trustees shall be in furtherance of public welfare and tend to promote the well-doing or well-being of mankind, and/or to or for the use of the United States, any state, territory, or any political subdivision thereof, or the District of Columbia, for such exclusive public purposes as the trustees shall determine. The purposes for which funds in your hands may be used are limited to the purposes for which you were organized. It is shown that disbursements of the trust since its organization have been made for educational purposes, charitable purposes and to organizations which are engaged in charitable activities. Scholarships have been given and provided for and all funds have been used in furthering the purposes for which your organization was formed. You have no capital stock and none of your income inures to the benefit of any private member or individual, it being specifically provided that no part of the trust established, whether principal, income or accumulations, be distributed to or inure to the benefit of the donor or his heirs or personal representatives or to any of the trustees or other successors in the trust.

Based on the foregoing it is held that your organization is entitled to exemption under the provisions of section 103(6) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928. You are not therefore required to file returns of annual income for 1930 and subsequent years with respect to each of which you retain your nontaxable status.

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the Revenue Acts of 1928 and 1932 except in so far as the exemption is granted expressly under those provisions to corporations enumerated in section 103.

Any changes in your organization or method of operation must be immediately reported to the collector of internal revenue for your district in order that the effect of such changes upon your present exempt status may be determined.

Since your organization is entitled to exemption under the provisions of section 103(6) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928 it follows that contributions made thereto are deductible in computing the net income of individual donors in the manner and to the extent provided by section 23(n) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928.

A copy of this letter is being transmitted to the collector of internal revenue for your district.

By direction of the Commissioner.

Respectfully,

(Signed) W. T. Sherwood.

Acting Deputy Commissioner.

January 22, 1935.

MEMORANDUM FOR THE COMMISSIONER:

Re: A. W. Mellon
Charitable & Educational Trust

The study of the income tax case of A. W. Mellon leads to a study of this trust because in his petition to the Board of Tax Appeals he claims credit for gifts to this trust of \$3,241,250.00 in 1931.

A ruling to hold this trust exempt was applied for by letter of Donald D. Shepard dated March 5, 1933 and received March 6, 1933. The ruling requested was prepared and initialed March 7, 1933, and dated and mailed March 8, 1933. The elapsed time indicates that no independent investigation was made by the Bureau and that the ruling was made in sole reliance upon the letter of Mr. Shepard.

In view of the information now in hand, I suggest reconsideration and probably revocation of the ruling of March 8, 1933 that the A. W. Mellon Charitable & Educational Trust is exempt under the provisions of Section 103 (6) of the Revenue Act of 1932 and corresponding provisions of Act of 1928, and that it would not be required to file returns of annual income and that contributions to it are deductible in computing net income of individual donors. Grounds for the suggested revocation are:

- First: The ruling appears to have been obtained by a concealment of material facts.
- Second: The trust was not organized exclusively for charitable and educational purposes.
- Third: It has not been operated during any of these years exclusively for charitable and educational purposes.

FIRST

The letter of Mr. Shepard conceals the nature, magnitude and true purpose of this trust. He states that it received from gifts a total of \$45,255.19 and says, "In addition the trust received by way of gift for educational purposes tangible personal property of considerable value."

As a matter of fact, in addition to the cash the trust had then received from A. W. Mellon pictures valued at over \$10,000,000.00 as follows:

December 30, 1930	\$ 800,000.00
June 5, 1931	3,241,250.00
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Instead of being, as the letter would lead to believe, a comparatively small trust with cash of \$45,000.00 and some incidental personal property not significant enough to detail, it was in fact a trust of very unusual size.

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SECOND

It is doubtful if the trust was organized for good faith charitable or educational purposes.

The use indicates that it was to take over legal title, or appearance of title of some of the Mellon art objects. The trustees were A. W. Mellon himself, his son Paul Mellon and his tax attorney D. D. Shepard. There was a purpose to keep control in A. W. Mellon's hands. It is significant that, apart from his immediate family, the only other trustee associated with the trust was distinguished, not as an art expert, but as a tax expert.

When considered in connection with the way the trust has actually operated, this strange set-up is strongly suggestive that the purpose of the trust was that in which the sole stranger to the donor's blood is especially skilled, and would be most useful. This would be tax avoidance.

THIRD

Whatever the covert purpose of the trust, it has not been operated exclusively for charitable, religious, scientific, literary or educational purposes, as required by Section 103 of the Revenue Act of 1932.

Its gifts to charity and for educational purposes are but trifling and incidental, compared with its main function as a holding trust for Mr. Mellon's art works where they will not be subject to either gift or inheritance taxes. It has received pictures valued at over \$10,000,000.00, and also 10,000 shares of Pullman Company stock valued at \$507,500.00 in four tax years. It is apparent that the gifts to charity are a small price to pay for the past and prospective exemption privilege.

The intent of Congress in providing for this exemption was doubtless to encourage those who would provide for public needs in educational, religious, charitable or scientific lines.

These pictures have not been available for public instruction or inspection. Your agents have been refused access to them. Only after service of a summons could I learn their location. It now appears that those pictures presented to the trust during 1930 and 1931 are located in a room in the Corcoran Art Gallery, the use of which was extended to Mr. Mellon as a personal favor. We can not yet learn where the pictures given in 1932 valued at \$6,000,000.00 are located. We have been able to get no evidence of any public or semi-public exhibition of these pictures or any charitable or educational use outside of the Mellon family.

The powers of the trustees are unsupervised and unlimited. The lack of frankness in seeking the ruling and the same lack of frankness now leads me to believe that this trust is part of the Mellon plan of tax avoidance and perhaps of evasion. The function of this trust in such plan is to get the beneficial use of this valuable art collection to the next generation without gift or inheritance tax, and with deduction from income tax, and the use of the forms of a charitable trust is but a mask to that purpose.

In any event the trust has not, in my opinion, operated as intended by statute and exemption should be withheld until it is so operated.

Respectfully submitted,

ROBERT H. JACKSON
Assistant General Counsel
for the
Bureau of Internal Revenue.

TREASURY DEPARTMENT
WASHINGTON

April 3, 1935.

Mr. Donald D. Shepard,
c/o Mr. A. W. Mellon,
Mellon National Bank Building,
Pittsburgh, Pa.

Sir:

Reference is made to Bureau letter dated March 8, 1933, in which you were advised that "The A. W. Mellon Educational and Charitable Trust" is entitled to exemption under the provisions of Section 103(6) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928; and that contributions made thereto are deductible in computing the net income of individual donors in the manner and to the extent provided by Section 23(n) of the Revenue Act of 1932 and the corresponding provisions of the Revenue Act of 1928. Those conclusions were based upon information which you had furnished by letters dated February 25, 1933 and March 5, 1933.

It now appears that no consideration was given to the question whether the instrument dated December 30, 1930, was sufficient as a matter of law to establish a valid charitable trust. It further appears that the information furnished by you was incomplete and misleading, in that it failed to disclose the nature, magnitude and true purpose of the so-called trust.

On the basis of evidence now on file, it is the view of this office that "The A. W. Mellon Educational and Charitable Trust" is not a trust organized and operated exclusively for the purposes set forth in Section 23(n) of the Revenue Act of 1932, and corresponding provisions of other revenue acts. Accordingly, the above-mentioned Bureau letter dated March 8, 1933, is hereby rescinded.

By direction of the Commissioner.

Respectfully,

(Signed) CHARLES T. RUSSELL,
Deputy Commissioner.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 8, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:
(Under Executive Proclamation of December 21, 1933)

Week ended April 5, 1935:

Philadelphia	820,566.33	fine ounces
San Francisco	4,819.56	" "
Denver	10,812.00	" "
Total for week ended April 5, 1935	836,197.89	" "
Total receipts through April 5, 1935	32,611,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:
(Under Executive Proclamation of August 9, 1934)

Week ended April 5, 1935:

Philadelphia	1,333.00	fine ounces
New York	2,418.00	" "
San Francisco	293.00	" "
Denver	125.00	" "
New Orleans	422.00	" "
Seattle	572.00	" "
Total for week ended April 5, 1935	5,163.00	" "
Total receipts through April 5, 1935	112,594,155.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended April 5, 1935:			
Philadelphia\$	13,420.96	\$ 150,766.82	\$ 662.38
New York	14,503,900.00	591,100.00	140,100.00
San Francisco	36,048.45	113,901.87	801,834.15
Denver	52,141.00	42,859.00	538,696.00
New Orleans	15,415.01	47,209.13	2,135.49
Seattle	--	18,601.23	201,247.77
Total for week ended April 5, 1935	\$14,620,925.42	\$ 964,438.05	\$1,684,675.79

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:
(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended April 3, 1935	\$ 33,012.15	\$ 516,620.00
Received previously	30,149,253.69	87,703,820.00
Total to April 3, 1935	\$30,182,265.84	\$88,220,440.00
Received by Treasurer's Office:		
Week ended April 3, 1935	\$ 700.00	\$ 11,700.00
Received previously	260,606.00	2,076,800.00
Total to April 3, 1935	\$ 261,306.00	\$ 2,088,500.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

April 8, 1935.

MEMORANDUM FOR THE PRESSRECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended April 5, 1935:

Philadelphia	820,566.33	fine	ounces
San Francisco	4,819.56	"	"
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	Gold Coin	Gold Certificates
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NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 9, 1935.

Press Service

No 4-73

4/8/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated April 10, 1935, and maturing January 8, 1936, which were offered on April 5, were opened at the Federal Reserve banks on April 8, 1935.

The total amount applied for was \$109,147,000, of which \$50,062,000 was accepted. The accepted bids ranged in price from 99.898, equivalent to a rate of about 0.135 percent per annum, to 99.857, equivalent to a rate of about 0.189 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.867 and the average rate is about 0.176 percent per annum on a bank discount basis.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 9, 1935.
4/8/35

Press Service
No. 4- 73

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated April 10, 1935, and maturing January 8, 1936, which were offered on April 5, were opened at the Federal Reserve banks on April 8, 1935.

The total amount applied for was \$109,147,000, of which \$50,062,000 was accepted. The accepted bids ranged in price from 99.898, equivalent to a rate of about 0.135 percent per annum, to 99.857, equivalent to a rate of about 0.189 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.867 and the average rate is about 0.176 percent per annum on a bank discount basis.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, by Proclamation of the twenty-first day of December, 1933, as modified by Proclamation of the ninth day of August, 1934, the United States coinage mints are directed to receive for coinage and addition to the monetary stocks of the United States silver mined subsequent to December 21, 1933 from natural deposits in the United States or any place subject to the jurisdiction thereof; and

WHEREAS, such Proclamation as so modified is subject to revocation or further modification as the interest of the United States may seem to require.

NOW, THEREFORE, finding that the interests of the United States require further modification of said Proclamation of the twenty-first day of December, 1933; by virtue of the power in me vested by the acts of Congress cited in said Proclamation, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

any place subject to the jurisdiction thereof, the deduction for ^{ig}seniorage and services performed by the Government shall be 45.86 per cent and there shall be returned therefor in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the silver so received (that is, \$1.2929⁴ a fine ounce), less such deduction of 45.86 per cent.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

[Seal]

FRANKLIN D. ROOSEVELT.

Done at the City of Washington this 10th day of April, in the year of our Lord nineteen hundred and thirty-five, and of the Independence of the United States of America the one hundred and fifty-ninth.

By The President:

Cordell Hull
Secretary of State

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, by Proclamation of the twenty-first day of December, 1933, as modified by Proclamation of the ninth day of August, 1934, the United States coinage mints are directed to receive for coinage and addition to the monetary stocks of the United States silver mined subsequent to December 21, 1933, from natural deposits in the United States or any place subject to the jurisdiction thereof; and

WHEREAS, such Proclamation as so modified is subject to revocation or further modification as the interest of the United States may seem to require.

NOW, THEREFORE, finding that the interests of the United States require further modification of said Proclamation of the twenty-first day of December, 1933; by virtue of the power in me vested by the act of Congress cited in said Proclamation, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES of AMERICA, do proclaim and direct that with respect to all silver received by a United States coinage mint under the provisions of the Proclamation of the twenty-first day of December, 1933, which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied has been mined on or after April 10, 1935, from natural deposits in the United States or

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, April 10, 1935.

Press Service
No. 4 - 74

The President today issued a proclamation amending his proclamation of December 21, 1933, with respect to coinage of silver so as to provide that the ~~rate of~~ seigniorage on newly mined domestic silver presented to the mints for coinage shall be per cent instead of 50 per cent as provided in the proclamation of December 21, 1933. The new rate of seigniorage will be applied to all silver mined on and after today, Wednesday, April 10, 1935.

The effect of the proclamation will be to increase the net ^{*amount*} ~~price~~ ^{*returned*} ~~paid by the mints~~ for newly mined domestic silver from approximately 64.6 cents per fine ounce to ^{*approximately*} cents per fine ounce.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
Wednesday, April 10, 1935.

Press Service
No. 4 - 74

The President today issued a proclamation amending his proclamation of December 21, 1933, with respect to coinage of silver so as to provide that the seigniorage on newly mined domestic silver presented to the mints for coinage shall be 45 per cent instead of 50 per cent as provided in the proclamation of December 21, 1933. The new rate of seigniorage will be applied to all silver mined on and after today, Wednesday, April 10, 1935.

The effect of the proclamation will be to increase the net amount returned for newly mined domestic silver from approximately 64.6 cents per fine ounce to approximately 71 cents per fine ounce.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, by Proclamation of the twenty-first day of December, 1933, as modified by Proclamation of the ninth day of August, 1934, the United States coinage mints are directed to receive for coinage and addition to the monetary stocks of the United States silver mined subsequent to December 21, 1933 from natural deposits in the United States or any place subject to the jurisdiction thereof; and

WHEREAS, such Proclamation as so modified is subject to revocation or further modification as the interest of the United States may seem to require.

NOW, THEREFORE, finding that the interests of the United States require further modification of said Proclamation of the twenty-first day of December, 1933; by virtue of the power in me vested by the act of Congress cited in said Proclamation, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES of AMERICA, do proclaim and direct that with respect to all silver received by a United States coinage mint under the provisions of the Proclamation of the twenty-first day of December, 1933, which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied has been mined on or after April 10, 1935, from natural deposits in the United States or

any place subject to the jurisdiction thereof, the deduction for seigniorage and services performed by the Government shall be 45 per cent and there shall be returned therefor in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the silver so received (that is, \$1.2929⁴ a fine ounce), less such deduction of 45 per cent.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this 10th day of April,
in the year of our Lord nineteen
hundred and thirty-five, and of
(SEAL) the Independence of the United
States of America the one hundred
and fifty-ninth.

FRANKLIN D. ROOSEVELT

By the President:

CORDELL HULL

Secretary of State.

FOURTH LIBERTY LOAN 4-1/4 PERCENT BONDS OF 1933-38

NOTICE OF FOURTH AND FINAL CALL FOR REDEMPTION BEFORE MATURITY

To Holders of Fourth Liberty Loan 4-1/4 percent Bonds of 1933-38, and Others Concerned:

Public notice is hereby given:

1. All outstanding Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 (Fourth 4-1/4's) bearing serial numbers the final digit of which is 3 or 4 (such serial numbers in the case of permanent coupon bonds being prefixed by the corresponding distinguishing letter C or D, respectively), are hereby called for redemption on October 15, 1935, on which date interest on such bonds called for redemption will cease.

2. Full information regarding the presentation and surrender of Fourth 4-1/4's for redemption under this call will be given in a Treasury Department Circular to be issued later.

3. Holders of Fourth 4-1/4's now called for redemption on October 15, 1935, may, in advance of that date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

(Signed) HENRY MORGENTHAU, JR.,
Secretary of the Treasury

Treasury Department,
Washington, April 13, 1935.

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE 7 P. M. SUNDAY,
April 14, 1935.

Press Service

4-75

Secretary of the Treasury Morgenthau today announced the call of the balance of the Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 for redemption on October 15, 1935. The Fourth Liberty Loan bonds included in this fourth and final call for redemption, amounting to about \$1,250,000,000, are those bearing serial numbers ending in the digit 3 or 4.

Bonds of the Fourth Liberty Loan were originally issued under date of October 24, 1918, in the amount of about \$6,965,000,000. Subsequent to their issue, and prior to the first call for partial redemption, which was made on October 12, 1933, nearly \$700,000,000 of these bonds were retired. The first three calls for partial redemption paved the way for the retirement of about \$5,000,000,000 more, leaving about \$1,250,000,000 outstanding. Of the \$5,000,000,000 of bonds included in the first three calls, about \$4,315,000,000 were exchanged for other interest-bearing obligations, and about \$320,000,000 more have been paid in cash. Most of the remaining \$365,000,000 will be redeemed on April 15 or shortly thereafter.

The Secretary stated that it is probable that prior to October 15, 1935, holders of the Fourth Liberty Loan bonds included in the fourth and final call for redemption may be offered the privilege of exchanging those bonds for other interest-bearing obligations of the United States.

The text of the formal notice of call is as follows:

TREASURY DEPARTMENT

Washington

FOR RELEASE, 7 P.M. SUNDAY,
April 14, 1935.
4-13-35.

Press Service
No. 4-75

Secretary of the Treasury Morgenthau today announced the call of the balance of the Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 for redemption on October 15, 1935. The Fourth Liberty Loan Bonds included in this fourth and final call for redemption, amounting to about \$1,250,000,000, are those bearing serial numbers ending in the digit 3 or 4.

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The Secretary stated that it is probable that prior to October 15, 1935, holders of the Fourth Liberty Loan bonds included in the fourth and final call for redemption may be offered the privilege of exchanging those bonds for other interest bearing obligations of the United States.

The text of the formal notice of call is as follows:

FOURTH LIBERTY LOAN 4-1/4 PERCENT BONDS OF 1933-38

NOTICE OF FOURTH AND FINAL CALL FOR REDEMPTION BEFORE MATURITY

To Holders of Fourth Liberty Loan 4-1/4 percent Bonds of 1933-38, and others Concerned:

Public notice is hereby given:

1. All outstanding Fourth Liberty Loan 4-1/4 percent bonds of 1933-38 (Fourth 4-1/4's) bearing serial numbers the final digit of which is 3 or 4 (such serial numbers in the case of permanent coupon bonds being prefixed by the corresponding distinguishing letter C or D, respectively), are hereby called for redemption on October 15, 1935, on which date interest on such bonds called for redemption will cease.

2. Full information regarding the presentation and surrender of Fourth 4-1/4's for redemption under this call will be given in a Treasury Department Circular to be issued later.

3. Holders of Fourth 4-1/4's now called for redemption on October 15, 1935, may, in advance of that date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Treasury Department,
Washington, April 13, 1935.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 15, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended April 12, 1935:

Philadelphia.....	1,043,661.21	fine ounces
San Francisco.....	387,602.79	" "
Denver.....	7,417.00	" "
Total for week ended April 12, 1935.....	1,438,681.00	" "
Total receipts through April 12, 1935.....	34,049,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended April 12, 1935:

Philadelphia	2,292.00	fine ounces
New York.....	2,540.00	" "
San Francisco.....	640.00	" "
Denver.....	40.00	" "
New Orleans.....	680.00	" "
Seattle.....	563.00	" "
Total for week ended April 12, 1935.....	6,755.00	" "
Total receipts through April 12, 1935.....	112,600,910.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended April 12, 1935:			
Philadelphia.....	\$ 10,068.48	\$ 312,168.32	\$ 2,677.00
New York.....	35,990,300.00	377,700.00	60,000.00
San Francisco.....	27,888.88	77,943.54	2,061,480.90
Denver.....	79,717.00	46,566.00	534,749.00
New Orleans.....	2,447.86	76,127.06	1,549.86
Seattle.....	- - -	28,365.08	21,025.68
Total for week ended April 12, 1935..	\$36,110,422.22	\$ 918,870.00	\$2,681,482.44

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended April 10, 1935.....	\$ 26,829.17	\$ 654,700.00
Received previously.....	30,182,265.84	88,220,440.00
Total to April 10, 1935.....	\$30,209,095.01	\$88,875,140.00
Received by Treasurer's Office:		
Week ended April 10, 1935.....	\$ 000.00	\$ 4,400.00
Received previously.....	261,306.00	2,088,500.00
Total to April 10, 1935.....	\$ 261,306.00	\$ 2,092,900.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, April 15, 1935.

Press Service
No. 4-77

Net market purchases of Government securities for Treasury investment accounts for the calendar month of March, 1935, amounted to \$41,049,000, Secretary Morgenthau announced today.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 16, 1935.

Press Service

41-78

4/15/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated April 17, 1935, and maturing January 15, 1936, which were offered on April 12, were opened at the Federal Reserve banks on April 15, 1935.

The total amount applied for was \$124,413,000, of which \$50,020,000 was accepted. The accepted bids ranged in price from 99.884, equivalent to a rate of about 0.153 percent per annum, to 99.860, equivalent to a rate of about 0.185 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.866 and the average rate is about 0.176 percent per annum on a bank discount basis.

7/14

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 16, 1935.
4-15-35.

Press Service
No. 4-78

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated April 17, 1935, and maturing January 15, 1936, which were offered on April 12, were opened at the Federal Reserve Banks on April 15, 1935.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, April 17, 1935.

Press Service
No. 4-79

The Secretary of the Treasury, with the approval of the President, yesterday (April 16, 1935) issued regulations governing the acquisition by the Mints of silver under the President's Proclamation of April 10, 1935.

These regulations, which revoke the regulations issued on December 30, 1933, set up the procedure for the receipt of newly-mined domestic silver delivered to the coinage mints pursuant to the Proclamation of December 21, 1933, as amended by the Proclamations of August 9, 1934 and April 10, 1935.

The new regulations are similar to the old regulations except that provision is also made for the receipt of silver mined on or after April 10, 1935, for which silver a seigniorage of only 45% instead of 50% is deducted.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Thursday, April 18, 1935.

Press Service
No. 4-80

During the month of March, 672 seizures of liquor were made for the violation of Customs laws, it was announced by the Bureau of Customs today.

This was the largest number of such seizures reported since January, 1934, and represented an increase of 307, or 84.1 per cent over the number of liquor seizures during the previous month. Although the quantity of distilled liquors and wines seized during March was slightly smaller than during the preceding month, almost twice as much alcohol was seized as in February; the quantity of alcohol seized in March exceeded that for each month since Repeal, except in December, 1934, when 40,689 gallons were reported. March seizures aggregated 1,843 gallons of distilled liquor and wines, 44 gallons of beer and 30,095 gallons of alcohol, as compared with February seizures of 2,102 gallons of distilled liquor and wines, 30 gallons of beer and 10,243 gallons of alcohol.

Eight boats valued at \$10,510, and 31 automobiles valued at \$4,714 were seized during March for the transportation of liquor, as compared with 4 boats valued at \$14,950 and 31 automobiles valued at \$10,952 seized during the previous month.

Almost two thirds of the seizures were made along the Mexican border, and most of the remainder were in the Gulf and Atlantic Coast regions.

In addition, Customs officers made 29 seizures during March for the violation of Alcohol Tax Laws, in which 153 gallons of alcohol, 411 gallons of distilled liquors, 8 automobiles, 21 stills with a capacity of 6,205 gallons, and 1 large cutting plant were acquired. Some of the stills were destroyed at time of seizure, and the balance of the seizures were turned over to Internal Revenue officers for prosecution.

The following table shows the number of seizures, the number of gallons of beverages seized and the number and value of seized vehicles for the months of February and March, classed according to the various Governmental agencies which made the seizures and according to the geographical regions where the seizures were made.

LIQUOR SEIZURES FOR VIOLATIONS OF CUSTOMS LAWS
February and March, 1935

	Gallons Seized				Boats		Automobiles	
	No. of	Distilled						
	Liquor	Liquors						
	Seizures	and Wines	Beer	Alcohol	No.	Value	No.	Value

CUSTOMS SERVICE

February	344	2,001	30	663	2	\$4,450	26	\$4,301
March	640	1,686	44	13,186	5	5,010	25	3,215

COAST GUARD

February	7	24	-	9,562	2	10,500	1	6,500
March	2	-	-	12	-	-	-	-

IMMIGRATION

February	14	77	-	18	-	-	4	151
March	19	65	-	15	-	-	3	37

OTHER FEDERAL AND
LOCAL OFFICERS

February	-	-	-	-	-	-	-	-
March	11	92	-	6,882	3	5,500	3	1,462
TOTAL SEIZURES, Feb.	365	2,102	30	10,243	4	14,950	31	10,952
Mar.	672	1,843	44	20,095	8	10,510	31	4,714

BY GEOGRAPHIC REGIONS

CANADIAN BORDER

February	2	-	1	99	-	-	1	700
March	19	5	18	419	1	10	1	600

MEXICAN BORDER

February	243	469	2	218	-	-	22	1,752
March	426	593	1	303	-	-	23	952

ATLANTIC COAST

February	88	773	-	9,916	4	14,950	1	6,500
March	114	793	1	12,187	1	1,500	-	-

GULF COAST

February	21	1,839	3	5	-	-	6	1,950
March	81	416	18	7,120	6	9,000	7	3,162

PACIFIC COAST

February	10	21	24	-	-	-	-	-
March	24	32	6	-	-	-	-	-

OTHER DISTRICTS

February	1	-	-	5	-	-	1	50
March	8	4	-	66	-	-	-	-

an increase in the issue price) will be paid to subscribers following acceptance of First Liberty Loan bonds on exchange.

Applications will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies.

Applications for Treasury bonds of 1955-60 or Treasury notes of Series A-1940 should be accompanied by a like face amount of First Liberty Loan bonds tendered in payment. Coupon bonds so tendered should have the June 15, 1935, and all subsequent coupons attached, and registered bonds should be assigned as provided in the official circulars. Subject to the reservations set forth in the official circulars, all exchange subscriptions for Treasury bonds and Treasury notes in payment of which First Liberty Loan bonds are tendered, will be allotted in full.

The present offerings of 2-7/8 per cent Treasury bonds of 1955-60 and of 1-5/8 per cent Treasury notes of Series A-1940, afford the holders of First Liberty Loan bonds called for redemption on June 15, 1935, an opportunity to exchange their called bonds either for other long term bonds of the United States, or for shorter term Treasury notes, with interest adjustments as of June 15, 1935, the date the First Liberty Loan bonds cease to bear interest. The holders of the called bonds who wish to take advantage of either exchange offering, should act promptly. No further exchange offering will be made to the holders of the called First Liberty Loan bonds, and if such bonds are not exchanged at this time, they should be presented for redemption on June 15, 1935, in accordance with the provisions of Department Circular No. 535, dated April 22, 1935.

The texts of the official circulars for the exchange offerings follow:

respects with such notes, with which they will be freely interchangeable. The notes are dated March 15, 1935, and bear interest from that date at the rate of $1\frac{5}{8}$ per cent per annum, payable semiannually. They will mature March 15, 1940, and will not be subject to call for redemption prior to that date.

The bonds and notes of this additional offering will carry the same tax exemptions as the bonds and notes of the same series of which they will form a part.

The Treasury bonds will be issued in two forms, bearer bonds with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in the denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The Treasury notes will be issued in the same denominations but only in bearer form with coupons attached.

First Liberty Loan bonds of any series will be received on exchange at par, and both the $2\frac{7}{8}$ per cent Treasury bonds of 1955-60 and the $1\frac{5}{8}$ per cent Treasury notes of Series A-1940 will be issued at par, with the right reserved by the Secretary of the Treasury to increase the issue price of either the bonds or the notes, or both, by public announcement effective as to subscriptions tendered after the time fixed by the Secretary, which time will be after the date of the announcement and in no event earlier than April 29, 1935. On all exchanges, interest adjustments will be made as of June 15, 1935. The subscriber will be credited with interest for the full six months' period ending June 15, on First Liberty Loan bonds tendered in exchange, and will be charged with accrued interest from March 15 to June 15 on the $2\frac{7}{8}$ per cent Treasury bonds or the $1\frac{5}{8}$ per cent Treasury notes issued on exchange. The difference (less any premium by reason of

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
MONDAY, APRIL 22, 1935
4/20/35

Press Service
No. 4-81

Secretary of the Treasury Morgenthau today announced the offering of additional issues of 20-25 year 2-7/8 per cent Treasury bonds of 1955-60 and of 5 year 1-5/8 per cent Treasury notes of Series A-1940, both in exchange for First Liberty Loan bonds of any series called for redemption on June 15, 1935. Each issue will be limited to the amount of First Liberty Loan bonds tendered and accepted in payment, and cash subscriptions will not be received.

About \$1,933,000,000 of the First Liberty Loan bonds are now outstanding, as follows: \$1,392,226,250 of the original First 3-1/2's, \$5,002,450 of the First Converted 4's, \$532,489,100 of the First Converted 4-1/4's and \$5,492,150 of the First-Second Converted 4-1/4's - all of which are called for redemption on June 15, 1935, and are now exchangeable, at the option of holders, either for the 20-25 year Treasury bonds or for the 5 year Treasury notes.

The Treasury bonds now offered in exchange will be an addition to and will form a part of the series of 2-7/8 per cent Treasury bonds of 1955-60 issued pursuant to Department Circular No. 551, dated March 4, 1935. They are identical in all respects with such bonds, with which they will be freely interchangeable. The bonds are dated March 15, 1935, and bear interest from that date at the rate of 2-7/8 per cent per annum payable semiannually. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1935.

The Treasury notes also offered in exchange will be an addition to and will form a part of Series A-1940 of 1-5/8 per cent Treasury notes issued pursuant to Department Circular No. 552, dated March 4, 1935. They are identical in all

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, April 22, 1935.
4-20-35.

Press Service
No. 4-81

Secretary of the Treasury Morgenthau today announced the offering of additional issues of 20-25 year 2-7/8 per cent Treasury bonds of 1955-60 and of 5 year 1-5/8 per cent Treasury notes of Series A-1940, both in exchange for First Liberty Loan bonds of any series called for redemption on June 15, 1935. Each issue will be limited to the amount of First Liberty Loan bonds tendered and accepted in payment, and cash subscriptions will not be received.

About \$1,933,000,000 of the First Liberty Loan bonds are now outstanding, as follows: \$1,392,226,250 of the original First 3-1/2's, \$5,002,450 of the First Converted 4's, \$532,489,100 of the First Converted 4-1/4's and \$3,492,150 of the First-Second Converted 4-1/4's - all of which are called for redemption on June 15, 1935, and are now exchangeable, at the option of holders, either for the 20-25 year Treasury bonds or for the 5 year Treasury notes.

The Treasury bonds now offered in exchange will be an addition to and will form a part of the series of 2-7/8 per cent Treasury bonds of 1955-60 issued pursuant to Department Circular No. 531, dated March 4, 1935. They are identical in all respects with such bonds, with which they will be freely interchangeable. The bonds are dated March 15, 1935, and bear interest from that date at the rate of 2-7/8 per cent per annum payable semi-annually. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955.

The Treasury notes also offered in exchange will be an addition to and will form a part of Series A-1940 of 1-5/8 per cent Treasury notes issued pursuant to Department Circular No. 532, dated March 4, 1935. They are identical in all

respects with such notes, with which they will be freely interchangeable. The notes are dated March 15, 1935, and bear interest from that date at the rate of $1\frac{5}{8}$ per cent per annum, payable semi-annually. They will mature March 15, 1940, and will not be subject to call for redemption prior to that date.

The bonds and notes of this additional offering will carry the same tax exemptions as the bonds and notes of the same series of which they will form a part.

The Treasury bonds will be issued in two forms, bearer bonds with interest coupons attached, and bonds registered both as to principal and interest; both forms will be issued in the denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The Treasury notes will be issued in the same denominations but only in bearer form with coupons attached.

First Liberty Loan bonds of any series will be received on exchange at par, and both the $2\frac{7}{8}$ per cent Treasury bonds of 1955-60 and the $1\frac{5}{8}$ per cent Treasury notes of Series A-1940 will be issued at par, with the right reserved by the Secretary of the Treasury to increase the issue price of either the bonds or the notes, or both, by public announcement effective as to subscriptions tendered after the time fixed by the Secretary, which time will be after the date of the announcement and in no event earlier than April 29, 1935. On all exchanges, interest adjustments will be made as of June 15, 1935. The subscriber will be credited with interest for the full six months' period ending June 15, on First Liberty Loan bonds tendered in exchange, and will be charged with accrued interest from March 15 to June 15 on the $2\frac{7}{8}$ per cent Treasury bonds or the $1\frac{5}{8}$ per cent Treasury notes issued on exchange. The difference (less any premium by reason of an increase in the issue price) will be paid to subscribers following acceptance of First Liberty Loan bonds on exchange.

Applications will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

Applications for Treasury bonds of 1955-60 or Treasury notes of Series A-1940 should be accompanied by a like face amount of First Liberty Loan bonds tendered in payment. Coupon bonds so tendered should have the June 15, 1935, and all subsequent coupons attached, and registered bonds should be assigned as provided in the official circulars. Subject to the reservations set forth in the official circulars, all exchange subscriptions for Treasury bonds and Treasury notes in payment of which First Liberty Loan bonds are tendered, will be allotted in full.

The present offerings of 2-7/8 per cent Treasury bonds of 1955-60 and of 1-5/8 per cent Treasury notes of Series A-1940, afford the holders of First Liberty Loan bonds called for redemption on June 15, 1935, an opportunity to exchange their called bonds either for other long term bonds of the United States, or for shorter term Treasury notes, with interest adjustments as of June 15, 1935, the date the First Liberty Loan bonds cease to bear interest. The holders of the called bonds who wish to take advantage of either exchange offering, should act promptly. No further exchange offering will be made to the holders of the called First Liberty Loan bonds, and if such bonds are not exchanged at this time, they should be presented for redemption on June 15, 1935, in accordance with the provisions of Department Circular No. 535, dated April 22, 1935.

The texts of the official circulars for the exchange offerings follow:

UNITED STATES OF AMERICA

2-7/8 PERCENT TREASURY BONDS OF 1955-60

Dated and bearing interest from March 15, 1935

Due March 15, 1960

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER MARCH 15, 1955

Interest payable March 15 and September 15

ADDITIONAL ISSUE

OFFERED ONLY IN EXCHANGE FOR FIRST LIBERTY LOAN BONDS CALLED
FOR REDEMPTION ON JUNE 15, 1935

1935
Department Circular No. 536

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 22, 1935.

Public Debt Service

I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, for refunding purposes, invites subscriptions from the people of the United States for 2-7/8 percent bonds of the United States, designated Treasury Bonds of 1955-60, in payment of which only First Liberty Loan bonds, of any series, called for redemption on June 15, 1935, may be tendered. The amount of the additional issue of 2-7/8 percent Treasury Bonds of 1955-60 under this circular will be limited to the amount of First Liberty Loan bonds tendered and accepted.

2. First Liberty Loan bonds will be received on exchange at par, and 2-7/8 percent Treasury Bonds of 1955-60 will be issued at par, with the right reserved by the Secretary of the Treasury to increase the issue price by public announcement effective as to subscriptions tendered after the time, not earlier than April 29, 1935, fixed in the announcement. On all exchanges, interest adjustments will be made as of June 15, 1935.

3. The outstanding bonds of the First Liberty Loan called for redemption on June 15, 1935, and which, under the terms of this circular, may be exchanged for 2-7/8 percent Treasury Bonds of 1955-60, follow:

3-1/2 percent bonds of 1932-47 (First 3-1/2's) dated June 15, 1917
Converted 4 percent bonds of 1932-47 (First 4's) dated November 15, 1917
Converted 4-1/4 percent bonds of 1932-47 (First 4-1/4's) dated May 9, 1918
Second Converted 4-1/4 percent bonds of 1932-47 (First-Second 4-1/4's)
dated October 24, 1918

4. In addition to the exchange offering under this circular, holders of First Liberty Loan bonds are offered the privilege of exchanging all or any part of such

called bonds for 5-year 1-5/8 percent Treasury Notes of Series A-1940, which offering is set forth in Department Circular No. 537, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2-7/8 percent Treasury Bonds of 1955-60 issued pursuant to Department Circular No. 531, dated March 4, 1935, are identical in all respects therewith, will be freely interchangeable, and are described in the following quotation from said Circular No. 531:

"The bonds will be dated March 15, 1935, and will bear interest from that date at the rate of two and seven-eighths percent per annum, payable semiannually, on September 15, 1935, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1960, but may be redeemed at the option of the United States on and after March 15, 1955, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"The bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the Second Liberty Bond Act, approved September 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

"The bonds will be acceptable to secure deposits of public moneys, and will bear the circulation privilege only to the extent provided in the act approved July 22, 1932, as amended. They will not be entitled to any privilege of conversion.

"Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds under rules and regulations prescribed by the Secretary of the Treasury.

"The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon subscriptions for smaller amounts and to make reduced allotments upon, or to reject, subscriptions for larger amounts, to make classified allotments or to make allotments upon a graduated scale, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. TERMS OF PAYMENT AND ISSUE

1. Treasury bonds offered under this circular will be issued at par, or at such increased issue price as may be fixed by public announcement in the case of bonds issued upon subscriptions tendered to a Federal Reserve bank or branch or to the Treasury Department after the time stated in the announcement. The effective time for any increase which may be made in the issue price will be after the date of the announcement and in no event earlier than April 29, 1935. Any such announcement fixing an increase in the issue price and the time when such increase becomes effective will be communicated promptly to the Federal Reserve banks. Payment for any bonds allotted under this circular may be made only in First Liberty Loan bonds of any series, which will be accepted at par, provided that payment of the premium by reason of any increase in the issue price shall be made as provided in the next following paragraph. The bonds tendered in payment should accompany the subscription.

2. Interest adjustment as of June 15, 1935. - Subscribers will be credited with interest in full to June 15, 1935, on First Liberty Loan bonds tendered in exchange, and will be charged with accrued interest from March 15 to June 15, 1935, (\$7.1875 per \$1,000), on 2-7/8 percent Treasury Bonds of 1955-60 issued on exchange. The net interest adjustment per \$1,000 principal amount on account of the various issues of First Liberty Loan bonds follows: First 3-1/2's - \$10.3125; First 4's - \$12.8125; First 4-1/4's and First-Second 4-1/4's - \$14.0625. This net interest adjustment (less any premium by reason of an increase in the issue price) will be paid to subscribers following acceptance of First Liberty Loan bonds under this circular.

V. SURRENDER OF FIRST LIBERTY LOAN BONDS ON EXCHANGE

1. Coupon Bonds. - First Liberty Loan bonds in coupon form tendered in exchange for Treasury bonds offered hereunder, should be presented and surrendered with the subscription to a Federal Reserve bank or to the Treasurer of the United States. Coupons dated June 15, 1935, and all coupons bearing dates subsequent to

June 15, 1935, should be attached to such coupon bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons.¹ The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

2. Registered Bonds. - First Liberty Loan bonds in registered form tendered in exchange for Treasury bonds offered hereunder should be assigned by the registered payee or the assignee 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 presented and surrendered with the subscription to a Federal Reserve bank or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If Treasury bonds are desired registered in the same name as the First Liberty Loan bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for Treasury Bonds of 1955-60"; if Treasury bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for Treasury Bonds of 1955-60 in the name of _____"; if Treasury bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for Treasury Bonds of 1955-60 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury

¹

The final coupons attached to temporary coupon bonds of the First Liberty Loan became due as follows: First 4's - December 15, 1919; First 4-1/4's - June 15, 1920; First-Second 4-1/4's - December 15, 1920. The holders of any such temporary bonds will receive the past due interest to June 15, 1935, if such bonds are tendered for exchange under this circular.

UNITED STATES OF AMERICA

1-5/8 PERCENT TREASURY NOTES OF SERIES A-1940

Dated and bearing interest from March 15, 1935

Due March 15, 1940

Interest payable March 15 and September 15

ADDITIONAL ISSUE

OFFERED ONLY IN EXCHANGE FOR FIRST LIBERTY LOAN BONDS
CALLED FOR REDEMPTION ON JUNE 15, 1935

1935

Department Circular No. 537

Public Debt Service

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 22, 1935.

I. EXCHANGE OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions from the people of the United States for 1-5/8 percent Treasury notes of the United States, designated Treasury Notes of Series A-1940, in payment of which only First Liberty Loan bonds, of any series, called for redemption on June 15, 1935, may be tendered. The amount of the additional issue of 1-5/8 percent Treasury Notes of Series A-1940 under this circular will be limited to the amount of First Liberty Loan bonds tendered and accepted.

2. First Liberty Loan bonds will be received on exchange at par, and 1-5/8 percent Treasury Notes of Series A-1940 will be issued at par, with the right reserved by the Secretary of the Treasury to increase the issue price by public announcement effective as to subscriptions tendered after the time, not earlier than April 29, 1935, fixed in the announcement. On all exchanges, interest adjustments will be made as of June 15, 1935.

3. The outstanding bonds of the First Liberty Loan called for redemption on June 15, 1935, and which, under the terms of this circular, may be exchanged for 1-5/8 percent Treasury Notes of Series A-1940, follow:

3-1/2 percent bonds of 1932-47 (First 3-1/2's) dated June 15, 1917
Converted 4 percent bonds of 1932-47 (First 4's) dated November 15, 1917
Converted 4-1/4 percent bonds of 1932-47 (First 4-1/4's) dated May 9, 1918
Second Converted 4-1/4 percent bonds of 1932-47 (First-Second 4-1/4's)
dated October 24, 1918

4. In addition to the exchange offering under this circular, holders of First Liberty Loan bonds are offered the privilege of exchanging all or any part of such called bonds for 2-7/8 percent Treasury Bonds of 1955-60, which offering is set forth in Department Circular No. 536, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes now offered will be an addition to and will form a part of the series of 1-5/8 percent Treasury Notes of Series A-1940, issued pursuant to Department Circular No. 532, dated March 4, 1935, are identical in all respects therewith (except that the additional denomination of \$50 will be made available), will be freely interchangeable, and are described in the following quotation from said Circular No. 532:

"The notes will be dated March 15, 1935, and will bear interest from that date at the rate of one and five-eighths percent per annum, payable semiannually, on September 15, 1935, and thereafter on March 15 and September 15 in each year. They will mature March 15, 1940, and will not be subject to call for redemption prior to maturity.

"The notes shall be exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

"The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

"The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege."

2. Bearer notes with interest coupons attached will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally will handle applications for subscribers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon subscriptions for smaller amounts and to make reduced allotments upon, or to reject, subscriptions for larger amounts, to make classified allotments or to make allotments upon a graduated scale, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. TERMS OF PAYMENT AND ISSUE

1. Treasury notes offered under this circular will be issued at par, or at such increased issue price as may be fixed by public announcement in the case of notes issued upon subscriptions tendered to a Federal Reserve bank or branch or to the Treasury Department after the time stated in the announcement. The effective time for any increase which may be made in the issue price will be after the date of the announcement and in no event earlier than April 29, 1935. Any such announcement fixing an increase in the issue price and the time when such increase becomes effective will be communicated promptly to the Federal Reserve banks. Payment for any notes allotted under this circular may be made only in First Liberty Loan bonds of any series, which will be accepted at par, provided that payment of the premium by reason of any increase in the issue price shall be made as provided in the next following paragraph. The bonds tendered in payment should accompany the subscription.

2. Interest adjustment as of June 15, 1935. - Subscribers will be credited with interest in full to June 15, 1935, on First Liberty Loan bonds tendered in exchange, and will be charged with accrued interest from March 15 to June 15, 1935 (\$4.0625 per \$1,000), on 1-5/8 percent Treasury Notes of Series A-1940 issued on exchange. The net interest adjustment per \$1,000 principal amount on account of the various issues of First Liberty Loan bonds follows: First 3-1/2's - \$13.4375; First 4's - \$15.9375; First 4-1/4's and First-Second 4-1/4's - \$17.1875. This net interest adjustment (less any premium by reason of an increase in the issue price) will be paid to subscribers following acceptance of First Liberty Loan bonds under this circular.

V. SURRENDER OF FIRST LIBERTY LOAN BONDS ON EXCHANGE

1. Coupon Bonds. - First Liberty Loan bonds in coupon form tendered in exchange for Treasury notes offered hereunder, should be presented and surrendered with the subscription to a Federal Reserve bank or to the Treasurer of the United States. Coupons dated June 15, 1935, and all coupons bearing dates subsequent to June 15, 1935, should be attached to such coupon bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons.¹ The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

¹

The final coupons attached to temporary coupon bonds of the First Liberty Loan became due as follows: First 4's - December 15, 1919; First 4-1/4's - June 15, 1920; First-Second 4-1/4's - December 15, 1920. The holders of any such temporary bonds will receive the past due interest to June 15, 1935, if such bonds are tendered for exchange under this circular.

2. Registered Bonds. - First Liberty Loan bonds in registered form tendered in exchange for Treasury notes offered hereunder should be assigned by the registered payee or the assignee thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, to "The Secretary of the Treasury for exchange for Treasury Notes of Series A-1940", and thereafter should be presented and surrendered with the subscription to a Federal Reserve bank or to the Treasury Department, Division of Loans and Currency, Washington, D. C. If the Treasury notes are to be delivered for the account of other than the registered payee or the assignee thereof, the assignment should be to "The Secretary of the Treasury for exchange for Treasury Notes of Series A-1940 to be delivered to _____". The bonds must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury

FOR REGISTERED BONDS
(For coupon bonds use Form PD 1435)

TREASURY DEPARTMENT
Public Debt Service
Form PD 1436

Use separate form for each issue

FORM OF ADVICE TO ACCOMPANY FIRST LIBERTY LOAN BONDS IN REGISTERED FORM PRESENTED
FOR REDEMPTION ON JUNE 15, 1935

To the Federal Reserve Bank of _____,

or
Treasury Department, Division of Loans and Currency, Washington, D. C.:

Pursuant to the provisions of Treasury Department Circular No. 535, dated ~~(xxx)~~

April 22, 1935, the under signed presents and surrenders herewith for

redemption on June 15, 1935, \$ _____, face amount of First Liberty Loan

bonds in registered form, inscribed in the name of _____

_____ and duly assigned to "The Secretary of the Treasury for redemption", as follows:

Title of issue: _____
(Use short title - see note)

Number of bonds	Denomination	Serial numbers of bonds	Face amount
_____	\$50	_____	\$ _____
_____	100	_____	_____
_____	500	_____	_____
_____	1,000	_____	_____
_____	5,000	_____	_____
_____	10,000	_____	_____
_____	50,000	_____	_____
_____	100,000	_____	_____
Total _____	_____	_____	\$ _____

and requests that remittance covering payment of principal and final interest be forwarded to the undersigned at the address indicated below.

Signature _____

Name (please print) _____

Address in full _____

Date _____

Note: The titles of the four issues of First Liberty Loan bonds follow:

Title	Short Title
First Liberty Loan $3\frac{1}{8}\%$ bonds of 1932-47	First $3\frac{1}{8}\%$'s
First Liberty Loan Converted 4% bonds of 1932-47	First 4's
First Liberty Loan Converted $4\frac{1}{2}\%$ bonds of 1932-47	First $4\frac{1}{2}\%$'s
First Liberty Loan Second-Converted $4\frac{1}{2}\%$ bonds of 1932-47	First-Second $4\frac{1}{2}\%$'s

FOR COUPON BONDS
(For registered bonds use Form PD 1436)

TREASURY DEPARTMENT
Public Debt Service
Form PD 1435

Use separate form for each issue

FORM OF ADVICE TO ACCOMPANY FIRST LIBERTY LOAN BONDS IN COUPON FORM PRESENTED
FOR REDEMPTION ON JUNE 15, 1935

To the Federal Reserve Bank of _____,
or
Treasurer of the United States, Washington, D. C.:

Pursuant to the provisions of Treasury Department Circular No. 535, dated
April 22, 1935, the undersigned presents and surrenders herewith for
redemption on June 15, 1935, \$ _____, face amount of First Liberty Loan
bonds in coupon form, with coupon due December 15, 1935, and all subsequent
coupons attached, as follows:

Title of issue:
(Use short title - see note)

Number of bonds	Denomination	Serial numbers of bonds	Face amount
_____	\$50	_____	\$ _____
_____	100	_____	_____
_____	500	_____	_____
_____	1,000	_____	_____
_____	5,000	_____	_____
_____	10,000	_____	_____
_____	100,000	_____	_____
Total _____	_____	_____	\$ _____

and requests that remittance covering payment therefor be forwarded to the under-
signed at the address indicated below.

Signature _____

Name (please print) _____

Address in full _____

Date _____

Note: The titles of the four issues of First Liberty Loan bonds follow:

Title	Short Title
First Liberty Loan $3\frac{1}{2}\%$ bonds of 1932-47	First $3\frac{1}{2}$'s
First Liberty Loan Converted 4% bonds of 1932-47	First 4's
First Liberty Loan Converted $4\frac{1}{2}\%$ bonds of 1932-47	First $4\frac{1}{2}$'s
First Liberty Loan Second-Converted $4\frac{1}{2}\%$ bonds of 1932-47	First-Second $4\frac{1}{2}$'s

prepaid. Registered bonds bearing restricted assignments may be forwarded by registered mail, but registered bonds bearing unrestricted assignments should be forwarded by registered mail insured or by express. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

IV. TIME OF PRESENTATION OF CALLED BONDS FOR REDEMPTION

1. In order to facilitate the redemption of First Liberty Loan bonds on June 15, 1935, any such bonds should be presented and surrendered in the manner herein prescribed well in advance of that date, but not before May 15, 1935. Such early presentation by holders will assure prompt payment of principal when due. This is particularly important with respect to registered bonds, for payment cannot be made until registration shall have been discharged at the Treasury Department.

2. It will expedite redemption if the bonds are presented to Federal Reserve banks, or branches, and not direct to the Treasury Department.

3. As hereinbefore provided: (1) coupons due June 15, 1935, should be detached from any permanent coupon bonds when such bonds are presented for redemption on that date, such coupons to be collected when due; and (2) final interest due on any registered bonds will be paid with the principal amount.

4. IF FIRST LIBERTY LOAN BONDS CALLED FOR REDEMPTION ON JUNE 15, 1935, ARE TO BE PRESENTED FOR EXCHANGE FOR 2-7/8 ~~(4)~~ PERCENT TREASURY BONDS OF 1955-60, INSTRUCTIONS GIVEN IN TREASURY DEPARTMENT CIRCULAR NO. 536 SHOULD BE FOLLOWED; IF TO BE PRESENTED FOR 1-5/8 PERCENT TREASURY NOTES OF SERIES A-1940, INSTRUCTIONS GIVEN IN TREASURY DEPARTMENT CIRCULAR NO. 537 SHOULD BE FOLLOWED; IF TO BE PRESENTED FOR REDEMPTION ON JUNE 15, INSTRUCTIONS GIVEN IN THIS CIRCULAR SHOULD BE FOLLOWED.

V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of First Liberty Loan bonds under this circular may be obtained from any Federal Reserve bank or branch, or from the Treasury Department, Washington, D. C., where copies of the Treasury Department's regulations governing assignments also may be obtained.

2. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the matters covered by this circular which will be communicated promptly to Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

to provide for adjustments or refunds on account of such missing coupons as may subsequently be presented.¹

4. Presentation and surrender of registered bonds. - First Liberty Loan bonds in registered form must be assigned by the registered payees or assigns thereof, or by their duly constituted representatives, in accordance with the general regulations of the Treasury Department governing assignments, in the form indicated in the next paragraph hereof, and thereafter should be presented and surrendered to any Federal Reserve bank or branch, or to the Division of Loans and Currency, Treasury Department, Washington, D. C., for redemption on June 15, 1935. The bonds must be delivered at the expense and risk of holders (see par. 8 of this section) and should be accompanied by appropriate written advice (see Form P. D. 1436 attached hereto). In all cases checks in payment of principal and final interest due will be mailed to the address given in the form of advice accompanying the bonds surrendered.

5. If the registered payee, or an assignee holding under proper assignment from the registered payee, desires that payment of the principal and final installment of interest be made to him, the bonds should be assigned by such payee or assignee, or by a duly constituted representative, to "The Secretary of the Treasury for redemption". If it is desired, for any reason, that payment be made to some other person, without intermediate assignment, the bonds should be assigned to "The Secretary of the Treasury for redemption for the account of _____", inserting the name and address of the person to whom payment is to be made. A representative or fiduciary should not assign for payment to himself individually, unless expressly authorized to do so by the instrument under which he is acting; he may, however, assign for payment to himself in his representative or fiduciary capacity.

6. Assignment in blank or other assignment having similar effect, will be recognized, but in that event payment will be made to the person surrendering the bond for redemption, since under such assignment the bond becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

7. Final interest due on June 15, 1935, on registered bonds of the First Liberty Loan will be paid with the principal in accordance with the assignments on the bonds surrendered. Transfers and exchanges involving registered bonds will be permitted up to the close of business on May 31, 1935, but not after that date.

8. Transportation of bonds. - Bonds presented for redemption under this circular must be delivered to a Federal Reserve bank or branch, or to the Treasury Department, Washington, D. C., at the expense and risk of the holder. Coupon bonds should be forwarded by registered mail insured, or by express

¹ First 4's, First 4-1/4's, and First-Second 4-1/4's were originally issued in temporary form. The final coupon attached to such temporary bonds became due on December 15, 1919, June 15, 1920, and December 15, 1920, respectively. The holders of any such temporary bonds will receive all past due interest to June 15, 1935, when such bonds are redeemed pursuant to the call. Any coupons now attached to such temporary bonds should be detached and collected in regular course.

II. OPTIONAL EXCHANGE OFFERING:

1. 1. Holders of First Liberty Loan bonds, called for redemption on June 15, 1935, are offered the privilege, for a ~~(8)~~ limited period beginning April 22, 1935, of exchanging all or any part of their called bonds, either (1) for 2-7/8 percent Treasury Bonds of 1955-60, or (2) for 5-year 1-5/8 percent Treasury Notes of Series A-1940, both bonds and notes being dated and bearing interest from March 15, 1935.

2. Full information concerning the optional exchange offering of Treasury bonds is set forth in Treasury Department Circular No. 536, and full information concerning the optional exchange offering of Treasury notes is set forth in Treasury Department Circular No. 537, both circulars being dated April 22, 1935. As the privilege of exchanging First Liberty Loan bonds will be accorded for a limited period only and may be terminated at any time without notice, holders of First Liberty Loan bonds who desire to take advantage of either offering should act promptly, following the instructions given in the Treasury Department circulars referred to above, copies of which may be obtained from any Federal Reserve bank or branch, or from the Treasury Department, Washington, D. C.

III. RULES AND REGULATIONS GOVERNING REDEMPTION OF FIRST LIBERTY LOAN BONDS

Pursuant to the call for redemption, as set forth in Section I of this circular, the following rules and regulations are hereby prescribed to govern the presentation and surrender of First Liberty Loan bonds for redemption on June 15, 1935:

1. Payment of called bonds on June 15, 1935. - Holders of any outstanding First Liberty Loan bonds will be entitled to have such bonds redeemed and paid at par on June 15, 1935, with interest in full to that date. After June 15, 1935, interest will not accrue on any First Liberty Loan bonds.

2. Presentation and surrender of coupon bonds. - First Liberty Loan bonds in coupon form should be presented and surrendered to any Federal Reserve bank or branch, or to the Treasurer of the United States, Washington, D. C., for redemption on June 15, 1935. The bonds must be delivered at the expense and risk of holders (see par. 8 of this section) and should be accompanied by appropriate written advice (see Form P. D. 1435 attached hereto). Checks in payment of principal will be mailed to the address given in the form of advice accompanying the bonds surrendered.

3. Coupons dated June 15, 1935, which become payable on that date, should be detached from any First Liberty Loan bonds before such bonds are presented for redemption on June 15, 1935, and such coupons should be collected in regular course when due. All coupons pertaining to such bonds bearing dates subsequent to June 15, 1935, must be attached to any such bonds when presented for redemption, provided, however, if any such coupons are missing from bonds so presented for redemption the bonds nevertheless will be redeemed, but the full face amount of any such missing coupons will be deducted from the payment to be made on account of such redemption, and any amounts so deducted will be held in the Treasury

REDEMPTION OF FIRST LIBERTY LOAN BONDS

1935
Department Circular No. 535
~~417~~
Public Debt Service

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 22, 1935
~~122~~

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

I. NOTICE OF CALL FOR REDEMPTION BEFORE MATURITY

On March 14, 1935, the following public notice of call for redemption was given:

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

Public notice is hereby given:

1. All outstanding First Liberty Loan bonds of 1932-47 are hereby called for redemption on June 15, 1935. The various issues of First Liberty Loan bonds (all of which are included in this call) are as follows:

First Liberty Loan 3-1/2 percent bonds of 1932-47 (First 3-1/2's),
dated June 15, 1917;

First Liberty Loan Converted 4 percent bonds of 1932-47 (First 4's),
dated November 15, 1917;

First Liberty Loan Converted 4-1/4 percent bonds of 1932-47 (First
4-1/4's), dated May 9, 1918; and

First Liberty Loan Second Converted 4-1/4 percent bonds of 1932-47
(First-Second 4-1/4's), dated October 24, 1918.

2. Interest on all such outstanding First Liberty Loan bonds will cease on said redemption date, June 15, 1935.

3. Full information regarding the presentation and surrender of First Liberty Loan bonds for redemption under this call will be given in a Treasury Department circular to be issued later.

4. Holders of First Liberty Loan bonds now called for redemption on June 15, 1935, may, in advance of that date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

Treasury Department,
Washington, March 14, 1935.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

FOR RELEASE MORNING NEWSPAPERS, MONDAY, APRIL 22, 1935.

REDEMPTION OF FIRST LIBERTY LOAN BONDS

1935
Department Circular No. 535

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 22, 1935.

Public Debt Service

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First Liberty Loan 3-1/2 percent bonds of 1932-47 (First 3-1/2's), dated June 15, 1917;

First Liberty Loan Converted 4 percent bonds of 1932-47 (First 4's), dated November 15, 1917;

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HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Treasury Department,
Washington, March 14, 1935.

II. OPTIONAL EXCHANGE OFFERING:

1. Holders of First Liberty Loan bonds, called for redemption on June 15, 1935, are offered the privilege, for a limited period beginning April 22, 1935, of exchanging all or any part of their called bonds, either (1) for 2-7/8 percent Treasury Bonds of 1955-60, or (2) for 5-year 1-5/8 percent Treasury Notes of Series A-1940, both bonds and notes being dated and bearing interest from March 15, 1935.

2. Full information concerning the optional exchange offering of Treasury bonds is set forth in Treasury Department Circular No. 536, and full information concerning the optional exchange offering of Treasury notes is set forth in Treasury Department Circular No. 537, both circulars being dated April 22, 1935. As the privilege of exchanging First Liberty Loan bonds will be accorded for a limited period only and may be terminated at any time without notice, holders of First Liberty Loan bonds who desire to take advantage of either offering should act promptly, following the instructions given in the Treasury Department circulars referred to above, copies of which may be obtained from any Federal Reserve bank or branch, or from the Treasury Department, Washington, D.C.

III. RULES AND REGULATIONS GOVERNING REDEMPTION OF FIRST LIBERTY LOAN BONDS

Pursuant to the call for redemption, as set forth in Section I of this circular, the following rules and regulations are hereby prescribed to govern the presentation and surrender of First Liberty Loan bonds for redemption on June 15, 1935:

1. Payment of called bonds on June 15, 1935. -- Holders of any outstanding First Liberty Loan bonds will be entitled to have such bonds redeemed and paid at par on June 15, 1935, with interest in full to that date. After June 15, 1935, interest will not accrue on any First Liberty Loan bonds.

2. Presentation and surrender of coupon bonds. -- First Liberty Loan bonds in coupon form should be presented and surrendered to any Federal Reserve bank or branch, or to the Treasurer of the United States, Washington, D.C., for redemption on June 15, 1935. The bonds must be delivered at the expense and risk of holders (see par. 8 of this section) and should be accompanied by appropriate written advice (see Form P.D. 1435 attached hereto). Checks in payment of principal will be mailed to the address given in the form of advice accompanying the bonds surrendered.

3. Coupons dated June 15, 1935, which become payable on that date, should be detached from any First Liberty Loan bonds before such bonds are presented for redemption on June 15, 1935, and such coupons should be collected in regular course when due. All coupons pertaining to such bonds bearing dates subsequent to June 15, 1935, must be attached to any such bonds when presented for redemption, provided, however, if any such coupons are missing from bonds so presented for redemption the bonds nevertheless will be redeemed, but the full face amount of any such missing coupons will be deducted from the payment to be made on account of such redemption, and any amounts so deducted will be held in the Treasury

to provide for adjustments or refunds on account of such missing coupons as may subsequently be presented. 1

4. Presentation and surrender of registered bonds. - First Liberty Loan bonds in registered form must be assigned by the registered payees or assigns thereof, or by their duly constituted representatives, in accordance with the general regulations of the Treasury Department governing assignments, in the form indicated in the next paragraph hereof, and thereafter should be presented and surrendered to any Federal Reserve bank or branch, or to the Division of Loans and Currency, Treasury Department, Washington, D.C., for redemption on June 15, 1935. The bonds must be delivered at the expense and risk of holders (see par. 8 of this section) and should be accompanied by appropriate written advice (see Form P.D. 1436 attached hereto). In all cases checks in payment of principal and final interest due will be mailed to the address given in the form of advice accompanying the bonds surrendered.

5. If the registered payee, or an assignee holding under proper assignment from the registered payee, desires that payment of the principal and final installment of interest be made to him, the bonds should be assigned by such payee or assignee, or by a duly constituted representative, to "The Secretary of the Treasury for redemption". If it is desired, for any reason, that payment be made to some other person, without intermediate assignment, the bonds should be assigned to "The Secretary of the Treasury for redemption for the account of _____", inserting the name and address of the person to whom payment is to be made. A representative or fiduciary should not assign for payment to himself individually, unless expressly authorized to do so by the instrument under which he is acting; he may, however, assign for payment to himself in his representative or fiduciary capacity.

6. Assignment in blank or other assignment having similar effect, will be recognized, but in that event payment will be made to the person surrendering the bond for redemption, since under such assignment the bond becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

7. Final interest due on June 15, 1935, on registered bonds of the First Liberty Loan will be paid with the principal in accordance with the assignments on the bonds surrendered. Transfers and exchanges involving registered bonds will be permitted up to the close of business on May 31, 1935, but not after that date.

8. Transportation of bonds. - Bonds presented for redemption under this circular must be delivered to a Federal Reserve bank or branch, or to the Treasury Department, Washington, D.C., at the expense and risk of the holder. Coupon bonds should be forwarded by registered mail insured, or by express

1 First 4's, First 4-1/4's, and First-Second 4-1/4's were originally issued in temporary form. The final coupon attached to such temporary bonds became due on December 15, 1919, June 15, 1920, and December 15, 1920, respectively. The holders of any such temporary bonds will receive all past due interest to June 15, 1935, when such bonds are redeemed pursuant to the call. Any coupons now attached to such temporary bonds should be detached and collected in regular course.

prepaid. Registered bonds bearing restricted assignments may be forwarded by registered mail, but registered bonds bearing unrestricted assignments should be forwarded by registered mail insured or by express. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

IV. TIME OF PRESENTATION OF CALLED BONDS FOR REDEMPTION

1. In order to facilitate the redemption of First Liberty Loan bonds on June 15, 1935, any such bonds should be presented and surrendered in the manner herein prescribed well in advance of that date, but not before May 15, 1935. Such early presentation by holders will assure prompt payment of principal when due. This is particularly important with respect to registered bonds, for payment cannot be made until registration shall have been discharged at the Treasury Department.

2. It will expedite redemption if the bonds are presented to Federal Reserve banks, or branches, and not direct to the Treasury Department.

3. As heretofore provided: (1) coupons due June 15, 1935, should be detached from any permanent coupon bonds when such bonds are presented for redemption on that date, such coupons to be collected when due; and (2) final interest due on any registered bonds will be paid with the principal amount.

4. IF FIRST LIBERTY LOAN BONDS CALLED FOR REDEMPTION ON JUNE 15, 1935, ARE TO BE PRESENTED FOR EXCHANGE FOR 2-7/8 PERCENT TREASURY BONDS OF 1955-60, INSTRUCTIONS GIVEN IN TREASURY DEPARTMENT CIRCULAR NO. 536 SHOULD BE FOLLOWED; IF TO BE PRESENTED FOR 1-5/8 PERCENT TREASURY NOTES OF SERIES A-1940, INSTRUCTIONS GIVEN IN TREASURY DEPARTMENT CIRCULAR NO. 537 SHOULD BE FOLLOWED; IF TO BE PRESENTED FOR REDEMPTION ON JUNE 15, INSTRUCTIONS GIVEN IN THIS CIRCULAR SHOULD BE FOLLOWED.

V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of First Liberty Loan bonds under this circular may be obtained from any Federal Reserve bank or branch, or from the Treasury Department, Washington, D.C., where copies of the Treasury Department's regulations governing assignments also may be obtained.

2. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

FOR COUPON BONDS
(For registered bonds use Form FD 1436)

TREASURY DEPARTMENT
Public Debt Service
Form FD 1435

Use separate form for each issue

FORM OF ADVICE TO ACCOMPANY FIRST LIBERTY LOAN BONDS IN COUPON FORM PRESENTED
FOR REDEMPTION ON JUNE 15, 1935

To the Federal Reserve Bank of _____,
or
Treasurer of the United States, Washington, D.C.:

Pursuant to the provisions of Treasury Department Circular No. 535, dated April 22, 1935, the undersigned presents and surrenders herewith for redemption on June 15, 1935, \$ _____, face amount of First Liberty Loan bonds in coupon form, with coupon due December 15, 1935, and all subsequent coupons attached, as follows:

Title of issue: _____
(Use short title - see note)

Number of bonds	Denomination	Serial numbers of bonds	Face amount
_____	\$50	_____	\$_____
_____	100	_____	_____
_____	500	_____	_____
_____	1,000	_____	_____
_____	5,000	_____	_____
_____	10,000	_____	_____
_____	100,000	_____	_____
Total			\$_____

and requests that remittance covering payment therefor be forwarded to the undersigned at the address indicated below.

Signature _____

Name (please print) _____

Address in full _____

Date _____

Note: The titles of the four issues of First Liberty Loan bonds follow:

Title	Short Title
First Liberty Loan $3\frac{1}{2}\%$ bonds of 1932-47	First $3\frac{1}{2}$'s
First Liberty Loan Converted 4% bonds of 1932-47	First 4's
First Liberty Loan Converted $4\frac{1}{4}\%$ bonds of 1932-47	First $4\frac{1}{4}$'s
First Liberty Loan Second-Converted $4\frac{1}{4}\%$ bonds of 1932-47	First-Second $4\frac{1}{4}$'s

FOR REGISTERED BONDS
(For coupon bonds use Form PD 1435)

TREASURY DEPARTMENT
Public Debt Service
Form PD 1436

Use separate form for each issue

FORM OF ADVICE TO ACCOMPANY FIRST LIBERTY LOAN BONDS IN REGISTERED FORM PRESENTED
FOR REDEMPTION ON JUNE 15, 1935

To the Federal Reserve Bank of _____,
or
Treasury Department, Division of Loans and Currency, Washington, D.C.:

Pursuant to the provisions of Treasury Department Circular No. 535, dated
April 22, 1935, the undersigned presents and surrenders herewith for redemption
on June 15, 1935, \$_____, face amount of First Liberty Loan bonds in
registered form, inscribed in the name of _____
_____ and duly assigned to "The Secretary of the Treasury for re-
demption", as follows:

Title of issue: _____
(Use short title - see note)

Number of bonds:	Denomination :	Serial numbers of bonds :	Face amount
_____ :	\$50 :	_____ :	\$ _____
_____ :	100 :	_____ :	_____
_____ :	500 :	_____ :	_____
_____ :	1,000 :	_____ :	_____
_____ :	5,000 :	_____ :	_____
_____ :	10,000 :	_____ :	_____
_____ :	50,000 :	_____ :	_____
_____ :	100,000 :	_____ :	_____
Total _____ :	_____ :	_____ :	\$ _____

and requests that remittance covering payment of principal and final interest be
forwarded to the undersigned at the address indicated below.

Signature _____
Name (please print) _____
Address in full _____

Date _____

Note: The titles of the four issues of First Liberty Loan bonds follows:

<u>Title</u>	<u>Short Title</u>
First Liberty Loan $3\frac{1}{2}\%$ bonds of 1932-47	First $3\frac{1}{2}\%$'s
First Liberty Loan Converted 4% bonds of 1932-47	First 4's
First Liberty Loan Converted $4\frac{1}{4}\%$ bonds of 1932-47	First $4\frac{1}{4}\%$'s
First Liberty Loan Second-Converted $4\frac{1}{4}\%$ bonds of 1932-47	First-Second $4\frac{1}{4}\%$'s

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 22, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended April 19, 1935:

Philadelphia.....	149,983.67	fine ounces
San Francisco.....	346,934.13	" "
Denver.....	5,340.00	" "
Total for week ended April 19, 1935.....	502,257.80	" "
Total receipts through April 19, 1935.....	34,552,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended April 19, 1935:

Philadelphia.....	1,212.00	fine ounces
New York.....	2,910.00	" "
San Francisco.....	63,300.00	" "
Denver	506.00	" "
New Orleans	405.00	" "
Seattle	438.00	" "
Total for week ended April 19, 1935.....	68,771.00	" "
Total receipts through April 19, 1935.....	112,669,681.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended April 19, 1935:			
Philadelphia.....	\$ 6,929.37	\$ 214,287.34	\$ 148.44
New York	53,543,800.00	374,700.00	29,400.00
San Francisco	131,088.39	1,061,873.07	123,892.11
Denver.....	59,825.00	33,637.00	573,871.00
New Orleans.....	318.14	47,600.24	728.86
Seattle.....	- - - - -	25,247.66	229,792.48
Total for week ended April 19, 1935..	\$53,741,960.90	\$1,757,345.31	\$957,832.89

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended April 17, 1935.....	\$ 29,399.34	\$ 444,480.00
Received previously.....	30,209,095.01	88,875,140.00
Total to April 17, 1935.....	\$30,238,494.35	\$89,319,620.00
Received by Treasurer's Office:		
Week ended April 17, 1935.....	\$ 200.00	\$ 10,700.00
Received previously.....	261,306.00	2,092,900.00
Total to April 17, 1935.....	\$ 261,506.00	\$ 2,103,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 23, 1935.

Press Service

4-82

4/22/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated April 24, 1935, and maturing January 22, 1936, which were offered on April 19, were opened at the Federal Reserve banks on April 22, 1935.

The total amount applied for was \$115,059,000, of which \$50,155,000 was accepted. The accepted bids ranged in price from 99.885, equivalent to a rate of about 0.152 percent per annum, to 99.865, equivalent to a rate of about 0.178 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.872 and the average rate is about 0.169 percent per annum on a bank discount basis.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 23, 1935.
4-22-35.

Press Service
No. 482

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STATEMENT OF SECRETARY MORGENTHAU

Before the Senate Finance Committee, April 23, 1935.

Your Committee has under consideration a number of bills proposing plans for settlement of the World War veterans adjusted service certificate claims. I shall not attempt to go into the merits of any of these bills or to analyze them in detail, believing that to be a service that can best be performed by other officers of the Government. The Treasury is, however, deeply interested in any problems which involve additional or earlier expenditure of public funds than those for which careful preparation has already been made in budget and financing plans.

I believe it is true of all the so-called bonus settlement plans which you have had under consideration that each one of them calls for greater or earlier payments from the Treasury than were contemplated in the original adjusted service certificate plan and payments during the fiscal year 1936 for which no provision has been made in the budget of that year.

All of the financial plans made by the Treasury for the coming year have been based on adherence to the President's budget. Moreover, the credit of the United States Government depends very largely, in my opinion, upon scrupulous adherence to the President's program. I don't think we can continue to enjoy the present favorable rates and favorable market for the sale of Government securities if new expenditures are incurred which go far beyond the limits of those which have already been outlined. A material decline in the market price of Government securities, which would be very likely to result from large expenditures outside the budget, would work a grave injustice upon all purchasers of Government securities, and would tend to slow up the whole recovery program.

The Treasury, therefore, would view with great concern the enactment of any bill which calls for large additional expenditures, without compensating additional taxes. It seems to us of the utmost importance that if any adjusted service certificate settlement calling for increased expenditures, or for earlier expenditures than those already taken into account, should be enacted, Congress should make provision for raising revenues sufficient to cover the additional expenditures in the year or years in which they are to be incurred.

If it should be thought desirable to seek new sources of revenue for this purpose, the Treasury would be glad to offer its suggestions.

25 Copies
BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, by Proclamation of the twenty-first day of December, 1933, as modified by Proclamations of the ninth day of August, 1934, and the tenth day of April, 1935, the United States coinage mints are directed to receive for coinage and addition to the monetary stocks of the United States silver mined subsequent to December 21, 1933, from natural deposits in the United States or any place subject to the jurisdiction thereof; and

WHEREAS, such Proclamation as so modified is subject to revocation or further modification as the interest of the United States may seem to require.

NOW, THEREFORE, finding that the interests of the United States require further modification of said Proclamation of the twenty-first day of December, 1933; by virtue of the power in me vested by the act of Congress cited in said Proclamation, and other legislation designated for national recovery, and by virtue of all other authority in me vested;

I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES of AMERICA, do proclaim and direct that with respect to all silver received by a United States coinage mint under the provisions of the Proclamation of the twenty-first day of December, 1933, which such mint, subject to regulations prescribed hereunder by the Secretary of the Treasury, is satisfied has been mined on or after April 24, 1935, from natural deposits in the United States or any place subject to the jurisdiction thereof, the deduction for seigniorage

and services performed by the Government shall be 40 per cent and there shall be returned therefor in standard silver dollars, silver certificates, or any other coin or currency of the United States, the monetary value of the silver so received (that is, \$1.2929/ a fine ounce), less such deduction of 40 per cent.

Notice is hereby given that I reserve the right by virtue of the authority vested in me to revoke or modify this proclamation as the interest of the United States may seem to require.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this 24th day of April, in the year of our Lord nineteen hundred and thirty-five, and of the Independence of the United States of America the one hundred and fifty-ninth.

/Seal/

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,

Secretary of State.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING PAPERS,
MONDAY, APRIL 29, 1935.
4/27/35

Press Service
4-83

Secretary of the Treasury Morgenthau announced today that in response to the offering last Monday of Treasury bonds and Treasury notes, in exchange for First Liberty Loan bonds called for redemption on June 15, 1935, subscriptions aggregating \$910,000,000 had been received up to the close of business Saturday. The subscription books for both offerings will remain open until further notice.

The Secretary stated that approximately \$605,000,000 of the First Liberty Loan bonds had been exchanged for the 1-5/8 percent Treasury Notes of Series A-1940 and \$305,000,000 for the 2-7/8 percent Treasury Bonds of 1955-60.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, April 29, 1935.
4/27-35.

Press Service
No. 4-83

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Note -

*

An error appeared in last week's statement of gold receipts, consisting of a transposition of the figures for Secondary and new domestic gold as received at the San Francisco mint. The correct figures for San Francisco for the week ending April 22 are: Secondary gold, \$123,892.11; new domestic, \$61,873.88.

This error affected the total for all mints and assay offices, which should have read: Secondary, \$826,560.63; new domestic, \$1,895,813.88.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 22, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES: (Under Executive Proclamation of December 21, 1933)

Week ended April 19, 1935:

Philadelphia.....	149,983.67	fine ounces
San Francisco.....	346,934.13	" "
Denver.....	5,340.00	" "
Total for week ended April 19, 1935.....	502,257.80	" "
Total receipts through April 19, 1935.....	34,552,000.00	" "

SILVER TRANSFERRED TO UNITED STATES: (Under Executive Proclamation of August 9, 1934)

Week ended April 19, 1935:

Philadelphia.....	1,212.00	fine ounces
New York.....	2,910.00	" "
San Francisco.....	63,300.00	" "
Denver	506.00	" "
New Orleans	405.00	" "
Seattle	438.00	" "
Total for week ended April 19, 1935.....	68,771.00	" "
Total receipts through April 19, 1935.....	112,669,681.00	" "

* RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended April 19, 1935:			
Philadelphia.....	\$ 6,929.37	\$ 214,287.34	\$ 148.44
New York	53,543,800.00	374,700.00	29,400.00
San Francisco	131,088.39	1,061,873.07	123,892.11
Denver.....	59,825.00	33,637.00	573,871.00
New Orleans.....	318.14	47,600.24	728.86
Seattle.....	-	25,247.66	229,792.48
Total for week ended April 19, 1935..	\$53,741,960.90	\$1,757,345.31	\$957,832.89

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE: (Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended April 17, 1935.....	\$ 29,399.34	\$ 444,480.00
Received previously.....	30,209,095.01	88,875,140.00
Total to April 17, 1935.....	\$30,238,494.35	\$89,319,620.00
Received by Treasurer's Office:		
Week ended April 17, 1935.....	\$ 200.00	\$ 10,700.00
Received previously.....	261,306.00	2,092,900.00
Total to April 17, 1935.....	\$ 261,506.00	\$ 2,103,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

*

GOLD

	<u>Imports</u>	<u>Secondary</u>	<u>New Domestic</u>
Philadelphia	6,929.37	\$214,287.34	\$ 148.44
New York	\$53,543,800.00	374,700.00	29,400.00
San Francisco	123,892.11	131,088.39	1,061,873.07
Denver	59,825.00	33,637.00	573,871.00
New Orleans	318.14	47,600.24	728.86
Seattle	- - - -	25,247.66	229,792.48
Totals	\$53,734,764.62	\$826,560.63	\$ 1,895,813.85

GOLD RECAPITULATION

Imports	\$53,734,764.62
Secondary	826,560.63
New Domestic	<u>1,895,813.85</u>
Total	56,457,139.10

Total Receipts to Date (Approx.) 1,720,234,000.00

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

April 29, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended April 26, 1935:

	-- -- -- --	fine ounces
Philadelphia.....	60,059.59	" "
San Francisco.....	7,644.00	" "
Denver.....	<u>67,703.59</u>	" "
Total for week ended April 26, 1935.....		
Total receipts through April 26, 1935.....	34,619,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended April 26, 1935:

		fine ounces
Philadelphia.....	18,167.00	" "
New York	21,054.00	" "
San Francisco.....	10,178.00	" "
Denver.....	136.00	" "
New Orleans.....	344.00	" "
Seattle.....	<u>380.00</u>	" "
Total for week ended April 26, 1935.....	50,259.00	" "
Total receipts through April 26, 1935.....	112,719,940.00	" "

*RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended April 26, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ 8,980.93	\$ 318,291.49	\$ 466.66
New York.....	26,652,700.00	348,600.00	191,700.00
San Francisco.....	6,572.50	88,634.64	1,012,072.55
Denver.....	40,895.00	54,765.00	543,988.00
New Orleans.....	16,497.15	38,316.51	2,021.88
Seattle.....	-- -- --	28,950.17	211,492.08
Total for week ended April 26, 1935..	\$26,725,645.58	\$ 877,557.81	\$1,961,741.17

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin
Received by Federal Reserve Banks:	
Week ended April 24, 1935.....	\$ 21,793.84
Received previously.....	30,238,494.35
Total to April 24, 1935.....	<u>\$30,260,288.19</u>

	Gold Certificates
Week ended April 24, 1935.....	\$ 324,050.00
Received previously.....	89,319,620.00
Total to April 24, 1935.....	<u>\$89,643,670.00</u>

Received by Treasurer's Office:

	Gold Coin	Gold Certificates
Week ended April 24, 1935.....	\$ 000.00	\$ 10,100.00
Received previously.....	261,506.00	2,103,600.00
Total to April 24, 1935.....	<u>\$ 261,506.00</u>	<u>\$ 2,113,700.00</u>

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

* An error appeared in last week's statement of gold receipts, consisting of a transposition of the figures in Secondary and New Domestic gold as received

at the San Francisco Mint. The corrected figures for the week ending April 22 are:

	<u>Imports</u>	<u>Secondary</u>	<u>New Domestic</u>
Philadelphia	\$ 6,929.37	\$214,287.34	\$ 148.44
New York	53,543,800.00	374,700.00	29,400.00
San Francisco	123,892.11	131,088.39	1,061,873.07
Denver	59,825.00	33,637.00	573,871.00
New Orleans	318.14	47,600.24	728.86
Seattle	- - - -	25,247.66	229,792.48
Totals	\$53,734,764.62	\$826,560.63	\$1,895,813.85

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 30, 1935.

4/29/35

Press Service

4-84

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated May 1, 1935, and maturing January 29, 1936, which were offered on April 26, were opened at the Federal Reserve banks on April 29, 1935.

The total amount applied for was \$213,212,000, of which \$50,085,000 was accepted. Except for one bid of \$30,000, the accepted bids ranged in price from 99.887, equivalent to a rate of about 0.149 percent per annum, to 99.884, equivalent to a rate of about 0.153 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.884 and the average rate is about 0.153 percent per annum on a bank discount basis.



TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, April 30, 1935.
4-2935

Press Service
No. 4-84

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TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING PAPERS,
Tuesday, April 30, 1935.

4/29/35

Press Service

4-85

Secretary of the Treasury Morgenthau announced last night that the subscription books for the current offering of Treasury Notes of Series A-1940 will close at the close of business Thursday, May 2, 1935. Subscriptions placed in the mail before 12 o'clock, midnight, Thursday, May 2, will be considered as having been entered before the close of the subscription books. This offering is open only to the holders of First Liberty Loan bonds, called for redemption on June 15, 1935.

The subscription Books for the Treasury Bonds of 1955-60, which are also open only to holders of First Liberty Loan bonds, will remain open until further notice.

Announcement of the amount of subscriptions for the Treasury notes and their division among the several Federal Reserve districts will be made later.

[Handwritten signature]

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING PAPERS,
Tuesday, April 30, 1935.
4-29-35.

Press Service
No. 4-85

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The subscription books for the Treasury Bonds of 1955-60 which are also open only to holders of First Liberty Loan bonds, will remain open until further notice.

Announcement of the amount of subscriptions for the Treasury Notes and their division among the several Federal Reserve districts will be made later.

TREASURY DEPARTMENT

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,
Tuesday, April 30, 1935.

Press Service
No. 4-86

Secretary of the Treasury Morgenthau announced today that Customs receipts increased approximately \$3,000,000 for the nine-month period of this fiscal year (ending March 31, 1935) over the previous year. The increase in Customs receipts has been consistent since the middle of February of this year and on April 23rd receipts were approximately \$12,000,000 over those of the previous fiscal year. Attached is a tabulation of total duties collected for the first nine months of fiscal year 1935, as compared with first nine months of fiscal year 1934, by Customs districts, giving the per cent of increase or decrease of each district; also, an analysis of these data.

It will be noted that in the three largest districts there has been a decrease, New York 3.3 per cent, Philadelphia 20.9 per cent, and Massachusetts 29.4 per cent; while in other of our rather large districts there has been an increase, Chicago District an increase of 51.2 per cent, New Orleans 40.1 per cent, and Los Angeles 39.3 per cent. A very great per cent of increase is found in many of the smaller districts, namely, Indiana with an increase of 4,692 per cent, which may be attributed to the heavy imports of liquor, Duluth with an increase of 709 per cent, which is partially attributable to importations of wheat, and many others.

The Mexican Border districts all show decided increases, as follows: San Antonio 417 per cent, El Paso 365 per cent, Arizona 228 per cent, and San Diego 128 per cent. The Wisconsin District also has a notable increase of 275 per cent. The grand total for all districts shows an increase of approximately 11 per cent, according to reports submitted to the Bureau by the Collectors of Customs.

DUTIES COLLECTED, BY CUSTOMS DISTRICTS
 Nine Months Ending March 31, 1934, and 1935

	Nine Months: F.Y. 1934:	Nine Months: F.Y. 1935:	Amount of Decrease	Amount of Increase	% of Difference
Alaska	\$ 11,983	\$ 5,918	\$ 6,065	\$	- 50.6
Arizona	280,344	921,199		640,855	+ 228.6
Buffalo	3,111,541	3,532,387		420,846	+ 13.5
Chicago	6,165,380	9,323,998		3,158,618	+ 51.2
Colorado	132,014	167,726		35,711	+ 27.1
Connecticut	435,109	514,013		78,904	+ 18.1
Dakota	252,227	736,780		484,554	+ 192.1
Duluth and Superior	361,328	2,923,929		2,562,602	+ 709.2
El Paso	145,322	676,200		530,878	+ 365.3
Florida	1,853,944	1,398,140	455,804		- 24.6
Galveston	2,174,112	2,625,074		450,961	+ 20.7
Georgia	3,690,982	2,000,178	1,690,805		- 45.8
Hawaii	974,073	1,232,069		257,996	+ 26.5
Indiana	124,601	5,971,796		5,847,196	+ 4,692.7
Iowa	19,482	34,105		14,623	+ 75.1
Kentucky	441,538	690,228		248,691	+ 56.3
Los Angeles	3,168,099	4,413,574		1,245,474	+ 39.3
Maine and N.H.	433,627	380,749	52,877		- 12.2
Maryland	6,848,601	8,572,418		1,723,817	+ 25.2
Massachusetts	22,170,944	15,648,262	6,522,682		- 29.4
Michigan	3,423,085	2,867,582	555,503		- 16.2
Minnesota	260,090	690,625		430,535	+ 165.5
Mobile	685,710	407,890	277,819		- 40.5
Montana and Idaho	98,212	115,319		17,106	+ 17.4
New Orleans	6,866,019	9,617,233		2,751,214	+ 40.1
New York	129,686,037	125,451,078	4,234,959		- 3.3
North Carolina	6,465,917	7,008,505		542,588	+ 8.4
Ohio	1,905,783	1,567,236	338,547		- 17.8
Omaha	249,726	202,358	47,368		- 19.0
Oregon	579,684	877,504		297,820	+ 51.4
Philadelphia	23,163,834	18,316,585	4,847,249		- 20.9
Pittsburgh	1,945,531	2,417,724		502,192	+ 25.8
Puerto Rico	1,258,935	1,485,967		227,032	+ 18.0
Rhode Island	1,232,599	903,472	329,127		- 26.7
Rochester	622,692	743,737		121,045	+ 19.4
Sabine	120,900	197,656		76,756	+ 63.5
St. Lawrence	809,452	895,599		86,147	+ 10.6
St. Louis	1,343,645	1,414,859		71,214	+ 5.3
San Antonio	375,461	1,943,568		1,568,108	+ 417.6
San Diego	74,394	169,638		95,243	+ 128.0
San Francisco	5,826,794	7,127,991		1,301,197	+ 22.3
South Carolina	670,518	308,759	361,759		- 54.0
Tennessee	93,184	60,309	32,875		- 35.3
Utah and Nevada	18,270	20,524		2,254	+ 12.3
Vermont	557,828	900,335		342,507	+ 61.4
Virginia	8,547,132	6,476,463	2,070,669		- 24.2
Washington	1,962,863	2,622,115		659,251	+ 33.6
Wisconsin	280,785	1,054,470		773,685	+ 275.5
Total	\$251,920,331	\$257,663,844	\$21,824,108	\$27,567,620	+ 10.9

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Friday, May 3, 1935.
5-2-35.

Press Service
No. 4-87

During April more than \$23,000,000 cash was paid into Post Offices throughout the country for the purchase of United States Savings Bonds. Approximately 39,000 persons bought an average of \$576 each of these bonds last month.

As the bonds are sold on a discount basis and increase in 10 years, through accumulated interest, by $33\frac{1}{3}$ per cent, this April sale represents a maturity value of approximately \$30,600,000.


March 1st marked the inauguration of this new form of Government securities and to May 1st there had been sold in maturity value, approximately \$81,000,000, or a daily average of about \$1,327,000.

The April sales were materially less than those for March. This shrinkage was anticipated by Treasury officials, for the reason that much accumulated savings, doubtless, were converted into Savings Bonds as soon as they were made available.

New York City with a total sale of \$1,501,556.25, of which \$230,081.25 was sold in Brooklyn, again headed the major cities in the month's sale of Savings Bonds. Chicago was again second, selling \$757,075, but Kansas City, with a sale of \$461,287.50, deplaced Detroit for third place.

April sales in other large cities were as follows: Philadelphia, \$224,850; Boston, \$146,006.25; St. Louis, \$318,112.50; Detroit, \$247,931.25; Cleveland, \$262,293.75; Los Angeles, \$164,040; San Francisco, \$47,981.25; Pittsburgh, \$172,350; Cincinnati, \$152,493.75; Baltimore, \$110,493.75; Milwaukee, \$251,337.50; Washington, D. C., \$215,681.25; Buffalo, \$72,168.75; St. Paul, \$265,780.25;

Indianapolis, \$117,056.25; Newark, \$40,012.50; Denver, \$150,993.75; Dallas, \$54,018.75; Seattle, \$83,268.75; Oklahoma City, \$27,037.50; Omaha, \$172,725; Des Moines, \$106,931.25; Portland, Oregon, \$144,900; Louisville, \$106,781.25; Rochester, \$10,050; Columbus, \$83,737.50; New Orleans, \$45,356.25; Toledo, \$93,918.75; Richmond, Virginia, \$34,143.75; Providence, \$30,506.25; Memphis, \$69,075; Dayton, \$77,362.50; Hartford, \$12,562.50; Nashville, \$13,031.25; Houston, \$53,850; Syracuse, \$17,250; New Haven, \$23,793.75; Akron, \$46,368.75; Fort Worth, \$53,175; Springfield, Ohio, \$17,287.50; Oakland, California, \$30,543.75; Harrisburg, Pennsylvania, \$10,931.25.



TREASURY DEPARTMENT

Washington

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Friday, May 3, 1935.
5-2-35.

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PUBLIC ANNOUNCEMENT OF INCREASE IN THE ISSUE
PRICE OF 2-7/8 PERCENT TREASURY BONDS OF 1955-60

To Holders of First Liberty Loan Bonds, and Others Concerned:

Public announcement is hereby made that, pursuant to the right reserved by the Secretary of the Treasury under Department Circular No. 536, dated April 22, 1935, inviting subscriptions for 2-7/8 percent bonds of the United States, designated Treasury Bonds of 1955-60, in exchange for First Liberty Loan bonds of any series, the issue price of such 2-7/8 percent Treasury Bonds of 1955-60 is increased to 100-1/2, effective as to subscriptions tendered after May 7, 1935. The increased issue price shall not be effective as against subscriptions duly tendered on or before May 7, 1935, including subscriptions received by mail at the Federal Reserve banks and the Treasury Department, Washington, D. C., enclosed in envelopes postmarked prior to midnight May 7, 1935.

This public announcement shall be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Treasury Department,
Washington, May 3, 1935.

Enk

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, May 4, 1935.

TREASURY DEPARTMENT

Press Service

5/3/35

Washington

FOR RELEASE, MORNING NEWSPAPERS,

Saturday, May 4, 1935. Secretary of the Treasury Morgenthau announced today (May 3) that

Press Service

5-3-35

the issue price of the 2-7/8 percent Treasury Bonds of 1955-60 will be

Secretary of the Treasury Morgenthau announced today (May 3) that increased to 100-1/2, effective as to subscriptions tendered after mid-
the issue price of the 2-7/8 percent Treasury Bonds of 1955-60 will be night of May 7, 1935. The bonds of this series are being issued only
increased to 100-1/2, effective as to subscriptions tendered after mid-
in exchange for First Liberty Loan bonds of any series, and the sub-
night of May 7, 1935. The bonds of this series are being issued only
scription books will remain open until further notice.

in exchange for First Liberty Loan bonds of any series, and the subscrip-
As a result of the increase in the issue price of the Treasury
tion books will remain open until further notice.

bonds, a premium of \$.50 per \$100 will be charged on exchanges where

As a result of the increase in the issue price of the Treasury
subscriptions are tendered on and after Wednesday, May 8. Subscrip-
bonds, a premium of \$.50 per \$100 will be charged on exchanges where sub-
scriptions made on or before May 7, 1935, including subscriptions received
scriptions are tendered on and after Wednesday, May 8. Subscriptions
by mail, and postmarked prior to midnight Tuesday, May 7, 1935, will
made on or before May 7, 1935, including subscriptions received by mail,
be eligible for exchange on the par for par basis.

and postmarked prior to midnight Tuesday, May 7, 1935, will be eligible
The official public announcement follows:
for exchange on the par for par basis.

The official public announcement follows:

Am

7/7

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Saturday, May 4, 1935.
5-3-35

Press Service
4 - 88

Secretary of the Treasury Morgenthau announced today (May 3) that the issue price of the 2-7/8 percent Treasury Bonds of 1955-60 will be increased to 100-1/2, effective as to subscriptions tendered after midnight of May 7, 1935. The bonds of this series are being issued only in exchange for First Liberty Loan bonds of any series, and the subscription books will remain open until further notice.

As a result of the increase in the issue price of the Treasury bonds, a premium of \$.50 per \$100 will be charged on exchanges where subscriptions are tendered on and after Wednesday, May 8. Subscriptions made on or before May 7, 1935, including subscriptions received by mail, and postmarked prior to midnight Tuesday, May 7, 1935, will be eligible for exchange on the par for par basis.

The official public announcement follows:

PUBLIC ANNOUNCEMENT OF INCREASE IN THE ISSUE
PRICE OF 2-7/8 PERCENT TREASURY BONDS OF 1955-60

To Holders of First Liberty Loan Bonds, and Others Concerned:

Public announcement is hereby made that, pursuant to the right reserved by the Secretary of the Treasury under Department Circular No. 536, dated April 22, 1935, inviting subscriptions for 2-7/8 percent bonds of the United States, designated Treasury Bonds of 1955-60, in exchange for First Liberty Loan bonds of any series, the issue price of such 2-7/8 percent Treasury Bonds of 1955-60 is increased to 100-1/2, effective as to subscriptions tendered after May 7, 1935. The increased issue price shall not be effective as against subscriptions duly tendered on or before May 7, 1935, including subscriptions received by mail at the Federal Reserve banks and the Treasury Department, Washington, D. C., enclosed in envelopes postmarked prior to midnight May 7, 1935.

This public announcement shall be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Treasury Department,
Washington, May 3, 1935.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

May 6, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933)

Week ended May 3, 1935:

Philadelphia.....	- - - -	fine ounces
San Francisco.....	169,407.73	" "
Denver.....	4,492.00	" "
Total for week ended May 3, 1935.....	173,899.73	" "
Total receipts through May 3, 1935.....	34,793,860.34	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended May 3, 1935:

Philadelphia.....	5,174.00	fine ounces
New York	726.00	" "
San Francisco	721.00	" "
Denver	47.00	" "
New Orleans.....	254.00	" "
Seattle	1,019.00	" "
Total for week ended May 3, 1935.....	7,941.00	" "
Total receipts through May 3, 1935.....	112,727,881.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended May 3, 1935:

	Imports	Secondary	New Domestic
Philadelphia.....	\$ 3,795.09	\$193,528.39	\$ 1,712.51
New York.....	17,529,900.00	423,200.00	234,900.00
San Francisco	334,962.04	100,515.14	617,851.06
Denver.....	21,763.00	51,686.00	621,494.00
New Orleans.....	- - - -	29,334.96	212.08
Seattle.....	- - - -	16,816.06	61,561.76
Total for week ended May 3, 1935..	\$17,890,420.13	\$815,080.55	\$1,537,731.41

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

Received by Federal Reserve Banks:	Gold Coin	Gold Certificates
Week ended May 1, 1935.....	\$ 25,698.52	\$ 487,260.00
Received previously	30,260,288.19	89,643,670.00
Total to May 1, 1935.....	\$30,285,986.71	\$90,130,930.00

Received by Treasurer's Office;

Week ended May 1, 1935.....	\$ - - - -	\$ 8,100.00
Received previously.....	261,506.00	2,113,700.00
Total to May 1, 1935.....	\$ 261,506.00	\$ 2,121,800.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Monday, May 6, 1935.
5/4/35

Press Service
4-89

Secretary of the Treasury Morgenthau announced today that subscriptions aggregating \$1,446,000,000 had been received up to the close of business Saturday in response to the offering of Treasury bonds and Treasury notes in exchange for First Liberty Loan bonds called for redemption on June 15, 1935. Approximately \$861,000,000 of the First Liberty Loan bonds have been exchanged for the 1-5/8 percent Treasury Notes of Series A-1940, on which the subscription books closed last Thursday. The exchanges of the First Liberty Loan bonds for the 2-7/8 percent Treasury Bonds of 1955-60 amount to approximately \$585,000,000.

The Secretary called attention to the fact that the issue price of the Treasury bonds will be increased to 100-1/2, effective as to subscriptions tendered after midnight of May 7, 1935. Announcement of the increase in price was made public Saturday morning. The subscription books for the offering of Treasury bonds will remain open until further notice.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, May 6, 1935.
5-4-35.

Press Service
No. 4-89

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The Secretary called attention to the fact that the issue price of the Treasury bonds will be increased to 100-1/2, effective as to subscriptions tendered after midnight of May 7, 1935. Announcement of the increase in price was made public Saturday morning. The subscription books for the offering of Treasury bonds will remain open until further notice.

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 7, 1935.

Press Service

4-90

5/6/35

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 273-day Treasury bills, dated May 8, 1935, and maturing February 5, 1936, which were offered on May 3, were opened at the Federal Reserve banks on May 6, 1935.

The total amount applied for was \$165,006,000, of which \$50,091,000 was accepted. The accepted bids ranged in price from 99.975, equivalent to a rate of about 0.033 percent per annum, to 99.881, equivalent to a rate of about 0.157 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.885 and the average rate is about 0.152 percent per annum on a bank discount basis.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 7, 1935.
5-6-35.

Press Service
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ments of power from the companies, but, if it should not do so, the contract rates shall be subject to an equitable adjustment.

(2) The Government reserves full liberty at any time to build and operate an electric power plant of its own in New York City if it should decide to do so.

(3) The companies concede that the rates under the new contracts are reasonable and adequate to cover the cost of the service plus a reasonable profit.

(4) The books of the companies will be open at all times to representatives of the Federal Government and of the State and City of New York to permit determination of the relation of the rates charged to the Government to those to other consumers.

In entering into the new contracts, each of the companies concerned ^{will accept} ~~is~~ the principle of a single consolidated contract for all service to Government establishments for which the Treasury Procurement Division acts as buying agent. The advantage to the Government of the ^{consolidated} ~~blanket~~ form of contract covering all Government establishments served by a single operating company is that it permits the application of quantity rates, based on a large volume of current, which are similar to the rates in effect for large industrial users of electricity. The Treasury Department since early in 1934 has been negotiating with Consolidated Gas and its subsidiaries in an effort to obtain these quantity rates, based on the principle that the Government is a single user of electric energy. Consolidated Gas and its companies had consistently refused to grant this concession until after it had become publicly known that the construction of a Government power plant in New York City was under serious consideration.

Secretary Morgenthau announced today that he had given his approval ^{the signing of} to new contracts for supplying electric current to Government offices and establishments in New York City which will result in annual savings of approximately \$200,000, or more than 35%, to the Government. ^{are} ~~contracts~~ ^{are} ~~for the fiscal years 1935 and 1936 with the four city companies controlled by the Consolidated Gas Company and for the fiscal year 1936 with the two Westchester County companies.~~

Each of the contracts is based on an outline of a rate plan submitted by Floyd J. Carlisle, Chairman of the Board of the Consolidated Gas Company to Admiral C. J. Peoples, Director of Procurement of the Treasury Department through Admiral R. E. Bakenhus of the Navy Department, who has carried on negotiations with the power companies on behalf of the Treasury Department.

The contracts for 1935 are retroactive and will apply to all current consumed during the present fiscal year. It has been estimated by the Procurement Division that, on the basis of the contracts in force up to June 30th of last year, the cost to the Federal Government for electric current in New York City this fiscal year would amount to \$572,439. The estimated cost under the ^{new} ~~proposed~~ contracts is \$368,475, representing a saving of \$203,964, or about 35-2/3 per cent, for the fiscal year 1935.

The Treasury Department has incorporated into the contracts, with the agreement of the electric companies, four new conditions not contained in the outline proposal made by Chairman Carlisle in January. These conditions in substance are:

- (1) The Government is not obligated to purchase its entire require-

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Wednesday, May 8, 1935.

Press Service
No. 4-91

Secretary Morgenthau announced today that he had given his approval to the signing of new contracts for supplying electric current to Government offices and establishments in New York City which will result in annual savings of approximately \$200,000, or more than 35%, to the Government. The contracts are for the fiscal years 1935 and 1936 with the four city companies controlled by the Consolidated Gas Company and for the fiscal year 1936 with the two Westchester County companies.

Each of the contracts is based on an outline of a rate plan submitted by Floyd J. Carlisle, Chairman of the Board of the Consolidated Gas Company to Admiral C.J. Peoples, Director of Procurement of the Treasury Department through Admiral R.E. Bakenhus of the Navy Department, who has carried on negotiations with the power companies on behalf of the Treasury Department.

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The Treasury Department has incorporated into the contracts, with the agreement of the electric companies, four new conditions not contained in the outline proposal made by Chairman Carlisle in January. These conditions in substance are:

- (1) The Government is not obligated to purchase its entire require-

ments of power from the companies, but, if it should not do so, the contract rates shall be subject to an equitable adjustment.

(2) The Government reserves full liberty at any time to build and operate an electric power plant of its own in New York City if it should decide to do so.

(3) The companies concede that the rates under the new contracts are reasonable and adequate to cover the cost of the service plus a reasonable profit.

(4) The books of the companies will be open at all times to representatives of the Federal Government and of the State and City of New York to permit determination of the relation of the rates charged to the Government to those to other consumers.

In entering into the new contracts, each of the companies concerned will accept the principle of a single consolidated contract for all service to Government establishments for which the Treasury Procurement Division acts as buying agent. The advantage to the Government of the consolidated form of contract covering all Government establishments served by a single operating company is that it permits the application of quantity rates, based on a large volume of current, which are similar to the rates in effect for large industrial users of electricity. The Treasury Department since early in 1934 has been negotiating with Consolidated Gas and its subsidiaries in an effort to obtain these quantity rates, based on the principle that the Government is a single user of electric energy. Consolidated Gas and its companies had consistently refused to grant this concession until after it had become publicly known that the construction of a Government power plant in New York City was under serious consideration.

None of the Government establishments in New York City has had any contract for electric current since June 30, 1934, when 176 separate contracts for that many different Federal buildings and establishments expired. In each of these 176 contracts the same rates had been applied as if each contract represented a separate user of electric current. Substantially these same rates had been in effect to Federal establishments for more than twenty years.

In response to calls for bids, after months of negotiation by the Procurement Division with Consolidated Gas and its subsidiaries, the operating companies on July 20, 1934, submitted bids on the old basis virtually identical with the contracts previously in effect, refusing to recognize the Government as a single buyer for all its establishments. The Procurement Division rejected these bids, and, since July 1, 1934, service has been furnished without contract and without payment, pending further negotiations.

Late last year Consolidated Gas and its various subsidiaries made known their definite refusal to execute the blanket contracts which the Government sought. On January 21st of this year, however, Chairman Carlisle of Consolidated Gas submitted an outline of a plan conceding the Government's contention and offering the rates incorporated into the present contracts.

I want to take this opportunity to express the appreciation and thanks of the people and tax-payers of the City of New York for the cooperation and help which we received from the Federal Government, particularly from President Roosevelt and Secretary Morgenthau. I believe this is the first time that a Municipality has received such encouragement and the results speak for themselves.

The situation insofar as the servicing for public buildings and public purposes is concerned is settled for the year 1935. The city has an additional responsibility and that is the rates to the consumers. The arrangements ~~may~~ do not preclude the city taking such action as ~~it~~ may be advisable ^{able} to protect the consumers at this time.

Our total saving is a little over two million four hundred thousand less than their bids on December 17th

The following statement was made by Mayor LaGuardia

After conferring with Secretary Morgenthau I have decided to accept the new bids of the Consolidated Gas Company and have instructed the Commissioner to execute contracts for service for the year 1935. (Like the Federal contracts the rates are retroactive to January 1, 1935. The bids submitted by the Consolidated Gas Company on December 17, 1934 for the 1935 service were rejected. The rates obtained by the city for ~~public building~~ public building lighting and power are comparable to the bids submitted to the Federal government and our saving will amount to \$1,092,965.20, or about 36.06%. The saving in our street lighting system is about \$692,554.00. There is a corresponding reduction of cost of current. (The companies have assumed the entire servicing of street lighting and the greater portion of the charges is for personnel and material. We have succeeded in obtaining for the first time a break-down of the street lighting costs and are now in a position to study them very carefully. The city specifications embodied what have become known as the Federal clauses stated by Mr. Morgenthau

today.

8.

May 8, 1935.

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TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Monday, May 13, 1935.

5/11/35

Press Service

4-92

Secretary of the Treasury Morgenthau announced today that subscriptions aggregating \$678,000,000 had been received up to the close of business Saturday for the 2-7/8 percent Treasury Bonds of 1955-60, offered only in exchange for First Liberty Loan bonds of any series. With \$863,000,000 of the First Liberty Loan bonds exchanged for Treasury Notes of Series A-1940, the total of Firsts exchanged to date is approximately \$1,541,000,000, or about 80 percent of the outstanding First Liberty Loan.

The subscription books for the Treasury bonds, which have been issued at 100-1/2 since last Wednesday, will remain open until further notice.

1/3/35

(Initialed) J.G.C.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, May 13, 1935.
5-11-35.

Press Service
No. 4-92

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The subscription books for the Treasury bonds, which have been issued at 100-1/2 since last Wednesday, will remain open until further notice.

paid unsecured depositors amounted to 9.42 per cent of their claims.

The First National Bank of Sanborn, North Dakota, was placed in receivership on April 10, 1929 and disbursements, including off-sets allowed, to depositors and other creditors amounted to \$71,871, which represented 91.23 per cent of the total liabilities at date of failure. Unsecured depositors in this case received dividends amounting to 86 per cent of their claims.

The First National Bank of Malvern, Iowa, was placed in receivership on December 10, 1926, and disbursements, including off-sets allowed, to depositors and other creditors aggregated \$228,221 which represented 82.32 per cent of the total liabilities at date of failure. Unsecured depositors received 73.76 per cent of their claims.

The First National Bank of Berwyn, Oklahoma, was placed in receivership on November 6, 1930, and disbursements, including off-sets allowed, to depositors and other creditors amounted to \$38,434 which represented 78.90 per cent of the total liabilities at date of failure. Unsecured depositors received 30.7 per cent of their claims.

creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 5.413 per cent. Total payments to creditors, including offsets allowed, aggregated \$102,636 and the stockholders received \$3,934 together with the assets remaining uncollected.

The Kosse National Bank of Kosse, Texas was placed in receivership on September 18, 1933, and all depositors and other creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 10.84 per cent. Total payments to creditors, including offsets allowed, aggregated \$24,314 and the stockholders received \$5,368 together with the assets remaining uncollected.

The Farmers National Bank of Trafalgar, Indiana was placed in receivership on September 23, 1931, and all depositors and other creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 6.95 per cent. Total payments to creditors, including offsets allowed, aggregated \$107,643 and the stockholders received \$1,669 together with the assets remaining uncollected.

The First National Bank of Blythe, California, was placed in receivership on August 12, 1931, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$232,436 which represented 61.61 per cent of the total liabilities at date of failure. However, secured and preferred creditors received a considerable portion of these disbursements and dividends



TREASURY DEPARTMENT
COMPTROLLER OF THE CURRENCY

WASHINGTON

ADDRESS REPLY TO
"COMPTROLLER OF THE CURRENCY"

For release on Monday, May 13, 1935.

The Comptroller of the Currency, ~~James~~ J. F. T. O'Connor, announced that hereafter monthly statements would be issued showing the receiverships closed during the month. During the past two years monthly statements were issued showing the opening of conservatorship banks. The last conservatorship bank was opened in February, 1935.

During the month of March, 1935, the receiverships of 8 insolvent national banks were finally closed reducing the number of national bank receiverships to 1539 as of the close of business March 31, 1935. The terminations for April will be released as soon as available.

The First National Bank of Ansonia, Ohio, was placed in receivership on August 15, 1933 and all depositors and other creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 5.776 per cent. Total payments to creditors, including offsets allowed, aggregated \$85,534 and the stockholders received \$7,210 together with the assets remaining uncollected.

The First National Bank of Beason, Illinois, was placed in receivership on September 29, 1933, and all depositors and other

TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS,
Monday, May 13, 1935.

Press Service

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creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 5.413 per cent. Total payments to creditors, including offsets allowed, aggregated \$102,636 and the stockholders received \$3,934 together with the assets remaining uncollected.

The Kosse National Bank of Kosse, Texas was placed in receivership on September 18, 1933 and all depositors and other creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 10.84 per cent. Total payments to creditors, including offsets allowed, aggregated \$24,314 and the stockholders received \$5,368 together with the assets remaining uncollected.

The Farmers National Bank of Trafalgar, Indiana, was placed in receivership on September 23, 1931 and all depositors and other creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 6.95 per cent. Total payments to creditors, including offsets allowed, aggregated \$107,643 and the stockholders received \$1,669 together with the assets remaining uncollected.

The First National Bank of Blythe, California was placed in receivership on August 12, 1931, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$232,436 which represented 61.61 per cent of the total liabilities at date of failure.

However, secured and preferred creditors received a considerable portion of these disbursements and dividends paid unsecured depositors amounted to 9.42 per cent of their claims.

The First National Bank of Sanborn, North Dakota was placed in receivership on April 10, 1929, and disbursements, including offsets allowed, to depositors and other creditors amounted to \$71,871, which represented 91.23 per cent of the total liabilities at date of failure. Unsecured depositors in this case received dividends amounting to 86 per cent of their claims.

The First National Bank of Malvern, Iowa, was placed in receivership on December 10, 1926, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$228,221, which represented 82.32 per cent of the total liabilities at date of failure. Unsecured depositors received 73.76 per cent of their claims.

The First National Bank of Berwyn, Oklahoma, was placed in receivership on November 6, 1930, and disbursements, including offsets allowed, to depositors and other creditors amounted to \$38,434, which represented 78.90 per cent of the total liabilities at date of failure. Unsecured depositors received 30.7 per cent of their claims.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

May 13, 1935.

RECEIPTS OF SILVER BY THE MINTS AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933) as amended

Week ended May 10, 1935:

Philadelphia.....	499,829.57	fine ounces
San Francisco.....	182,088.18	" "
Denver.....	5,012.00	" "
Total for week ended May 10, 1935.....	686,929.75	" "
Total receipts through May 10, 1935.....	35,480,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended May 10, 1935:

Philadelphia	1,727.00	fine ounces
New York.....	1,137.00	" "
San Francisco.....	997.00	" "
Denver.....	434.00	" "
New Orleans.....	627.00	" "
Seattle.....	389.00	" "
Total for week ended May 10, 1935.....	5,311.00	" "
Total receipts through May 10, 1935.....	112,733,192.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended May 10, 1935:			
Philadelphia	\$ 11,516.18	\$295,911.84	\$ 440.68
New York.....	6,170,000.00	401,500.00	44,100.00
San Francisco	8,891.13	73,851.02	1,438,490.06
Denver	82,044.00	43,823.00	559,847.00
New Orleans.....	529.67	75,562.08	2,015.42
Seattle.....	- - - -	30,298.48	165,218.24
Total for week ended May 10, 1935.....	\$6,272,980.98	\$920,946.42	\$2,210,111.40

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended May 8, 1935.....	\$ 27,412.94	\$ 389,700.00
Received previously.....	30,285,986.71	90,130,930.00
Total to May 8, 1935.....	\$30,313,399.65	\$90,520,630.00
Received by Treasurer's Office:		
Week ended May 8, 1935.....	\$ 000.00	\$ 7,800.00
Received previously.....	261,506.00	2,121,800.00
Total to May 8, 1935.....	\$ 261,506.00	\$ 2,129,600.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.

TREASURY DEPARTMENT

May 13, 1935.

Washington

Press Service
No. 4-93

Following is the text of a radio address by Henry Morgenthau, Jr., Secretary of the Treasury, to be delivered over a joint hook-up of the National Broadcasting Company and Columbia Broadcasting System, at 10:00 P.M., Eastern Standard Time, Monday, May 13, 1935. It is for release after delivery has actually begun and no portion or synopsis of its contents may be given out in advance.

THE AMERICAN DOLLAR.

It is my purpose, tonight, to state a few simple facts which, I hope, will contribute to a clearer understanding of the monetary policy of the United States. I shall not enter into complicated discussion of the theory of money. I shall merely tell you what was done....why....and the effect.

In order to examine the record in logical sequence, it is necessary to review, briefly, the background of our present problems. Foreign trade has, from the beginning, been an important factor in the business of the American people. During the eighteen years immediately preceding the out-break of the World War, we exported thirty-one billion dollars worth of merchandise, almost all of which was paid for with goods and services that we received. The net gold movement to us was relatively small, amounting to \$174,000,000. Foreigners invested in the United States, during those eighteen years, two billion dollars; Americans invested abroad, one billion dollars. At the out-break of the World War, the American people owed the world three billion dollars more than foreigners owed us. That was what the ledger showed on July 1, 1914.

With the beginning of the World War, a tremendous change took place. From July of 1914 to the end of 1922, we exported forty-seven billion dollars worth of merchandise. Much of this was paid for with goods, services and gold, but there remained due us a balance of 19 billion dollars, for which we took mostly promises to pay.

Now note the contrast. In the previous 18-year period, with our country one of the world's attractive fields for capital investment, we drew in about one billion dollars net from abroad, but when we became a creditor nation, the net outflow of capital reached nineteen billion dollars in the eight years between the beginning of the World War and the end of 1922.

Nor did we stop there. We continued to export more than we imported, thus accumulating an additional two and a half billions of dollars of net foreign investment by the end of 1929.

If we deduct from the grand total of our loans and investments abroad all of the loans and credits that foreigners have here and then examine the status of our net foreign investment, we find that an amount equal to two-thirds of it is today in partial or complete default.

There you have the background, from an American point of view, when in 1931 things headed toward a crisis all over the world. Credit and currency difficulties which had been spreading throughout Europe came to a head in the Spring of that year. On September 21, 1931, Great Britain suspended gold payments. Norway, Sweden, and Denmark followed within a week. Japan acted in December. Other nations either went off gold or took equivalent action to control their foreign exchange.

As the nations went off gold, the value of their currencies in international exchange dropped sharply, and our customers found it difficult to get dollars with which to pay for American products. They could trade with each other to some extent, but they bought from us only what they could not do without. The physical volume of world export trade dropped about one-fourth from 1929 to 1932, but our exports dropped almost one-half in the same period.

During 1932, England increased her share of the world trade by 16 percent over the previous year; and Japan by 29 percent. To say that we merely shared in world-wide misfortune is not entirely accurate, because our share included an additional penalty for remaining on the old gold standard.

While total world export trade declined, those countries which promptly went off gold increased their share of what remained.

Some of the countries became alarmed because they could see the bottoms of their gold bins. They and others exerted pressure to have foreign credits called home. Sometimes these credits responded by going in the other direction just as fast as they could travel. Gold was stampeding from country to country, always leaving the place where it was needed, and rarely doing its new hosts any good.

In January of 1932, gold began to leave the United States in alarming amounts. This was fair notice to all concerned that our turn was next. The panic was knocking at our door, but nothing effective was done to avert it. Europeans knew that we could not maintain our currency at the old gold level without a further ruinous deflation of our prices, trade, and industrial activity. Facing that crisis, the previous Administration stubbornly refused to take action, evidently under the impression that that was a proud achievement, when it was obviously economic suicide.

Foreigners had left here more than a billion dollars to enjoy our high interest rates and prospects of quick profits. Seeing what was happening, they judged that it was high time to take this money home. They did so, and the panic was on. We could not offer them their defaulted paper when they called for their money. We could not even offer them their paper that was not in default. We had let them have the money on long-term loans; and

they had short-term loans here. Our long-term paper was not due, while their short-term loans could be collected and their stocks sold. They could demand gold for every dollar due, and that is what they did. Thus it happened that, in the first six months of 1932, we witnessed the incredible spectacle of gold going out of the world's greatest creditor nation on every ship....nearly all of it to nations that were in our debt. Still nothing effective was done to avert the disaster.

Stupendous as the gold movement was, we could not ship fast enough to meet the demand, and speculators took advantage of the situation to sell the dollar. They were not all foreigners, either. However, the citizenship of these snipers is not important since their dominant trait is an utter lack of patriotism or loyalty to any nation. They would sell civilization itself short if they could, and for all they knew at that time, they might have been doing so.

Our loss of gold, added to the calamity of declining trade, falling commodity prices, and widespread unemployment, caused bewilderment and then panic. The disaster swept over our country with the fury of a hurricane. Within a few months our financial structure was in a state of collapse. In the month of February, 1933, and up to the time President Roosevelt took office, about half a billion dollars in gold and nearly two billion dollars in currency were withdrawn from our banks. They were closing, not individually, but by whole states at a time. That was the situation when this Administration came into office. On taking his oath, Mr. Roosevelt assumed both the duties of President and receiver for a concern...the richest on earth....but on that tragic day face to face with insolvency.

We were headed for disaster unless the run on the banks could be stopped,

and our gold reserves reassembled. Both objectives were promptly achieved. The President's Proclamation closed the banks, ending the run, and the gold was ordered into the custody of Uncle Sam under penalties. Those two acts met the domestic emergency. An embargo on gold exports was declared and that ended the outward flow. This effectively took us off the old gold standard and the dollar began to adjust itself to the realities of the world situation.

In going off gold, we were not the first, we were the thirty-first. The operation was completed in January of 1934 when the dollar was revalued and set at 59.06 percent of its former gold content. Since that time we have enjoyed the soundest currency in the world. It is, in fact, so sound that we find gold flowing back into this country to take refuge in our dollar; not to pay balances but to find safety. Some of the same sharpshooters who personally conducted the flight of gold from this country during 1932 and the first two months of 1933 are now bringing it back.

But let us return to the record and see what our new dollar did for our foreign trade. I shall take all three of the commonly used yardsticks and apply them.

First: Measured in physical volume, the United States increased its export trade during 1934 as compared with both 1932 and 1933.

Second: Measured in dollar value the United States increased its foreign trade in 1934 as compared with 1932 and 1933.

And, finally: Measured by percentage share in the physical volume of total world trade, we again show an increase over both 1932 and 1933.

This is the more remarkable because the volume of our agricultural exports was declining.

In 1934 we shipped one-third less cotton than in 1932; but....we got seven percent more money for it.

We also got a higher price for our wheat, but the drought can account for most of the increase.

Our wheat exports have also been affected by quotas and embargoes. Some of our former customers prefer, for reasons of national policy, to grow their own wheat, regardless of price.

Because of these unusual factors, I can not trace with accuracy and fairness the full effect of our monetary policy upon agricultural exports.

A better test is offered by manufactured goods.

The physical volume of all our finished manufactures exported in 1934 increased 37 percent compared with 1932; semi-manufactures increased 47 percent in the same period.

To be concrete, let us take a specific article, such as the automobile. In 1930 we exported 238,000 cars. In 1932, with our country one of the very few remaining on the old gold standard, we exported 65,000 cars. In 1933 under the Roosevelt monetary program our exports shot up to 107,000 cars. Last year they more than doubled; they came right back to where they had been in 1930.

During the disastrous period of declining sales, the world still wanted American automobiles but it could not get the dollars to pay for them. Nothing startling developed in the way of foreign competition; our dollar prices had not gone up; and quality remained just as good, or improved.

We simply had an interim during which we could not sell because the dollar was too high in relation to other world currencies; this Administration lowered the gold content of the dollar and the foreign market is

being restored to our automobile manufacturers with such rapidity that the benefits are already nation-wide.

Some people have been telling you that there simply could not be any benefit in restoring trade by bringing our money into reasonable relation with the other moneys of the world. I decided to get the answer to that question from the manufacturers themselves. They ought to know best. I asked the executive heads of twenty-nine large representative firms whose products are a cross-section of our industry to tell me:

First: Whether they are getting any more foreign trade.

Second: Whether employment in their plants has increased.

Then, I examined their published reports to find out whether they were making any profits. Here are the combined answers.

To the first question.....whether they are getting any more foreign tradethey answer "yes". In 1934, which was the first full year under the Roosevelt monetary program, their export sales were 59 percent greater than in 1932.

To the second question....whether the number of their employees has increased....they also answer "yes". Two hundred and four thousand more men and women were working in their plants during 1934 than in 1932, an increase of 34 percent.

To the third question.....whether they are making any money....the answer is again "yes". Their combined loss in 1932 was one hundred and twenty-one million dollars; their combined profits for 1934 were in excess of one hundred and twenty-eight million dollars. These figures include their losses and earnings on domestic sales also. Domestic sales followed substantially the same course as their foreign sales. When foreign sales hit rock bottom so did domestic sales; and when foreign sales recovered

under the Roosevelt monetary program, domestic sales recovered with them. So there you have the testimony of the best qualified witnesses.

Under the monetary policy of this Administration, they lifted themselves out of a deficit in excess of one hundred million dollars to earnings in excess of one hundred million dollars; and employment increased by more than 200,000.

There are many indications that world trade will continue to increase. Our monetary policy in relation to foreign trade is not intended to capture business, but merely to protect our normal share. So far from engaging in a competitive devaluation race with the other nations, we hold out to them a currency of such steadiness that the normal tendency may very well be for the rest of the world to move gradually toward practical exchange stabilization. If that can be achieved, the final step should come easily and almost of its own accord. Unless somebody rocks the boat that would be the natural course.

In estimating the future of our foreign trade in relation to our monetary policy, we may as well face the question whether we wish to sell abroad vast quantities of goods that the buyers can not pay for, unless we lend them the money. Of course, if we want more paper there are plenty of international bankers to arrange the details. We felt rich on that paper during the roaring twenties. Now we know better.

In place of paper, under the operation of our new monetary policy, we have been receiving large shipments of gold and silver. Some of it came to settle trade balances, and some represents capital seeking refuge in our sound currency. Various economists will tell you that this policy is likely to end our foreign trade; that first we strip the world of gold and then our foreign trade dies. But we are not stripping the world of gold. We

have more gold than ever before, but the world supply of monetary gold is also increasing rapidly. Production now proceeds at the rate of about one billion dollars annually, and will continue to increase. The great nations are restoring their reserves. Meanwhile, percentages of the total held by the various nations show no alarming changes. We had 41.7 percent of all the monetary gold in 1922 and now we have 38.8 percent. France had 8.4 percent in 1922 and now she has 24.8. Great Britain lost gold heavily before she suspended gold payments in 1931, but since then has increased her share from 5.2 percent to 7.2 percent.

With increasing gold production, and hundreds of millions of dollars worth of the yellow metal being brought out of hiding, surely some of it can be used to pay balances. We are also endeavoring to restore silver to greater usefulness as a monetary metal. It is the money of a large part of the world's population.

Objection to our course is sometimes based upon the assertion that we would bring vast quantities of the world's gold and silver here, only to be locked up in the United States Treasury....the phrase commonly used is that the gold and silver thus become sterile. At least, however, it goes to swell our monetary reserves. Loans in default are not very good backing for currency; indeed they might, without undue asperity, be described as also sterile. If we must choose between the two, this Administration elects payment of international balances in monetary metals.

You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that the other nations would certainly follow, if we took the lead. If we launched out alone on such a course, it would put us right back where we were in 1932, and offer a tempting invitation for the

others not to follow, but again to take advantage of our disadvantage.

We realize the importance of world prosperity, and will evade no opportunity to assist in that direction....except the ever-present opportunity to donate prosperity at our own expense.

In conclusion, I should like to summarize this statement by saying:

First: You have an absolutely sound dollar.

Second: The monetary policy of this Administration rescued us from chaos; held the fort through the most trying period of our recovery program; and is now the spearhead as we advance steadily toward our goal.

Third: Of the great trading nations that revalued their currencies, we were the last, until quite recently, when Belgium joined us.

The world should know that when it is ready to seek foreign exchange stabilization, Washington will not be an obstacle. Our position was that of an innocent bystander who suffered untold loss in a fight that he did not start, and from which he could not escape. Why should we be singled out and admonished that the moral duty to restore order is primarily ours? Before we make any commitments, we must be sure that we will not lose what we have just regained. We are not unwilling to stabilize. However, if the great trading nations elect to continue under the present absence of rules we are no longer at a disadvantage. We revalued our currency no more than was necessary and we can go either way. Our hands are untied.

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May 13, 1935

The following data, to which reference is made in Secretary Morgenthau's radio address of May 13, are for release simultaneously with the address.

Domestic Sales, Export Sales, Profits and Employment, 1931-1934
Summary of Reports From Twenty-nine Companies

	: Value of:	: Percent:	: Value of:	: Percent:	: Total:	: Percent:	: export:	: Published:	: Number of:	
	: domestic:	: of	: export:	: of	: sales:	: of	: to	: profits*:	: employees:	
	: sales	: of	: sales	: of	: sales	: of	: total	: (mill.\$):	: December	: of
	: (mill.\$):	: 1931	: (mill.\$):	: 1931	: (mill.\$):	: 1931	: total	: (mill.\$):	: 31st	: 1931
	:	:	:	:	:	:	:	:	: (thous.)	:
1931	3,475	100.0	264	100.0	3,739	100.0	7.1	77.4	677	100.0
1932	2,380	68.5	181	68.6	2,561	68.5	7.1	121.0 <u>d/</u>	592	87.4
1933	2,571	74.0	209	79.2	2,780	74.4	7.5	39.1	732	108.1
1934	3,220	92.7	287	108.7	3,507	93.8	8.2	128.1	796	117.6

* Profits before dividends

d/ Deficit

Reports from the following companies are included in this tabulation:

Allied Chemical and Dye Corp.

Allis-Chalmers Mfg. Co.

American Rolling Mill Co.

Anaconda Copper Mining Co.

Armour and Co.

Bethlehem Steel Corp.

Burroughs Adding Machine Co.

Cannon Mills Co.

Chrysler Corp.

General Electric Co.

Ingersoll-Rand Co.

International Business Machines Corp.

International Harvester Co.

Johns-Manville Corp.

National Cash Register Co.

National Supply Co. of Delaware

Pepperell Manufacturing Co.

Remington Rand, Inc.

Sherwin-Williams Co.

Socony-Vacuum Oil Co.

Standard Oil Co. of California

Sterling Products, Inc.

Swift and Co.

Texas Gulf Sulphur Co.

Underwood Elliott Fisher Corp.

United States Rubber Co.

United States Steel Corp.

Westinghouse Electric & Mfg. Co.

Youngstown Sheet & Tube Co.

TREASURY DEPARTMENT

WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, May 14, 1935.


Press Service

4-94

5/13/15

Secretary of the Treasury Morgenthau announced last evening that the tenders for \$50,000,000, or thereabouts, of 272-day Treasury bills, dated May 15, 1935, and maturing February 11, 1936, which were offered on May 10, were opened at the Federal Reserve banks on May 13, 1935.

The total amount applied for was \$160,256,000, of which \$50,255,000 was accepted. The accepted bids ranged in price from 99.902, equivalent to a rate of about 0.130 percent per annum, to 99.889, equivalent to a rate of about 0.147 percent per annum, on a bank discount basis. Only part of the amount bid for at the latter price was accepted. The average price of Treasury bills to be issued is 99.892 and the average rate is about 0.143 percent per annum on a bank discount basis.



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Secretary of the Treasury Morgenthau announced today (May 14) that the subscription books for the current offering of 2-7/8 percent Treasury Bonds of 1955-60, in exchange for First Liberty Loan bonds called for redemption on June 15, 1935, will close at the close of business Thursday, May 23, 1935. Subscriptions placed in the mail before 12 o'clock, midnight, Thursday, May 23, will be considered as having been entered before the close of the subscription books.

As announced yesterday, about 80 percent of the outstanding First Liberty Loan bonds have already been exchanged. The subscription books are being kept open for the additional period in order that all holders of the called bonds, and particularly the small holders, may have ample opportunity to take advantage of the exchange offering.

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to depositors and other creditors aggregated \$145,859 which represented 54.8 per cent of the total liabilities at date of failure. However, secured and preferred creditors received a considerable portion of these disbursements and dividends paid unsecured depositors amounted to 29.28 per cent of their claims.

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The Globe National Bank of Denver, Colorado, was placed in receivership on October 1, 1925, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$3,589,582, which represented 76.5 per cent of the total liabilities at date of failure. Unsecured depositors received 62.539 per cent of their claims.

The First National Bank of Langdon, North Dakota, was placed in receivership on April 23, 1931, the liabilities of the institution having theretofore been assumed by another bank. The Receiver was appointed for the purpose of collecting an assessment against the stockholders for the benefit of the purchasing bank which was the sole creditor of the receivership and which received dividends amounting to 17.28 per cent or the aggregate sum of \$10,003.

The Prineville National Bank of Prineville, Oregon, was placed in receivership on September 1, 1931, and disbursements, including offsets allowed, to depositors and other creditors amounted to \$98,540, which represented 89.4 per cent of the total liabilities at date of failure. Unsecured depositors in this case received dividends amounting to 74.95 per cent of their claims.

The First National Bank of Fairview, Missouri, was placed in receivership on September 7, 1930, and disbursements, including offsets allowed, to depositors and other creditors amounted to \$54,665, which represented 71.8 per cent of the total liabilities at date of failure. Unsecured depositors received 51.4 per cent of their claims.

The First National Bank of Redmond, Oregon, was placed in receivership on February 12, 1931, and disbursements, including offsets allowed,

The First National Bank of Unionville, New York, was placed in receivership on October 5, 1931 and disbursements, including offsets allowed, to depositors and other creditors aggregated \$542,052, which represented 81.6 per cent of the total liabilities at date of failure. Unsecured depositors in this case received dividends amounting to 79.906 per cent of their claims.

The New Georgia National Bank of Albany, Georgia, was placed in receivership on January 4, 1928 and disbursements, including offsets allowed, to depositors and other creditors aggregated \$923,270, which represented 73.9 per cent of the total liabilities at date of failure. Unsecured depositors received dividends amounting to 44.48 per cent of their claims.

The First National Bank of Champlain, New York, was placed in receivership on March 19, 1931, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$992,529, which represented 78.3 per cent of the total liabilities at date of failure. Unsecured depositors received 77.434 per cent of their claims.

The First National Bank of Rouses Point, New York, was placed in receivership on March 19, 1931, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$581,713, which represented 79.6 per cent of the total liabilities at date of failure. Unsecured depositors in this case received dividends amounting to 79.086 per cent of their claims.

The Reed City National Bank of Reed City, Michigan, was placed in receivership on May 2, 1929, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$110,339, which represented 46.8 per cent of the total liabilities at date of failure. Unsecured

claims and received participation certificates in certain trustee assets for the remaining 50 per cent of their claims.

The First National Bank of Chickasha, Oklahoma, was placed in receivership on July 5, 1934 and on April 26, 1935, the bank was restored to solvency. All depositors and other creditors received 100 per cent principal payment.

The First National Bank of Columbus, New Jersey, was placed in receivership on December 15, 1933, and all depositors and other creditors were paid 100 per cent principal with interest in full at the legal rate amounting to an additional dividend of 8.5 per cent. Total payments to creditors, including offsets allowed, aggregated \$164,331 and the stockholders received \$20,137 together with the assets remaining uncollected.

The Farmers & Merchants National Bank of Lake City, South Carolina, was placed in receivership on October 18, 1926 and disbursements, including offsets allowed, to depositors and other creditors aggregated \$99,732, which represented 66 per cent of the total liabilities at date of failure. Unsecured depositors received dividends amounting to 53.71 per cent of their claims.

The First National Bank of Kerkhoven, Minnesota, was placed in receivership on January 6, 1931 and disbursements, including offsets allowed, to depositors and other creditors aggregated \$75,192, which represented 84.8 per cent of the total liabilities at date of failure. Unsecured depositors received dividends amounting to 80.35 per cent of their claims.

TREASURY DEPARTMENT

Washington

FOR RELEASE MORNING NEWSPAPERS,
Monday, May 20, 1935.

Press Service

The Comptroller of the Currency, J.F.T. O'Connor, announced that during the month of April, 1935, the receiverships of 13 insolvent national banks were liquidated and finally closed and 4 receiverships were restored to solvency. During the same month, Receivers were appointed for 2 national banks formerly in voluntary liquidation resulting in a net reduction of 15 receiverships for the month and leaving a total of 1524 national bank receiverships as of the close of business April 30, 1935.

The Citizens National Bank of Eureka, Kansas, was placed in receivership on February 23, 1934 and on April 2, 1935, the bank was restored to solvency. The secured and preferred creditors were paid 100 per cent principal and the unsecured depositors were paid 70 per cent of their claims and received participation certificates in certain trustee assets for the remaining 30 per cent of their claims.

The National Bank of Wyoming, Illinois, was placed in receivership on October 25, 1933 and on April 18, 1935, the bank was restored to solvency. The secured and preferred creditors were paid 100 per cent principal and the unsecured depositors were paid 60 per cent of their claims and received participation certificates in certain trustee assets for the remaining 40 per cent of their claims.

The Farmers National Bank of Aledo, Illinois, was placed in receivership on October 30, 1933 and on April 4, 1935, the bank was restored to solvency. The secured and preferred creditors were paid 100 per cent principal and the unsecured depositors were paid 50 per cent of their

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The First National Bank of Fairview, Missouri, was placed in receivership on September 7, 1930, and disbursements, including offsets allowed, to depositors and other creditors amounted to \$54,665, which represented 71.8 per cent of the total liabilities at date of failure. Unsecured depositors received 51.4 per cent of their claims.

The First National Bank of Redmond, Oregon, was placed in receivership on February 12, 1931, and disbursements, including offsets allowed, to depositors and other creditors aggregated \$145,859 which represented 54.8 per cent of the total liabilities at date of failure. However, secured and preferred creditors received a considerable portion of these disbursements and dividends paid unsecured depositors amounted to 29.28 per cent of their claims.

The book value of capital stock of the active national banks on March 4, 1935, was \$1,804,739,000 and represented a par value of \$1,806,448,000. The latter figure was comprised of Class A preferred stock of \$492,685,000, Class B preferred stock of \$19,389,000, and common stock of \$1,294,374,000. The book value of the capital stock increased in the 2 and 12-month periods \$18,330,000 and \$150,809,000, respectively. Surplus funds of \$834,878,000, undivided profits of \$283,557,000, reserves for contingencies of \$143,728,000 and preferred stock retirement fund of \$2,046,000, or a total of \$1,264,209,000, showed an increase of \$20,630,000 since December 31, but a decrease of \$2,423,000 in the year.

Circulating notes outstanding amounted to \$627,022,000, in comparison with \$654,456,000 on December 31, 1934, and \$790,037,000 on March 5, 1934.

The total deposits of the active banks on March 4, 1935, were \$22,015,699,000, showing an increase of \$339,396,000, or 1.57 per cent, since December 31, and an increase of \$3,225,212,000, or 17.16 per cent, since March 5, 1934. The aggregate on March 4, 1935, included amounts due to banks subject to immediate withdrawal and certified and cashiers' checks outstanding of \$3,640,411,000, United States Government deposits of \$727,603,000, other demand deposits of \$10,542,140,000, and time deposits of \$7,105,545,000. In the total of time deposits are included postal savings of \$313,660,000, time certificates of deposit of \$660,613,000 and deposits evidenced by savings pass books of \$5,509,152,000, the latter amount representing 14,305,253 accounts. Postal savings in national banks on March 4, 1935, showed a decrease of \$37,026,000, or 10.56 per cent, since December 31, and a decrease of \$237,432,000, or 43.08 percent, in the year.

Bills payable of \$10,427,000 and rediscounts of \$340,000, a total of \$10,767,000, showed an increase of \$3,042,000 since December, but a decrease of \$41,952,000 since the spring call in 1934.

The percentage of loans and discounts to total deposits reported as of March 4, 1935, was 34.02, in comparison with 34.55 on December 31, 1934, and 42.04 on March 5, 1934.

TREASURY DEPARTMENT

150 copies

Washington

FOR RELEASE, AFTERNOON NEWSPAPERS,

Press Service

No. 4-98

May 22, 1935*using figures
in speech*

Comptroller of the Currency J. F. T. O'Connor announced today that the total assets of the 5,451 active national banks in the continental United States, Alaska and Hawaii on March 4, 1935, the date of the last call for statements of condition, aggregated \$25,959,283,000, which is an increase of \$329,703,000 over the amount reported by the 5,467 active banks on December 31, 1934, the date of the previous call, and an increase of \$3,018,110,000 over the amount reported by the 5,293 active banks as of March 5, 1934, the date of the spring call made a year ago.

Loans and discounts, including rediscounts, on March 4, 1935, totaled \$7,489,904,000, in comparison with \$7,488,652,000 on December 31, 1934, and \$7,899,279,000 on March 5, 1934. ~~Though small in amount, it is encouraging to note in this connection that the~~ loans of national banks showed an increase of \$1,252,000 in the period from December 31, 1934 to March 4, 1935. This is the first increase made between calls since October 25, 1933.

Investments in United States Government obligations, direct and fully guaranteed, amounted to \$7,120,291,000, which was an increase of \$160,083,000 since December 31, and an increase of \$1,712,943,000 in the year. Investments in such obligations reported for the recent call comprise direct obligations of the United States of \$6,283,866,000, obligations of the Reconstruction Finance Corporation of \$187,608,000, Federal Farm Mortgage Corporation bonds of \$212,946,000, and Home Owners' Loan Corporation bonds guaranteed as to both interest and principal of \$435,871,000. Other bonds and securities held amounting to \$3,489,381,000, including Home Owners' Loan Corporation bonds guaranteed by the United States as to interest only, showed a decrease of \$6,343,000 since December 31, but an increase of \$60,938,000 in the year.

Balances due from correspondent banks and bankers of \$6,250,797,000, which included reserve with Federal reserve banks of \$2,772,766,000, were \$274,174,000 more than on December 31, and \$1,722,116,000 more than on March 5, 1934. The cash in vault of \$391,428,000 was \$65,038,000 less than on December 31, but \$33,126,000 more than the amount held March 5 last year.

TREASURY DEPARTMENT

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Wednesday, May 22, 1935.

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close the books as to any or all subscriptions at any time without notice.

Applications for the 1-1/2 percent bonds of Series F-1939 of the Home Owners' Loan Corporation should be accompanied by a like face amount of the called 4 percent bonds tendered in payment. Coupon bonds so tendered should have the January 1, 1936, and all subsequent coupons attached, and registered bonds should be assigned as provided in the official circular.

Subject to the reservations set forth in the official circular all subscriptions for the 1-1/2 percent bonds, in payment of which the called 4 percent bonds are tendered, will be allotted in full. Interest on the called 4 percent bonds tendered and accepted on exchange will be paid in full on July 1, 1935.

Pursuant to public notice given today by the Home Owners' Loan Corporation, all outstanding 4 percent bonds of Series of 1933-51 of the Corporation are called for redemption on July 1, 1935. About \$325,000,000 of these bonds are outstanding. The offering now announced affords the holders of these called bonds an opportunity to acquire a like principal amount of the new bonds on a par for par exchange basis, with interest in full on the exchanged ^{4 percent} bonds for the current half-year period.

The text of the official circular follows:

For
7/14

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING PAPERS,
Monday, May 20, 1935.
5/18/35

Press Service
No. 4-99

The Secretary of the Treasury, on behalf of the Home Owners' Loan Corporation, today announced an offering of 4-year 1-1/2 percent bonds of the Home Owners' Loan Corporation of Series F-1939, in payment of which only Home Owners' Loan Corporation 4 percent bonds of Series of 1933-51 called for redemption on July 1, 1935, may be tendered. The present offering is strictly on an exchange basis, and will be limited to the amount of the called 4 percent bonds tendered and accepted. Cash subscriptions will not be received, but to the extent the called 4 percent bonds are not exchanged at this time, an additional amount of the 1-1/2 percent bonds may subsequently be offered for cash.

The bonds now offered will be dated June 1, 1935, and will bear interest from that date at the rate of 1-1/2 percent per annum, payable semiannually. They will mature in four years on June 15, 1939, and will not be subject to call for redemption prior to maturity.

The bonds ^{will be} ~~are~~ fully and unconditionally guaranteed both as to principal and interest by the United States, and, as more specifically stated in the offering circular, they will be exempt both as to principal and interest from all Federal, State, and local taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed.

Bearer bonds with interest coupons attached will be issued in denominations of \$25, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000; they will not be issued in registered form.

Applications will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington, D. C. The right is reserved to

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The text of the official circular follows:

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

May 20, 1935.

RECEIPTS OF SILVER BY THE MINES AND ASSAY OFFICES:

(Under Executive Proclamation of December 21, 1933) as amended

Week ended May 17, 1935:

		fine ounces
Philadelphia.....	- - - - -	"
San Francisco	80,861.27	"
Denver.....	6,046.00	"
Total for week ended May 17, 1935.....	86,907.27	"
Total receipts through May 17, 1935.....	35,567,000.00	"

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended May 17, 1935:

		fine ounces
Philadelphia.....	459.00	"
New York	3,521.00	"
San Francisco.....	6,700.00	"
Denver	173.00	"
New Orleans.....	357.00	"
Seattle.....	270.00	"
Total for week ended May 17, 1935.....	11,480.00	"
Total receipts through May 17, 1935.....	112,744,672.00	"

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended May 17, 1935:			
Philadelphia.....	\$ 7,635.74	\$ 235,001.51	\$ 345.98
New York	10,914,800.00	299,200.00	84,500.00
San Francisco.....	458,206.07	104,271.77	1,268,352.58
Denver.....	63,204.00	40,520.00	806,907.00
New Orleans.....	14,126.21	39,193.78	2,754.36
Seattle.....	- - - - -	25,693.35	189,900.85
Total for week ended May 17, 1935..	\$11,457,972.02	\$ 743,880.41	\$2,352,760.77

GOLD RECEIVED BY FEDERAL RESERVE BANKS AND THE TREASURER'S OFFICE:

(Under Secretary's Order of December 28, 1933)

	Gold Coin	Gold Certificates
Received by Federal Reserve Banks:		
Week ended May 15, 1935.....	\$ 33,650.02	\$ 507,020.00
Received previously.....	30,313,399.65	90,520,630.00
Total to May 15, 1935.....	\$30,347,049.67	\$91,027,650.00
Received by Treasurer's Office:		
Week ended May 15, 1935.....	\$ 500.00	\$ 6,700.00
Received previously.....	261,506.00	2,129,600.00
Total to May 15, 1935.....	\$ 262,006.00	\$ 2,136,300.00

NOTE: Gold bars deposited with the New York Assay Office to the amount of \$200,572.69 previously reported.