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TREASURY DEPARTMENT

FOR IMMEDIATE RELEASE

January 1, 1934.

M. H. McIntyre

Assistant Secretary to the President.

The following correspondence between Mr. Walter J. Cummings, Chairman of the Federal Deposit Insurance Corporation and the President was made public late today:

Dear Mr. President:

January 1, 1934.

Pursuant to your request, I have the honor to submit to you a brief report of the work of the Federal Deposit Insurance Corporation.

We have insured 13,423 banks. The insurance covers deposits up to \$2,500 until July 1, 1934, when the permanent provisions of the Act become operative.

A careful survey shows that 97 per cent of the total number of depositors are insured in full.

We found 141 banks ineligible for insurance. A number of them may be insured by making certain corrections. In other words, approximately one per cent of the applying banks could not qualify. This remarkable record was due to the assistance given by the Reconstruction Finance Corporation by the purchase from banks of preferred stock and capital notes.

I believe that the insuring of bank deposits will not only be of incalculable value in restoring public confidence in the Nation's financial institutions now strengthened, but that it will be of tremendous assistance in hastening the return of prosperity. It will banish the fear of the depositor as to the safety of his money and from the banker's point of view, the elimination of the possibility of sudden and heavy withdrawals will make possible the expansion of credit for legitimate purposes.

The Federal Government has subscribed \$150,000,000 to the capital of the Federal Deposit Insurance Corporation, the Federal Reserve Banks have subscribed \$140,000,000 and in assessments the corporation has received over \$37,000,000, making a total of \$327,000,000 available funds for the immediate use of the corporation.

I should like to express my real appreciation of the untiring efforts and close cooperation shown by the other two directors of the corporation: Mr. J. F. T. O'Connor, Comptroller of the Currency, and Mr. E. G. Bennett.

The immediate task you entrusted upon your directors has been accomplished. We now direct our efforts to the advance of a great work---protect deposits and permit banks to function as useful instruments in the Recovery Program.

Thanking you for the opportunity to serve in this way, I am

Very sincerely yours,

WALTER J. CUMMINGS,
Chairman.

The President,
The White House.

The White House,
Washington, D.C.,
January 1, 1934.

My dear Mr. Cummings:

I congratulate you and Mr. Bennett and Mr. O'Connor because you have in these few months accomplished with complete success a gigantic task which the pessimists said could not possibly be done before January 1.

That 97 per cent of the bank depositors of the nation are insured will give renewed faith.

I am also happy to know of the fine cooperation given to you by the Reconstruction Finance Corporation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. Walter J. Cummings,
Chairman,
Federal Deposit Insurance Corporation.

Release Folder

For immediate release,
Tuesday, January 2, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Wednesday, January 3, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Thursday, January 4, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, January 8, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated January 10, 1934, and will mature on April 11, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for,

unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on January 8, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on January 10, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

Release Folder

For immediate release,
Friday, January 5, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Saturday, January 6, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

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TREASURY DEPARTMENT

INFORMATION FOR THE PRESS
IMMEDIATE RELEASE

January 6, 1934.

The Secretary of the Treasury today made public the following correspondence:

Hon. Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.

January 5, 1934.

Dear Henry:

When you first asked me to come down to Washington to help out in the Treasury, I told you that I could do so only on a temporary basis; that one of my then senior partners, Mr. Henry Seligman, was not in good health and if anything were to happen so that he could not continue to take an active part in the affairs of the firm, I should have to leave on relatively short notice. As you know, when Mr. Seligman died two weeks ago I told you that I must finish up my work here as soon as possible and go back to New York. I want to inconvenience you about this as little as necessary, and I therefore resign to take effect some time in January at your convenience. I am sure you will do your best to release me as soon as you can.

Needless to say, I regret very much having to pull out, but I know that you agree with me that my obligations being what they are, I have no alternative. In view of the organization that you have now built up, I feel sure that my going will not be of any real inconvenience to you. I have had a grand time working with you and it has been a privilege which I shall not forget.

With best regards, I am,

Faithfully yours,

(Signed) EARLE BAILIE.

January 6, 1934.

Dear Earle:

In reply to your letter of January 5th I can only repeat what I have already told you, how much I regret that you find it necessary to return to New York. During your short stay at the Treasury you have rendered real service to the President and to me.

I appreciate greatly the personal sacrifice that Mrs. Bailie and you made in coming down here.

My best wishes go with you.

Very sincerely yours,

(Signed) HENRY MORGENTHAU, Jr.

Mr. Earle Bailie,
The Treasury,
Washington, D. C.

Release Folder

For immediate release,
Monday, January 8, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Tuesday, January 9, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Wednesday, January 10, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Thursday, January 11, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

TREASURY DEPARTMENT

INFORMATION FOR THE PRESS,
IMMEDIATE RELEASE

Secretary Morgenthau today (January 11, 1934) made public the following notice of amendment of Customs Regulations:

TO COLLECTORS OF CUSTOMS AND OTHERS CONCERNED:

Article 415 of the Customs Regulations of 1931 is hereby amended to read as follows:

Art. 415. Tobacco products, alcoholic beverages, food-stuffs, and tea. (a) Fifty cigars or 300 cigarettes or 3 pounds of manufactured tobacco, and not exceeding one quart of alcoholic beverages, when brought in by an adult nonresident passenger, if not for sale or other commercial use, may be passed free of duty and internal-revenue tax.

(b) Cigars, cigarettes, tobacco, and not exceeding one quart of alcoholic beverages may be included within the \$100 exemption allowed each adult returning resident. Internal-revenue tax should be assessed on tobacco products in excess of 50 cigars, or 300 cigarettes, or 3 pounds of manufactured tobacco, although included in the exemption from duty, and on all distilled spirits and wines subject to duty. Foodstuffs may be included in the \$100 exemption.

(c) The quart of alcoholic beverages which may be imported by a nonresident, or by a resident if included within the \$100 exemption, without payment of duty or internal-revenue tax may consist of lesser quantities of more than one kind of beverage. In the case of passengers bringing in more than one kind of tobacco product, the exemption from internal-revenue tax allowed returning residents and the exemption from tax and duty allowed nonresidents may be applied proportionately, for example, to 25 cigars and 150 cigarettes, or to 25 cigars, 50 cigarettes and 1 pound of manufactured tobacco.

(d) Internal-revenue stamps shall be affixed to taxable tobacco products imported in baggage. Before sale of such stamps to a passenger, the customs officer shall stamp across the face thereof with a rubber stamp the legend "United States Customs; imported in passenger's baggage." No customs inspection stamps are required.

(e) Packages of tea not exceeding 5 pounds in weight and imported in a passenger's baggage may be delivered without examination for purity under the Act of March 2, 1897, as amended.

J. H. MOYLE
Commissioner of Customs.

Approved:

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$125,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, January 15, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated January 17, 1934, and will mature on April 18, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for,

unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on January 15, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on January 17, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

Release Folder

For immediate release,
Friday, January 12, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Saturday, January 13, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

Release Folder

For immediate release,
Monday, January 15, 1934.

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

The Reconstruction Finance Corporation will accept subscriptions today for its issue of notes maturing February 1, 1934, payable only in newly mined gold, that is, gold recovered from natural deposits in the United States and any territory subject to its jurisdiction, at the rate of \$34.06 per ounce of fine gold under regulations for consignment, deposit and tender of gold and delivery of obligations established by the Treasury Department and Reconstruction Finance Corporation.

JESSE H. JONES,
Chairman, Reconstruction
Finance Corporation.

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TREASURY DEPARTMENT
WASHINGTON

MEMORANDUM FOR THE PRESS.
IMMEDIATE RELEASE.

January 17, 1934.

The Commissioner of Customs suggests that attention be called to provisions of law against the import of liquor through the mails.

It is forbidden by existing law (Title 18, Section 340, U.S. Code and Supp. V; Section 588, Postal Laws and Regulations 1932) to convey in the domestic mails spirituous, vinous, malted, fermented, or other intoxicating liquors of any kind; consequently such liquors cannot be imported through the international mail service.

Where mail parcels containing such liquors are observed in the mails from foreign countries, provision is made whereby the parcels may be appropriately endorsed and returned to the country of origin. Where such parcels are marked for abandonment or where for other reasons they are not returned to the country of origin or exported, they shall be turned over to Customs by the Postal Service for disposition as seized merchandise.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$125,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, January 22, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated January 24, 1934, and will mature on April 25, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on January 22, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on January 24, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

TREASURY DEPARTMENT

Bureau of the Budget

Information for the Press
For Immediate release

January 20, 1934.

Many inquiries made of the Bureau of the Budget concerning (1) the allocation of funds by the Public Works Administration from the appropriation of June 16, 1933, of \$3,300,000,000, for National Industrial Recovery, and also concerning (2) the expenditures of the Reconstruction Finance Corporation, indicate that the persons making these inquiries have overlooked the fact that summaries of such data appear in the 1935 Budget. The allocations from the appropriation for National Industrial Recovery will be found in Budget Statement No. 5, page A80, and the summary of the expenditures of the Reconstruction Finance Corporation in Budget Statement No. 6, page A82.

These statements are listed in the "Table of Contents", page III, but through inadvertence reference to them was not included in the Budget index.

STATEMENT BY SECRETARY MORGENTHAU

The Treasury is today offering for subscription at par and accrued interest, through the Federal reserve banks, \$500,000,000, or thereabouts, 2-1/2 per cent Treasury notes of Series C-1935, maturing March 15, 1935, and \$500,000,000, or thereabouts, 1-1/2 per cent Treasury certificates of indebtedness of Series TS-1934, maturing September 15, 1934.

The Treasury notes will be dated January 29, 1934, and will bear interest from that date at the rate of 2-1/2 per cent per annum, payable on a semiannual basis. They will mature March 15, 1935, and will not be subject to call for redemption prior to that date.

The certificates of indebtedness will be dated January 29, 1934, and will bear interest from that date at the rate of 1-1/2 per cent per annum, payable on a semiannual basis. They will mature September 15, 1934.

The Treasury notes and the Treasury certificates of indebtedness will 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.

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, unless made by an incorporated bank or trust company, or by a responsible and recognized dealer in Government securities, must be accompanied by payment in full or by payment of 10 per cent of the amount of notes or certificates applied for. The forfeiture of the 10 per cent payment may be declared by the Secretary of the Treasury if payment in full is not completed on the prescribed date in the case of subscriptions allotted.

Subscriptions for amounts up to and including \$10,000, will be allotted in full; all other subscriptions will be allotted on an equal percentage basis.

The Treasury notes will be issued in bearer form only, in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000, with three interest coupons attached, payable on a semiannual basis on March 15 and September 15, 1934, and March 15, 1935. The certificates of indebtedness will be issued in bearer form only, in denominations of \$500, \$1,000, \$5,000, \$10,000, and \$100,000, with two interest coupons attached, payable on March 15 and September 15, 1934.

The texts of the official circulars follow:

TREASURY NOTES - SERIES C-1935

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, under the authority of the act approved September 24, 1917, as amended, Treasury notes of Series C-1935. The amount of the offering is \$500,000,000, or thereabouts.

DESCRIPTION OF NOTES

The notes will be dated January 29, 1934, and will bear interest from that date at the rate of two and one-half per cent per annum, payable on a semiannual basis on March 15 and September 15 in each year. They will mature March 15, 1935, and will not be subject to call for redemption prior to maturity.

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.

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.

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.

Subscriptions for amounts up to and including \$10,000 will be

allotted in full; all other subscriptions will be allotted on an equal percentage basis.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to allot less than the amount of notes applied for and to close the books as to any or all subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for notes allotted must be made on or before January 29, 1934, or on later allotment. Any qualified depository will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district. Applications, unless made by an incorporated bank or trust company, or by a responsible and recognized dealer in Government securities, must be accompanied by payment in full or by payment of 10 per cent of the amount of notes applied for. The forfeiture of the 10 per cent payment may be declared by the Secretary of the Treasury if payment in full is not completed on the prescribed date in the case of subscriptions allotted.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and 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. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive notes.

CERTIFICATES OF INDEBTEDNESS, SERIES TS-1934

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal reserve banks, under the authority of the act approved September 24, 1917, as amended, Treasury certificates of indebtedness of Series TS-1934. The amount of the offering is \$500,000,000, or thereabouts.

DESCRIPTION OF CERTIFICATES

The certificates will be dated January 29, 1934, and will bear interest from that date at the rate of one and one-half per cent per annum, payable on a semiannual basis. They will be payable on September 15, 1934.

Bearer certificates will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The certificates will have two interest coupons attached, payable on March 15 and September 15, 1934.

The certificates shall be exempt, both as to principal and interest, from all taxation (except estate and 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 certificates 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 certificates.

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

APPLICATION AND ALLOTMENT

Applications will be received at the Federal reserve banks and branches and at the Treasury Department, Washington.

Subscriptions for amounts up to and including \$10,000 will be allotted in full; all other subscriptions will be allotted on an equal percentage basis.

The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to allot less than the amount of certificates applied for and to close the books as to any or all subscriptions at any time without notice; the Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

PAYMENT

Payment at par and accrued interest for certificates allotted must be made on or before January 29, 1934, or on later allotment. Any

qualified depository will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal reserve bank of its district.

Applications, unless made by an incorporated bank or trust company, or by a responsible and recognized dealer in Government securities, must be accompanied by payment in full or by payment of 10 per cent of the amount of certificates applied for. The forfeiture of the 10 per cent payment may be declared by the Secretary of the Treasury if payment in full is not completed on the prescribed date in the case of subscriptions allotted.

GENERAL PROVISIONS

As fiscal agents of the United States, Federal reserve banks are authorized and requested to receive subscriptions and 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. After allotment and upon payment Federal reserve banks may issue interim receipts pending delivery of the definitive certificates.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$150,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, January 29, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated January 31, 1934, and will mature on May 2, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for,

unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on January 29, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on January 31, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

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TREASURY DEPARTMENT
WASHINGTON

Memorandum for the Press.

January 30, 1934.

The President today approved the Gold Reserve Act of 1934 and at the same time approved provisional regulations of the Secretary of the Treasury under the Act. These regulations provide substantially as follows:

1. Gold in any form may be acquired, transported, melted or treated, imported, exported or earmarked or held in custody for foreign or domestic account (except on behalf of the United States) only to the extent permitted by and subject to the conditions prescribed in these Regulations or licenses issued pursuant to them.

2. Violation of the Regulations will subject the holder of gold to its forfeiture and to a penalty equal to twice the value of the gold.

3. Gold may be transported by carriers only for persons licensed to hold and transport it or permitted by the Regulations to hold and transport it.

4. Gold situated outside the United States may be dealt in freely.

5. Similarly, gold situated in the possessions of the United States, but not including United States gold coin, may be dealt in freely by persons not domiciled in the United States.

6. Fabricated gold may be acquired, exported or imported without a license, but in the case of export an affidavit is required that the shipment is not being made for the purpose of disposing of fabricated gold primarily for the value of the gold content. Travelers leaving the United States may carry with them fabricated gold articles for personal use not exceeding fifteen ounces, without filing an affidavit or obtaining an export license.

7. Metals containing not more than five troy ounces of fine gold per short ton are not subject to license.

8. Unmelted scrap gold in amounts of not more than five troy ounces per fine gold may be held or transported without a license.

9. Gold in its natural state as mined, may be acquired, held and transported without a license.

10. Gold coins recognized as of special value to collectors are exempt from license regulations, but may be exported only under license issued by the Director of the Mint.

11. Persons acquiring gold for use in industry, profession or art in which they are regularly engaged may hold up to a three months' supply, but not more than twenty-five ounces of fine gold without a special license.

12. The Mints will issue special licenses for buying, holding, transporting, treating, importing and exporting gold for use in industries, professions, or arts to dealers and refiners and to persons requiring a stock of more than twenty-five ounces at a time. Licenses so issued shall be for no greater quantities than the estimated requirement of the licensee for a period of three months. Such licenses will

not entitle the licensee to hold gold coin. License holders are required to keep exact records of acquisitions and deliveries of gold and make quarterly reports on them to the Mints.

13. Federal Reserve banks are authorized to acquire from the United States Mints through redemption of gold certificates such amounts of gold bullion "as in the judgment of the Secretary of the Treasury are necessary to settle international balances, or to maintain the equal purchasing power of every kind of currency of the United States". The Federal Reserve banks are also authorized to acquire gold abroad, or to acquire in the United States gold that is not being held unlawfully. Gold so acquired may be held, transported, imported, exported, or earmarked, or held in custody for foreign or domestic account for the purposes of settling international balances or maintaining the equal purchasing power of every kind of currency in the United States. It is provided, however, that if the gold is not used for any of these purposes within six months of the date of its acquisition it must be delivered over to the Treasurer of the United States for credits in equivalent amounts of dollars, unless the Secretary of the Treasury shall have granted an extension.

14. No person is permitted to acquire gold from a Federal Reserve bank, except to the extent that the license issued to him specifically provides.

15. Gold which is refined from gold-bearing ore imported into the United States may be exported under licenses to be issued by the Assay Office at New York, or the Mint at San Francisco. The gold-bearing ore must be declared on its entry and careful records must be kept. This continues the Regulations heretofore enforced under the Executive Order.

16. Gold may be imported for re-export if it remains in customs custody while it is within the customs limits of the United States. If it is to be transported within the United States a special license is required.

17. Licenses heretofore issued by the United States Mints and Assay Offices, and also by the Secretary of the Treasury, under previous orders are validated until March 15, 1934.

TREASURY DEPARTMENT
WASHINGTON, D. C.

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January 30, 1934.

MEMORANDUM FOR THE PRESS

(Not to be quoted as a Treasury statement)

Summary of the provisions of the Gold Reserve Act of 1934 signed by the President, Tuesday, January 30, 1934.

1. Vests in the United States Government title to all gold coin and gold bullion held by the Federal Reserve Board, the Federal Reserve Banks and Federal Reserve agents and authorizes credits in equivalent amount of dollars in the Treasury accounts.
2. Authorizes payment of balance of such accounts in gold certificates "in such form and in such denominations as the Secretary of the Treasury may determine".
3. Amends the Federal Reserve Act to provide that Federal Reserve notes shall be redeemed in lawful money instead of in gold.
4. Eliminates the word gold from the provision that gold or gold certificates may constitute part of the collateral security for Federal Reserve notes.
5. Substitutes gold certificates for gold in reserve requirements.
6. Eliminates provisions with respect to redemption of Federal Reserve notes in gold.
7. Provides that the redemption fund against Federal Reserve notes to be held by the Treasury shall be in gold certificates instead of in gold.

8. Provides that deposits of gold, or of gold certificates, received by the Treasury from the Federal Reserve Banks, or Federal Reserve agents, for credit to accounts with the Federal Reserve Board, shall be payable in gold certificates instead of (in gold coin or gold certificates).

9. Authorizes the Secretary of the Treasury to prescribe by regulations made with the approval of the President, the conditions under which gold may be acquired and held, transported, melted or treated, imported, exported or earmarked:

- (a) for industrial, professional and artistic uses,
- (b) by the Federal Reserve Banks for the purpose of settling international balances,
- (c) for such other purposes as in the Secretary's judgment are not inconsistent with the purposes of the act.

Also provides forfeiture of the gold and additional penalty of twice its value for failure to comply.

10. Provides that no gold shall hereafter be coined and no gold coins shall hereafter be paid out or delivered by the United States, but that all gold coin shall be withdrawn from circulation and with other gold owned by the United States shall be formed into bars of such weights and fineness as the Secretary of the Treasury may direct.

11. No currency of the United States shall be redeemed in gold hereafter except as permitted in regulations which may be issued by the Secretary with the approval of the President, but with the provision that gold certificates owned by the Federal Reserve Banks shall be redeemed at such times and in such amounts as the Secretary deems necessary to maintain the equal purchasing power of every kind of currency in the United States. Redemptions are to be made only in gold bullion bearing the stamp of the United States Mint or Assay Office in an amount equivalent, at the time of redemption, to the currency surrendered for such purpose.

12. The reserve for United States notes and for Treasury notes of 1890 and the security for gold certificates is to be maintained in gold bullion and the reserve for Federal Reserve notes is to be maintained in gold certificates, or in credits payable in gold certificates maintained in the Treasury of the United States.

13. In the event the weight of the gold dollar shall be reduced, the resulting increase in the value of the gold held by the United States shall be covered into the Treasury as a miscellaneous receipt and in the event of an increase in the weight of the gold dollar, the resulting decrease in gold reserves for United States notes and Treasury notes and the security for gold certificates is to be compensated by transfers of gold bullion from the general fund.

14. The Secretary of the Treasury is authorized to purchase gold in any amounts, at home or abroad, at such rates and upon such terms and conditions as he deems most advantageous to the public interest, and all such gold is to be included as an asset to the general fund of the Treasury.

15. The Secretary of the Treasury is also authorized to sell gold in any amounts, at home or abroad, but sales from the reserves or security for currency shall be made only to the extent necessary to maintain the currency at a parity with the gold dollar.

16. The Secretary of the Treasury is authorized to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary for the purpose of stabilizing the exchange value of the dollar.

17. To enable the Secretary of the Treasury to do this there is set up a fund of \$2,000,000,000 out of the increase in value of gold, which may result from devaluation and such portions of the fund as are not currently required for the stabilization of the dollar may be invested or reinvested in government securities.

18. The powers of the Secretary with respect to this fund shall expire two years from the date of the enactment of the act, but the President may terminate the powers earlier or may extend them for another year.

19. The authority given to the President in Title 3, Public No. 10, 73rd Congress (Thomas Amendment) is amended to provide that the weight of the gold dollar to be fixed in the event of devaluation, shall not be more than sixty per cent of

its present weight. The President's power in this respect is made continuing for successive revaluations during the period of two years, with the provision that the President may terminate the power earlier or may extend it for another year by proclamation.

20. By additional amendments to the above act the President is given added powers with respect to silver, as follows:

(a) to cause silver certificates to be paid to those who tender silver for coinage, in place of standard silver dollars;

(b) to issue silver certificates against any silver or silver dollars in the Treasury not held for redemption of outstanding silver certificates;

(c) to coin standard silver dollars, or subsidiary currency, for the redemption of such certificates;

(d) to prescribe different terms and conditions and to make different seigniorage charges for the coinage of silver of foreign production than for that of domestic production;

(e) to reduce the weight of the standard silver dollar in the same percentage that he reduces the weight of the gold dollar;

(f) to reduce and fix the weight of subsidiary coin so as to maintain their parity with the standard silver dollar and the gold dollar.

21. Regulations, orders and proclamations of the President and the Secretary under the act of March 9, 1933, and under Title 3 of the act of May 12, 1933, are approved and ratified.

22. The second Liberty bond act is amended to give the Secretary of the Treasury greater latitude in various issues of securities.

23. The Secretary of the Treasury is authorized to issue gold certificates against any gold held by the Treasury of the United States except that held as reserve for United States notes and Treasury notes of 1890.

24. The Secretary of the Treasury is authorized to issue such regulations as he may deem necessary to carry out the provisions of the act.

Treasury Department,
Office of the Secretary,
January 30, 1934.

PROVISIONAL REGULATIONS

issued under the

GOLD RESERVE ACT OF 1934

ARTICLE I. GENERAL PROVISIONS

Section 1. Authority for regulations.--These regulations, deemed necessary and proper by the Secretary of the Treasury to carry out the purposes of the Gold Reserve Act of 1934, approved January 30, 1934, are issued by the Secretary of the Treasury, with the approval of the President, under authority of said Act.

Sec. 2. Scope.--These regulations refer particularly to Sections 3 and 4 of the Gold Reserve Act of 1934.

The provisions of these regulations may be revoked or modified at any time and any license outstanding at the time of such revocation or modification shall be modified thereby to the extent provided in such revocation or modification.

Sec. 3. Titles and subtitles.--The titles and subtitles of these regulations are inserted for purposes of ready reference and are not to be construed as constituting a part of these regulations.

Sec. 4. Definitions.--As used in these regulations, the term "Act" means the Gold Reserve Act of 1934, approved January 30, 1934.

"United States" means the Government of the United States, or, where used to denote a geographical area, means the continental United States and all other places subject to the jurisdiction of the United States.

"Continental United States" means the States of the United States, the District of Columbia, and the Territory of Alaska.

"Currency of the United States" means currency which is legal tender in the continental United States, and includes United States notes, Treasury notes of 1890, gold certificates, silver certificates, Federal Reserve notes, and circulating notes of Federal Reserve banks and national banking associations.

"Person" means any individual, partnership, association, or corporation, including the Federal Reserve Board, Federal Reserve banks, and Federal Reserve agents.

"Mint" means a United States mint or assay office, and wherever authority is conferred upon a "mint" such authority is conferred upon the person locally in charge of the respective United States mint or assay office acting in accordance with the instructions of the Director of the Mint or the Secretary of the Treasury.

"Mint district" means one of the following areas:

The mint district of Philadelphia, which for the purposes of these regulations consists of the States of Illinois, Indiana, Kentucky, Maryland, Missouri, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia, and West Virginia, and the District of Columbia.

The mint district of New York, which for the purposes of these regulations consists of the States of Connecticut, Delaware, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Wisconsin, and Puerto Rico, the Virgin Islands of the United States, and the Panama Canal Zone.

The mint district of Denver, which for the purposes of these regulations consists of the States of Colorado, Iowa, Kansas, Minnesota, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Utah, and Wyoming.

The mint district of San Francisco, which for the purposes of these regulations consists of the States of Arizona, California, and Nevada, and the Territories and possessions of the United States not specifically included in other mint districts.

The mint district of Seattle, which for the purposes of these regulations consists of the States of Idaho, Montana, Oregon, and Washington, and the Territory of Alaska.

The mint district of New Orleans, which for the purposes of these regulations consists of the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Tennessee, and Texas.

"Gold coin" means any coin containing gold as a major element, including gold coin of a foreign country.

"Gold bullion" means any gold which has been put through a process of smelting or refining, and which is in such state or condition that its value depends primarily upon the gold content and not upon its form; but it does not include metals containing less than 5 troy ounces of fine gold per short ton, nor does it include gold coin.

"Fabricated gold" means gold which has, in good faith and not for the purpose of evading, or enabling others to evade, the provisions of the Act or of these regulations, been processed or manufactured for some one or more specific and customary industrial, professional, or artistic uses, but does not include gold coin or scrap gold.

"Scrap gold" means gold sweepings and fabricated gold, the value of which depends primarily upon its gold content and not upon its form, which is no longer held for the use for which it was processed or manufactured.

Wherever reference is made in these regulations to equivalents as between dollars or currency of the United States and gold, \$1 or \$1 face amount of any currency of the United States equals such a number of grains of gold, nine tenths fine, as, at the time referred to, are contained in the standard unit of value, that is, so long as the President shall not have altered by proclamation the weight of the gold dollar under the authority of section 43, title III, of the Act approved May 12, 1933, as heretofore and by the Act amended, twenty-five and eight tenths grains of gold, nine tenths fine, and thereafter such a number of grains of gold, nine tenths fine, as the President shall have fixed under such authority.

Wherever reference is made in these regulations to "articles" or "section", the reference is, unless otherwise indicated, to the designated articles and sections of these regulations.

Sec. 5. General provisions affecting applications, affidavits, and reports.--Every application, affidavit, and report required to be made hereunder shall be made upon the appropriate form prescribed by the Secretary of the Treasury and, except insofar as these regulations may otherwise specify, shall be executed under oath before an officer authorized to administer oaths. Duplicate copies properly executed shall be filed with the agencies designated in these regulations for that purpose. Action upon any application or affidavit may be withheld pending the furnishing of any or all of the information required in such forms or of such additional information as may be deemed necessary by the Secretary of the Treasury, or the agency authorized or directed to act hereunder. There shall be attached to the applications, affidavits, or reports such instruments

as may be required by the terms thereof and such further instruments as may be required by the Secretary of the Treasury, or by such agency. Whenever additional information is requested it shall be furnished under oath.

Sec. 6. General provisions affecting licenses.-- (1) Licenses issued pursuant to these regulations shall be upon the appropriate form prescribed by the Secretary of the Treasury. Licenses shall be non-transferable and shall entitle the licensee to acquire, transport, malt or treat, import, export, or earmark or hold in custody for foreign or domestic account, gold only in such form and to the extent permitted by, and subject to the conditions prescribed in, these regulations, and such licenses.

(2) Licenses may be modified or revoked at any time in the discretion of the Secretary of the Treasury acting directly, or through the agency which issued the license, or any other agency designated by the Secretary of the Treasury. In the event that a license is modified or revoked (other than by a modification or revocation of these regulations), the Secretary of the Treasury, or the agency through which the license was issued, or such other agency designated by the Secretary of the Treasury, shall advise the licensee by letter mailed to the address of the licensee set forth in the application. The licensee, upon receipt of such advice, shall forthwith surrender his license as directed in such advice. If the license has been modified but not revoked, the Secretary of the Treasury, or the agency through which the original license was issued, shall thereupon issue a modified license.

(3) No license issued hereunder shall authorize the licensee to hold any gold coin, or any gold melted by any person from gold coin, unless the license contains a specific provision to that effect.

(4) No license issued hereunder shall exempt the licensee from the duty of complying with the legal requirements of any State or Territory or local authority.

(5) No license shall be issued to any person doing business under a name which, in the opinion of the Secretary of the Treasury or the designated agency issuing the license, is designed or is likely to induce the belief that gold is purchased, treated, or sold on behalf of the United States or for the purpose of carrying out any policy of the United States.

Sec. 7. General provisions affecting export licenses.--At the time any license to export gold is issued, the Federal Reserve bank or mint issuing the same shall transmit a copy thereof to the collector of customs at the port of export designated in the license. Collectors of customs shall not permit the export or transportation from the continental United States of gold in any form except upon surrender of a license to export, a copy of which has been received by him from the Federal Reserve bank or the mint issuing such license: Provided, however, That the export, or transportation from the continental United States, of fabricated gold may be permitted subject to the provisions of section 16(2): And provided further, That gold held by the Federal Reserve banks under article IV may be exported for the purposes of such article without a license. The collector of customs to whom a license to export is surrendered shall cancel such license and return it to the Federal Reserve bank or mint which

issued the same. In the event that the shipment is to be made by mail, a copy of the export license shall be sent to the postmaster of the post office designated in the application, who will act under the instructions of the Postmaster General in regard thereto.

Sec. 8. General provisions affecting import licenses.---No gold in any form imported into the United States shall be permitted to enter until the person importing such gold shall have satisfied the collector of customs at the port of entry that he holds a license authorizing him to import such gold or that such gold may be imported without a license under the provisions of article II or IV. Postmasters receiving packages containing gold will deliver such gold subject to the instructions of the Postmaster General.

Sec. 9. Forms available.---Any form, the use of which is prescribed in these regulations, may be obtained at, or on written request to, any United States mint or assay office, Federal Reserve bank, and at the Treasury Department, Washington, D. C.

Sec. 10. Representations by licensees.---Licensees may include in public and private representations or statements the clause "licensed on form TGL _____ (here inserting the number of the form of license held by the licensee) pursuant to the regulations prescribed under the Gold Reserve Act of 1934", but any representation or statement which might induce the belief that the licensee is acting or is especially privileged to act on behalf of or for the United States, or is purchasing, treating, or selling gold for the United States, or in any way dealing in gold for the purpose of carrying out any policy of the United States, shall be a violation of the conditions of the license.

Each agency issuing licenses hereunder which receives notice of any such representations or statements made by or with the acquiescence of any licensee shall promptly notify the Secretary of the Treasury in order that he may advise it whether or not the license of the person making such representations or statements, or permitting such representations or statements to be made, should be revoked.

Sec. 11. Penalties.--Any gold withheld, acquired, transported, melted or treated, imported, exported, or earmarked or held in custody in violation of the Act, or of any regulations issued thereunder, including these regulations, or of any licenses issued pursuant thereto or hereto, shall be forfeited to the United States and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law; and, in addition, any person failing to comply with the provisions of the Act or of any such regulations or licenses shall be subject to a penalty equal to twice the value of the gold in respect of which such failure occurred.

ARTICLE II. CONDITIONS UNDER WHICH GOLD MAY BE ACQUIRED AND HELD, TRANSPORTED, MELTED OR TREATED, IMPORTED, EXPORTED, OR EARMARKED OR HELD IN CUSTODY FOR FOREIGN OR DOMESTIC ACCOUNT.

Section 12. Gold in any form may be acquired, transported, melted or treated, imported, exported, or earmarked or held in custody for foreign or domestic account (except on behalf of the United States), only to the extent permitted by, and subject to the conditions prescribed in, these regulations or licenses issued pursuant to these regulations.

Sec. 13. Transportation of gold.--Gold may be transported by carriers for persons who are licensed to hold and transport such gold or who are permitted by these regulations to hold and transport gold without a license.

Sec. 14. Gold situated outside of the United States.--Gold in any form situated outside of the United States may be acquired, transported, melted or treated, or earmarked or held in custody for foreign or domestic account without the necessity of holding a license.

Sec. 15. Gold situated in the possessions of the United States.--Gold in any form (other than United States gold coin) situated in places subject to the jurisdiction of the United States beyond the limits of the continental United States may be acquired, transported, melted or treated, imported, exported, or earmarked or held in custody for the account of persons other than residents of the continental United States, by persons not domiciled in the continental United States: Provided, however, That gold may be transported from the continental United States to the possessions of the United States only under license for export issued pursuant to sections 25(3), 32, 33, or 34, or, if fabricated gold, subject to the conditions specified in section 16(2).

Sec. 16. Fabricated gold.--(1) Fabricated gold may be acquired, transported within the United States, imported, or held in custody for domestic account without the necessity of holding a license therefor; Provided, however, That it may be transported from the continental United States to other places subject to the jurisdiction of the United States only subject to the conditions hereinafter specified in paragraph (2) of this section.

(2) Fabricated gold may be exported, or transported from the continental United States, without the necessity of obtaining a license, provided that an affidavit shall have been executed on form TG-10 and filed in duplicate with the Collector of Customs at the port of shipment from the continental United States or with the Postmaster at the place of mailing; and such Collector or Postmaster shall have endorsed on the duplicate copy of such affidavit that he is satisfied that the shipment from the continental United States is not being made for the purpose of holding or disposing of the fabricated gold outside of the continental United States, primarily for the value of the gold content: Provided, further, That persons leaving the continental United States may carry with them fabricated gold owned by them and for their personal use in its fabricated form of a fine gold content not exceeding 15 ounces without the necessity of filing such affidavit or obtaining an export license.

Sec. 17. Metals containing gold.--Metals containing not more than 5 troy ounces of fine gold per short ton may be acquired, transported within the United States, imported, or held in custody for domestic account without the necessity of obtaining a license therefor. Such metals may be melted or treated, exported, and held in custody for foreign account only to the extent permitted by, and subject to the conditions prescribed in or pursuant to article III.

Sec. 18. Unmelted scrap gold.--Unmelted scrap gold may be held and transported within the United States in amounts containing not more than 5 troy ounces of fine gold without the necessity of holding a license.

Sec. 19. Gold in its natural state.--Gold in its natural state (i.e., gold recovered from natural sources which has not been melted, smelted, or refined or otherwise treated by heating or by a chemical or electrical process) may be acquired, transported within the United States, imported, or held in custody for domestic account without the necessity of holding a license therefor. Such native gold may be melted or treated or exported only to the extent permitted by, and subject to the conditions prescribed in, or pursuant to, article III.

Sec. 20. Rare coin.--Goldcoin of recognized special value to collectors of rare and unusual coin (but not including quarter eagles, otherwise known as \$2.50 pieces, unless held, together with rare and unusual coin and as part of a collection for historical, scientific, or numismatic purposes, containing not more than four quarter eagles of the same date and design, and struck by the same mint) may be acquired and held, transported within the United States, imported or held in custody for domestic account without the necessity of holding a license therefor. Such coin may be exported only under license on form TGL-11 issued by the Director of the Mint. Application for such a license shall be executed on form TG-11 and filed with the Director of the Mint, Washington, D.C.

ARTICLE III. GOLD FOR INDUSTRIAL, PROFESSIONAL, AND ARTISTIC USE

Section 21. "Twenty-five-ounce exemption".--Any person requiring gold for use in the industry, profession, or art in which he is regularly engaged may replenish his stocks of gold (in addition to fabri-

cated gold) up to the amount actually required for a period not exceeding 3 months (but in no event in an aggregate amount exceeding 25 ounces of fine gold held at any one time) by acquisitions of gold bullion held under licenses issued pursuant to section 23, without the necessity of obtaining a license for such acquisitions; and the gold so acquired may be held, transported, melted or treated, for use by such person in his industry, profession, or art but for no other purpose. Gold may not be acquired and held under this section by persons engaged primarily or incidentally in the business of buying and selling gold other than fabricated gold.

Sec. 22. Licenses required.--Except as permitted in article II and in section 21 of this Article, gold may be acquired and held, transported, melted or treated, imported, exported, or earmarked for industrial, professional, or artistic use only to the extent permitted by licenses issued under section 23 hereof.

Sec. 23. Purposes for which licenses shall be issued.--The mints shall issue licenses authorizing the acquisition and holding, transportation, melting and treating, importing, exporting, and holding for domestic account of gold which the mint is satisfied is required for legitimate and customary use in industry, profession, or art, by an applicant regularly engaged in the mint district of such mint (1) in the business of furnishing or processing gold for industry, profession, or art, or for sale to the United States, (2) in an industry, profession, or art in which stocks of gold in excess of 25 fine ounces are required to be maintained by the applicant.

Sec. 24. Applications.--Every application for a license under section 25 shall be made on form TG-12 (except that applications for export shall be made on form TG-15) and shall be filed in duplicate with the United States mint for the mint district in which is located

the applicant's principal place of business. No person shall make application to more than one mint; and, in the event any one person is, through misrepresentation or mistake, issued a license under this article by more than one mint, all licenses issued to such person shall be void from the date of issuance to such person of a license by a second mint. Every applicant for a license under section 23 shall state in his application whether or not any applications have been filed by or licenses issued to any partnership, association, or corporation in which the applicant has a substantial interest or if the applicant is a partnership, association, or corporation, by or to a person having a substantial interest in such partnership, association, or corporation. No mint shall issue any license to any person if in its judgment more than one license for the same purpose will be held for the principal use or benefit of the same persons or interests. Any person licensed under this article acquiring a principal interest in any partnership, association, or corporation holding a license under this article for this purpose shall immediately so inform the mints which issued the licenses.

Sec. 25. Licenses.--(1) Upon receipt of the application and after making such investigation of the case as it may deem advisable, the mint, if satisfied that gold is necessary for the legitimate and customary requirements of the applicant's industry, profession, art, or business, shall issue to the applicant a license on form TGL-12, TGL-13, or TGL-14, whichever is designated in rulings of the Secretary of the Treasury for the kind of business, industry, profession, or art in which the applicant is engaged.

(2) Licenses issued under this article may entitle the licensee to acquire and hold not to exceed a maximum amount specified therein, which amount shall not be greater than the estimated requirements of the licensee for a period of 3 months; and such license may authorize

the licensee to transport such gold from place to place within the United States, melt or treat it to the extent necessary to meet the requirements of the industry, profession, or art from which it was acquired and held or otherwise to carry out the purposes for which it is held under license, and may authorize the licensee to import gold so long as the maximum amount of gold held after importation does not exceed the maximum amount authorized by the license to be held.

(3) No license on form TGL-12, TGL-13, or TGL-14, shall authorize the licensee to export or transport from the continental United States, without a supplementary license on form TGL-15 issued by the mint which issued the license on form TGL-12, TGL-13, or TGL-14, gold in any form (except that fabricated gold may be exported or transported from the continental United States subject to the conditions specified in section 16 (2)). Export licenses on form TGL-15 shall be issued only with the approval of the Secretary of the Treasury, and upon application made on form TG-15 showing to the satisfaction of the mint and the Secretary of the Treasury that the export or transport from the continental United States is for a specific and customary industrial, professional, or artistic use connected with the applicant's business, and not for the purpose of using or holding or disposing of such gold beyond the limits of the continental United States as, or in lieu of, money, or for the value of its gold content.

(4) No license issued under this article shall entitle the licensee to acquire and hold, transport, melt or treat, import or export, or hold in custody any gold coin.

Sec. 26.--Records.--Every person holding a license issued pursuant to section 23 shall keep exact records of all his acquisitions and deliveries of gold. His records shall contain the name, address, and

license number of each person from whom he acquires, or to whom he delivers, gold (other than fabricated gold) and shall show the amount, date, and description of each such acquisition and delivery, and such records shall be available for examination by a representative of the Treasury Department for at least 1 year after the date of the disposition of such gold.

Sec. 27.--Reports.--Every person holding a license on form TGL-12, TGL-13, or TGL-14 shall file with the mint which issued his license, on or before the 15th day of February, May, August, and November, a report on form TGR-12, TGR-13, or TGR-14, respectively, for the quarter ending on the first day of such months.

ARTICLE IV. GOLD FOR THE PURPOSE OF SETTLING INTERNATIONAL BALANCES, AND FOR OTHER PURPOSES.

Section 28.--The Federal Reserve banks may from time to time acquire from the United States by redemption of gold certificates in accordance with section 6 of the Act, such amounts of gold bullion as, in the judgment of the Secretary of the Treasury, are necessary to settle international balances or to maintain the equal purchasing power of every kind of currency of the United States. Such banks may also acquire gold abroad or may acquire gold in the United States which has not been held in noncompliance with the Executive orders, or the orders of the Secretary of the Treasury, issued under sections 2 and 3 of the Act of March 9, 1933, entitled "An act to provide relief in the existing national emergency in banking and for other purposes", or in noncompliance with any regulations or rulings made thereunder or licenses issued pursuant thereto, or acquired and held, transported, melted or treated, imported, exported, earmarked or held in custody for foreign or domestic account in violation of the Act or regulations issued thereunder, including these regulations.

Sec. 29.--The gold acquired under section 28 may be held, transported, imported, exported, or earmarked or held in custody for foreign or domestic account for the purposes of settling interna-

tional balances or maintaining the equal purchasing power of every kind of currency of the United States: Provided, That if the gold is not used for such purposes within 6 months from the date of acquisition, it shall (unless the Secretary of the Treasury shall have extended the period within which such gold may be so held) be paid and delivered to the Treasurer of the United States against payment therefor by credits in equivalent amounts in dollars in the accounts authorized under the sixteenth paragraph of section 16 of the Federal Reserve Act, as amended.

Sec. 30.--The provisions of this article shall not be construed to permit any person subject to the jurisdiction of the United States, other than a Federal Reserve bank, to acquire gold for the purposes specified in this article, or to permit any person to acquire gold from a Federal Reserve bank except to the extent that his license issued hereunder specifically so provides.

ARTICLE V. GOLD FOR OTHER PURPOSES NOT INCONSISTENT WITH THE PURPOSES OF THE GOLD RESERVE ACT OF 1934

Sec. 31.--Licenses required.--Gold may be acquired and held, transported, melted or treated, imported, exported, or earmarked or held in custody for foreign or domestic account, for purposes other than those specified in articles III and IV not inconsistent with the purposes of the Act only to the extent permitted in article II or under a license issued under section 32, 33, or 34.

Sec. 32.--Gold imported in gold-bearing materials for reexport.--The United States assay office at New York or the United States mint at San Francisco shall issue licenses on form TGL-16, authorizing the export of gold which such assay office or mint is satisfied was refined (or is equivalent to gold refined) from gold-bearing materials imported into the United States, provided such gold is imported, acquired, and held, transported, melted and treated as permitted in article II or in accordance with a license issued under section 23 hereof and subject to the following provisions:

1. Notation upon entry.--Upon the formal entry into the United States of any gold-bearing materials, the importer shall declare to the collector of customs at the port where the material is formally entered that the importation is made with the intention of exporting the gold refined therefrom. The collector shall make on the entry a notation to this effect and forward a copy of the entry to the United States assay office at New York or to the United States mint at San Francisco, whichever is designated by the importer.

2. Sampling and assaying.-- Promptly upon the receipt of each importation of gold-bearing material at the plant where it is first to be treated, it shall be weighed, sampled, and assayed for the gold content. A reserve commercial sample shall be retained by such plant for at least 1 year from the date of importation, unless the assay is sooner verified by the Treasury Department.

3. Plant records.--The importer shall cause an exact record, covering each importation, to be kept at the plant of first treatment. The records shall show the gross wet weight of the importation, the weight of containers, if any, the net wet weight, the percentage and weight of moisture, the net dry weight, and the gold content shown by the settlement assay. An attested copy of such record shall be filed promptly with the assay office at New York or the mint at San Francisco, whichever has been designated to receive a copy of the entry. The plant records herein required to be kept shall be available for examination by a representative of the Treasury Department for at least 1 year after the date of the disposition of such gold.

4. Application for export license.--Not later than 3 months from the date of entry the importer shall file with the New York assay office or the mint at San Francisco, whichever has been designated to receive a copy of the entry, an application on form TG-16 for a

permit to export refined gold not in excess of the amount shown by the settlement sheet covering the importation. The application shall be accompanied by two duly attested copies of the settlement sheet.

5. Issuance of serial numbered certificates.--If the mint is satisfied as to the accuracy of the data shown on such application, it shall issue to the importer a dated serial numbered certificate, which shall show the amount of gold specified by the application and the amount specified by the settlement sheet. The Director of the Mint shall prescribe the form of such certificate.

6. Issuance of export license.--Upon delivery of the serial numbered certificate to the assay office at New York or to the mint at San Francisco, whichever has issued the certificate, within 120 days from the date the certificate was issued, the mint shall issue to the applicant an export license on form TGL-16 to export refined gold in an amount not exceeding the amount specified in the settlement sheet as shown on such certificate.

7. Exportation prior to receipt of settlement sheet.--Upon a showing in the application that an exportation with respect to any gold-bearing materials imported into the United States for refining is necessary prior to the time the settlement sheet can be procured, the assay office at New York or the mint at San Francisco, whichever was designated by the importer, may receive the application with duplicate certified copies of the report of the applicant's actual test assay. If prior reports of such applicant have been approximately substantiated by the settlement sheets, a license to export up to 90 percent of the amount of gold which such report estimates will be realized from such gold-bearing materials may be granted.

Sec. 33. Gold imported for reexport.--Gold may be imported, transported, and exported without the necessity of holding a license, provided the gold remains under customs custody throughout the period during which it is within the customs limits of the United States. Except as provided in the foregoing sentence, gold may be imported for reexport, held, and transported within the United States under the provisions of this section only under license. The United States assay office at New York or the United States mint at San Francisco may, subject to the following provisions, issue licenses on form TGL-17 authorizing the importation, holding, transportation, and exportation of gold which the office or mint is satisfied is imported for prompt reexport.

(1) Notation upon entry.--Upon the formal entry into the United States of gold intended for prompt reexport, the importer shall declare to the collector of customs at the port where the gold is formally entered that it is entered for prompt reexport. The collector shall make a notation of this declaration upon the entry and forward a copy of the entry to the assay office, at New York or the mint at San Francisco, whichever is designated by the importer.

(2) Application for license.--The importer shall forthwith file an application on form TG-17 with the assay office at New York or the mint at San Francisco, whichever has been designated to receive a copy of the entry.

(3) License.-- Upon receipt of the application and after making such investigation of the case as it may deem advisable, the assay office or mint to which the application is made, if satisfied that the gold was imported for prompt reexport, shall issue to the applicant a license on form TGL-17.

Sec. 34. The Secretary of the Treasury, with the approval of the President, shall issue licenses authorizing the acquisition, transportation, melting or treating, importing, exporting, or earmarking or holding in custody for foreign or domestic account of gold, for purposes other than those specified in articles III and IV, and sections 32 and 33 of this article, which, in the judgment of the Secretary of the Treasury, are not inconsistent with the purposes of the Act, subject to the following provisions:

(1) Applications.--Every application for a license under this section shall be made on form TG-18 and shall be filed in duplicate with the Federal Reserve Bank for the district in which the applicant resides or has his principal place of business. Upon receipt of the application and after making such investigation of the case as it may deem advisable, the Federal Reserve bank shall transmit to the Secretary of the Treasury the original of the application, together with any supplemental information it may deem appropriate. The Federal Reserve bank shall retain the duplicate of the application for its records.

(2) Licenses.--If the issuance of a license is approved, the Federal Reserve bank which received and transmitted the application will be advised by the Secretary of the Treasury and directed to issue a license on form TGL-18. If a license is denied, the Federal Reserve bank will be so advised and shall immediately notify the applicant. The decision of the Secretary of the Treasury with respect to the granting or denying of a license shall be final. If a license is granted, the Federal Reserve bank shall thereupon note upon the duplicate of the application therefor, the date of approval and issuance and the amount of gold specified in such license.

(3) Reports.--Within 7 days of the disposition of the gold acquired or held under a license issued under this section, or within 7 days of export, if such exportation is authorized, the licensee shall file a report in duplicate on form TGR-18 with the Federal Reserve bank through which the license was issued. Upon receipt of such report, the Federal Reserve bank shall transmit the original thereof to the Secretary of the Treasury and retain the duplicate for its records.

ARTICLE VI. TRANSITORY PROVISIONS

Section 35. Licenses issued by the United States mints and assay offices on Form TGL-4 and TGL-4A, shall until March 15, 1934, be deemed licenses under section 23 hereof. Such licenses on Form TGL-4 will authorize the licensee until March 15, 1934, to acquire--

(1) gold held under License TGL-4 or TGL-4A or under License TGL-12, TGL-13, or TGL-14 issued pursuant to these regulations;

(2) unmelted scrap gold from persons who acquired and hold such gold lawfully; or

(3) gold bullion from the Mint which issued his licenses; and to hold, transport, melt and treat gold now lawfully held or so acquired in amounts authorized by the license. Such licenses on Form TGL-4A will authorize the licensee until March 15, 1934, to acquire unmelted scrap gold:

(1) held under License TGL-4A or under License TGL-12, issued pursuant to these regulations; or

(2) from persons who acquired and hold unmelted scrap gold lawfully;

and to hold and transport unmelted scrap gold now lawfully held or so acquired in amounts authorized by the license.

Sec. 36. Licenses to hold gold in custody, issued by direction of the Secretary of the Treasury on forms TGL-1 and TGL-2 up to and including March 15, 1934, shall be deemed licenses to hold such gold in custody subject to the conditions prescribed therein, unless sooner terminated by the terms thereof.

(Signed) H. MORGENTHAU, Jr.,
Secretary of the Treasury.

Approved:

(Signed) FRANKLIN D. ROOSEVELT,

The White House,

January 30, 1934.

January 31, 1934.

STATEMENT FOR THE PRESS

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1. Acting under the powers granted by Title 3 of the act approved May 12, 1933, (Thomas Amendment to the Farm Relief Act) the President today issued a proclamation fixing the weight of the gold dollar at 15-5/21 grains nine-tenths fine. This is 59.06 plus per cent of the former weight of 25-8/10 grains, nine-tenths fine, as fixed by Section 1 of the Act of Congress of March 4, 1900. The new gold content of the dollar became effective immediately on the signing of the proclamation by the President.

Under the Gold Reserve Act of 1934, signed by the President Tuesday, January 30th, title to the entire stock of monetary gold in the United States, including the gold coin and gold bullion heretofore held by the Federal Reserve Banks and the claim upon gold in the Treasury represented by gold certificates, is vested in the United States Government and the "profit" from the reduction of the gold content of the dollar, made effective by today's proclamation, accrues to the United States Treasury. Of this "profit" two billion dollars, under the terms of the Gold Reserve Act and of today's proclamation, constitutes a stabilization fund under the direction of the Secretary of the Treasury. The balance will be covered into the general fund of the Treasury.

Settlement for the gold coin, bullion and certificates taken over from the Federal Reserve Banks on Tuesday upon the approval of the act was made in the form of credits set up on the Treasury's books. This credit due the Federal Reserve Banks is to be paid in the new form of gold certificates now in course of production by the Bureau of Engraving and Printing. These certificates bear on their face the wording:

"This is to certify that there is on deposit in the Treasury of the United States of America _____ dollars in gold, payable to bearer on demand as authorized by law."

They also will carry the standard legal tender clause, which is as follows:

"This certificate is a legal tender in the amount thereof in payment of all debts and dues public and private."

The new gold certificates will be of the same size as other currency in circulation and the only difference, other than the changes in wording noted above, is that the backs of the new certificates will as used to be done, be printed in yellow ink. The certificates will be in denominations up to \$100,000.

In his proclamation of today the President gives notice that he reserves the right, by virtue of the authority vested in him, to alter or modify the present proclamation as the interest of the United States may seem to require. The authority by later proclamations to accomplish other revaluations of the dollar in terms of gold is contained in the gold reserve Act signed on Tuesday.

2. The Secretary of the Treasury, with the approval of the President, issued a public announcement that beginning February 1, 1934, he will buy through the Federal Reserve Bank of New York as fiscal agent, for the account of the United States, any and all gold delivered to any United States Mints or the Assay Offices in New York or Seattle, at the rate of \$35.00 per fine troy ounce, less the usual Mint charges and less one-fourth of one per cent for handling charges. Purchases, however, are subject to compliance with the regulations issued under the Gold Reserve Act of 1934.

3. The Secretary of the Treasury today promulgated new regulations with respect to the purchase and sale of gold by the Mints. Under these regulations the Mints are authorized to purchase gold recovered from natural deposits in the United States or any place subject to its jurisdiction; unmelted scrap gold, gold imported into the United States after January 30, 1934, and such other gold as may be authorized from time to time by rulings of the Secretary of the Treasury. No gold, however, may be purchased which has been held in noncompliance with previous acts or orders, or noncompliance with the Gold Reserve Act of 1934, or these Regulations. Affidavits as to the source from which the gold was obtained are required, except in the case of nuggets or dust of less than five ounces, where a statement under oath will suffice. In the case of imported gold, the Mints may purchase only that which has been in customs custody after its arrival in the Continental United States.

The price to be paid for gold purchased by the Mints is to be \$35.00 per troy ounce of fine gold, less 1/4 of 1 per cent and less Mint charges. This price may be changed by the Secretary of the Treasury at any time without notice.

The Mints are authorized to sell gold to persons licensed to acquire it for use in the industries, professions, or arts, but not to sell more than is required for a three months' supply for the purchaser. The price at which gold is to be sold by the Mints will be \$35.00 per troy ounce, plus 1/4 of 1 per cent. This price also may be changed by the Secretary of the Treasury without notice.

TREASURY DEPARTMENT,
Office of the Secretary,
January 31, 1934.

AMENDMENT TO PROVISIONAL REGULATIONS

issued under the
COLD RESERVE ACT OF 1934

Section 1. The first paragraph of Section 2 of the Provisional Regulations, issued January 30, 1934 under the Gold Reserve Act of 1934, is amended to read as follows:

"Articles 2, 3, 4, and 5 of these regulations refer particularly to section 3 of the Act; and articles 6 and 7 refer particularly to sections 8 and 9, respectively, thereof."

Sec. 2. Article VI of said Provisional Regulations is deleted and there is inserted in such Regulations in lieu thereof the following three Articles:

"ARTICLE VI. PURCHASE OF GOLD BY MINTS

"Section 35. The mints, subject to the conditions specified in these regulations, and the general regulations governing the mints, are authorized to purchase:

(a) Gold recovered from natural deposits in the United States or any place subject to the jurisdiction thereof, and which shall not have entered into monetary or industrial use;

(b) Unmelted scrap gold;

(c) Gold imported into the United States after January 30, 1934; and

(d) Such other gold as may be authorized from time to time by rulings of the Secretary of the Treasury;

Provided, however, that no gold shall be purchased by any mint or assay office under the provisions of this article which, in the opinion of the mint, has been held at any time in noncompliance with the act of March 9, 1933, any Executive orders or orders of the Secretary of the Treasury issued thereunder, or in noncompliance with any regulations prescribed under such orders or licenses issued pursuant thereto or which, in the opinion of the mint, has been acquired and held, transported, melted or treated or held in custody in violation of the Act or of regulations issued thereunder, including these regulations.

"Sec. 36. Deposits.--Gold in the form of unmelted scrap gold, coins, bars, kings, and buttons will be received in amounts of not less than one troy ounce of fine gold. Gold in the form of retort sponge, lumps, nuggets, grains, and dust, in their native state free from earth and stone, or nearly so, will be received in amounts of not less than two troy ounces of fine gold. Deposits of gold shall not contain less than 200 parts of gold in 1,000 by assay. In the case of gold forwarded to a mint by mail or express, a letter of transmittal shall be sent with each package. When there is a material discrepancy between the actual and invoice weights of a deposit, further action in regard to it will be deferred pending communication with the depositor.

"Sec. 37. Rejection of gold by mint.---Deposits of gold which do not conform to the requirements of sections 35 or 36, or which otherwise are unsuitable for mint treatment shall be rejected and returned to the person delivering the same at his risk and expense. Any deposit of gold which has been held at any time in noncompliance with the Act of March 9, 1933, any Executive Orders or Orders of the Secretary of the Treasury issued thereunder, or in noncompliance with any regulations prescribed under such orders or licenses issued pursuant thereto, or in noncompliance with the Act and any regulations issued thereunder, including these regulations, or any licenses issued pursuant thereto or hereto may be held subject to the penalties provided in Section 12 hereof, or Sections 2 or 3 of said Act of March 9, 1933.

"Sec. 38. Gold recovered from natural deposits in the United States or any place subject to the jurisdiction thereof.---(1) The mints shall not purchase any gold under clause (a) of section 35 unless the deposit of such gold is accompanied by a properly executed affidavit as follows:

"An affidavit on form TG-19 shall be filed with each delivery of gold by persons who have recovered such gold by mining or panning in the United States or any place subject to the jurisdiction thereof: Provided, however, That such persons delivering gold in the form of nuggets or dust having an aggregate weight of not more than 5 ounces, which they have recovered from mining or panning in the United States or any place subject to the jurisdiction thereof, may accompany such delivery with full and complete information on form TG-19 without the requirement of an oath.

"An affidavit on form TG-20 shall be filed with each delivery of gold by persons who have recovered such gold from gold-bearing materials in the regular course of their business of operating a custom mill, smelter, or refinery.

"An affidavit on form TG-21 together with a statement also under oath giving (a) the names of the persons from whom gold was purchased; (b) amount and description of each lot of gold purchased; (c) the location of the mine or placer deposit from which each lot was taken; and (d) the period within which such gold was taken from the mine or placer deposit, shall be filed with each such delivery of gold by persons who have purchased such gold directly from the persons who have mined or panned such gold.

In addition such persons shall show that the gold was acquired, held, melted and treated, and transported by them in accordance with a license issued pursuant to section 23 hereof, or that such acquisition, holding, melting and treating, and transportation is permitted under article II without necessity of holding a license.

"Sec. 39. Unmelted scrap gold. -- No deposit of unmelted scrap gold shall be accepted unless accompanied by a properly executed affidavit on form TG-22. In addition the depositors of such gold shall establish to the satisfaction of the mint that the gold was acquired, held, and transported by them in accordance with a license issued pursuant to these regulations.

"Sec. 40. Imported gold. -- The mints are authorized to purchase only such gold imported into the United States as has been in customs custody throughout the period in which it shall have been situated within the customs limits of the continental United States, and then only subject to the following provisions:

"(1) Notation upon entry. -- Upon formal entry into the United States of any gold intended for sale to a mint under this article, the importer shall declare to the collector of customs at the port of entry where the gold is formally entered that the gold is entered for such sale. The collector shall make a notation of this declaration upon the entry and forward a copy to the mint designated by the importer.

"(2) Upon the deposit of the gold with the mint designated by the importer, the importer shall file an affidavit executed in duplicate on form TC-23.

"Sec. 41. Records and reports.--Every person delivering gold in accordance with this article, who is required to be licensed to hold gold, shall keep an exact record of all gold mined, acquired, and all deliveries of gold made by such person as provided in section 26 hereof and shall file with the mint which issued the license the reports required under section 27 hereof. The mints shall not purchase gold under the provisions of this article from any person who has failed to comply with these regulations or the terms of his license.

"Sec. 42. Purchase price.--The mints shall pay for all gold purchased by them in accordance with this article \$35.00 (less one fourth of 1 percent) per troy ounce of fine gold, but shall retain from such purchase price an amount equal to all mint charges. This price may be changed by the Secretary of the Treasury without notice other than by notice of such change mailed or telegraphed to the mints.

"ARTICLE VII. SALE OF GOLD BY MINTS

"Section 43. Each mint is authorized to sell gold to persons licensed by it to acquire such gold for use in industry, profession, or art: Provided, however, That no mint may sell gold to any person in an amount which, in the opinion of such mint, exceeds the amount actually required by such licensee for a period of 3 months. Prior

to the sale of any gold under this article, the mint shall require the purchaser to execute and file in duplicate an affidavit on form TG-24, or, if such purchaser is in the business of furnishing gold for use in industries, professions, and arts, on form TG-25. The mints are authorized to refuse to sell gold in amounts less than 25 ounces, and shall not sell gold under the provisions of this article to any person who has failed to comply with these regulations or the terms of his license.

"Sec. 44. Sale price.--The mints shall charge for all gold sold under this article \$35.00 (plus one fourth of 1 percent) per troy ounce of fine gold. This price may be changed by the Secretary of the Treasury without notice other than by notice of such change mailed or telegraphed to the mints.

"ARTICLE VIII. TRANSITORY PROVISIONS

"Section 45. Licenses issued by the United States mints and assay offices on form TGL-4 and TGL-4A, shall until March 15, 1934, be deemed licenses under section 23 hereof. Such licenses on form TGL-4 will authorize the licensee until March 15, 1934, to acquire--

- (1) gold held under License TGL-4 or TGL-4A or under License TGL-12, TGL-13, or TGL-14 issued pursuant to these regulations;
- (2) unmelted scrap gold from persons who acquired and hold such gold lawfully; or
- (3) gold bullion from the mint which issued his license;

and to hold, transport, melt and treat, gold now lawfully held or so acquired in amounts authorized by the license. Such licenses on Form TGL-4A will authorize the licensee until March 15, 1934, to acquire and hold unmelted scrap gold:

(1) held under License TGL-4A or under License TGL-12, issued pursuant to these regulations; or

(2) from persons who acquired and hold unmelted scrap gold lawfully;

and to hold and transport unmelted scrap gold now lawfully held or so acquired in amounts authorized by the license.

"Sec. 46. Licenses to hold gold in custody, issued by direction of the Secretary of the Treasury on forms TGL-1 and TGL-2 up to and including March 15, 1934, shall be deemed licenses to hold such gold in custody subject to the conditions prescribed therein, unless sooner terminated by the terms thereof."

Section 5. The foregoing amendments to the Provisional Regulations issued January 30, 1934 under the Gold Reserve Act of 1934, deemed necessary and proper by the Secretary of the Treasury to carry out the purposes of the Gold Reserve Act of 1934, approved January 30, 1934, are issued by the Secretary of the Treasury, with the approval of the President, under authority of said Act.

HENRY MORGENTHAU, JR.

Secretary of the Treasury

APPROVED:

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

January 31, 1934.

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TREASURY DEPARTMENT
WASHINGTON

February 1, 1934.

MEMORANDUM FOR THE PRESS
For Immediate Release

Amplifying his statement issued yesterday, (Wednesday, January 31) with respect to the purchase of imported gold by the Federal Reserve Bank as fiscal agent of the United States and his regulations of the same date, with respect to purchases of imported gold by the Mints, the Secretary of the Treasury today made public the following announcement:

"Beginning Thursday, February 1, 1934, and until further notice, I will buy imported fine gold bars through the Federal Reserve Bank of New York as fiscal agent of the United States; and other gold, foreign or domestic, through any United States Mint or the United States Assay Offices at New York or Seattle, both at the following rate and upon the following terms and conditions deemed by me most advantageous to the public interest:

"Purchases will be made at the rate of \$35.00 per fine troy ounce, less the usual mint charges and less one-quarter of one per cent for handling charges, all subject to compliance with the Regulations issued under the Gold Reserve Act of 1934."

It was explained that the phrase "fine gold bars" means gold bars of a fineness of .899 or finer, such as are ordinarily used in the settlement of international balances, carrying a recognized stamp indicating the weight and degree of fineness. The mints will purchase imported gold in other condition, such as unrefined gold and gold in other forms than in stamped bars, along with the domestic gold specified in Section 35 of the regulations issued yesterday.

Regulations as to hoarded gold are unchanged.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$175,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, February 5, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$125,000,000, or thereabouts, maturing on May 9, 1934, and \$50,000,000, or thereabouts, maturing on August 8, 1934; both series to be dated February 7, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be

expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on February 5, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on February 7, 1934, provided, however, any qualified depository will be permitted to make payment by credit for Treasury bills maturing August 8, 1934, allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal reserve bank of its district.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

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TREASURY DEPARTMENT
WASHINGTON

MEMORANDUM FOR THE PRESS
For Immediate Release

February 2, 1934

Newspapers of last night and this morning carry reports of what was assumed to be a "joker" in the liquor taxing act of 1934, which would make the buyer of distilled spirits, the container of which does not bear an Internal Revenue strip stamp, equally liable with the seller to penalties, which might be a fine not exceeding \$1,000 or imprisonment not exceeding five years.

The assumption that there is such a joker in the act was based on the fact that the Senate eliminated from Section 210, Title II in two places the words "for sale". Those who have assumed that this made the buyer liable have evidently failed to read the remainder of the section which contains these words:

"The provisions of this Title shall not apply to
- **** (f) Distilled spirits not intended for sale
or for use in the manufacture or production of any
article intended for sale."

It is thus apparent that the buyer of distilled alcoholic liquors in unstamped bottles is not liable under this act unless he buys for the purpose of reselling.

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TREASURY DEPARTMENT
WASHINGTON

Memorandum for the Press

February 5, 1934.

Silver received by the United States Mints under the President's proclamation of December 21, 1933, was 117,554.86 ounces for the week ended February 2. Of this amount 117,383 ounces was received by the Denver Mint and the balance of 171.86 ounces by the San Francisco Mint.

These receipts compare with a total of 94,921 ounces received for the week ended January 26 and receipts up to and including January 18 of 2,181 ounces. Total receipts from the date of the proclamation up to and including February 2 are 214,657 ounces.

Reports of the Federal Reserve Banks to the close of business February 3 show that from January 27 to February 3, inclusive, deposits of gold coin and gold certificates received under the Secretary's order of December 28, 1933, as amended, were: Gold coin, \$5,402,343.54; gold certificates, \$5,960,010; total, \$11,362,352.54. Total receipts to date under the order are: Gold coin, \$23,365,630.26; gold certificates, \$35,410,480; total receipts of coin and certificates, \$58,776,110.26.

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TREASURY DEPARTMENT
WASHINGTON

Memorandum for the Press

February 5, 1934.

Total purchases of Government securities by
the Treasury for investment accounts from January 30
through February 5 were \$7,900,000.

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TREASURY DEPARTMENT
WASHINGTON

February 7, 1934.

Memorandum for the Press
FOR IMMEDIATE RELEASE

The purchaser of bottled whisky will be able to identify it on and after February 10 as a legal product upon which the tax has been paid, it was pointed out at the Treasury Department today. Beginning on that date, each bottle will be required to bear a red strip-stamp passing over the mouth of the bottle.

Dealers who have distilled spirits in stock on February 10 will have ten days in which to obtain the necessary stamps to affix to the bottles. The stamp will bear the name of the distiller, wholesaler, or importer, will state that the tax has been paid to the Government, and will indicate the quantity of liquor contained in the bottle.

Whisky will no longer be sold in bulk packages, under the Liquor Taxing Act of 1934 and regulations issued by the Bureau of Internal Revenue, except for certain specific purposes, not connected for the most part with retail trade. All whisky which is purchased for resale to the consumer must be in bottles and must bear the red strip-stamp.

The green strip-stamp now in use for bottled-in-bond whisky and the blue strip-stamp now used on whisky intended for export will be continued.

The purpose of the new regulation is to notify the public that bottled liquor which does not bear a stamp is probably illegally produced or the tax has not been paid. The stamps denote quantity in the container and are for a quart, a fifth, a pint, half-pint, and less than half-pint. Each stamp costs one cent, except those for less than half-pint containers, which are one-quarter cent each.

The stamps are engraved and printed by the Bureau of Printing and Engraving, and not easily counterfeited. Every precaution is being taken against the use of spurious stamps.

The strip-stamp must be broken when the cork is pulled, and must be entirely effaced when the bottle is empty. If the stamp is broken at the time of purchase, the bottle may be a refill.

Heavy penalties are provided for the sale of unstamped whisky, and for failure to destroy the stamp, when the bottle is opened.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$150,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Friday, February 9, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$75,000,000, or thereabouts, maturing on May 16, 1934, and \$75,000,000, or thereabouts, maturing on August 15, 1934; both series to be dated February 14, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on February 9, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on February 14, 1934, provided, however, any qualified depository will be permitted to make payment by credit for Treasury bills maturing August 15, 1934, allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be

exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

February 12, 1934

Silver received by the United States Mints under the President's proclamation of December 21, 1933, amounted, for the week ending February 9, to 375,995.83 fine ounces. Of this amount the San Francisco Mint received 311,439.83 fine ounces and the Denver Mint 64,556 fine ounces. Receipts for the previous week, ended February 2, were 117,554.86 fine ounces and total receipts up to and including February 9 have been 590,652.83 fine ounces.

Reports of the Federal Reserve Banks to the close of business February 10 show that from February 3 to February 10, inclusive, there had been deposited under the Secretary's order of December 28, 1933, gold coin to the amount of \$1,747,666; gold certificates to the amount of \$4,559,270, or a total deposit of coin and certificates for the week of \$6,307,036.

Receipts of gold coin and certificates by the Federal Reserve Banks under the Secretary's order from December 28, the date of the order, up to and including February 10 were gold coin, \$25,113,296.23 and gold certificates, \$39,969,750.

In addition there have been deposited direct with the Treasurer of the United States since December 28, gold coin, \$229,044 and gold certificates, \$1,141,500. There have also been deposited in the New York Assay Office, under the same order, gold bars to the value of \$200,572.69.

Including all items, total receipts of gold coin, gold certificates and gold bars, under the Secretary's order of December 28, 1933, have been \$66,654,162.92.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

February 12, 1934

Total purchases of Government securities by the Treasury for Government investment accounts through February 6 and including deliveries scheduled for February 13, were \$22,528,000.

In addition to the above amount purchased in the New York market the Federal Deposit Insurance Corporation on February 9 purchased \$638,400 of Government bonds, which had been held by the Treasurer of the United States as collateral security for postal savings deposits.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 31-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, February 19, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated February 21, 1934, and will mature on May 23, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for,

unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on February 19, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on February 21, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

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TREASURY DEPARTMENT
WASHINGTON

MEMORANDUM FOR THE PRESS

February 19, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending February 16	232,630	ounces
Received up to February 9	<u>590,652.83</u>	"
Total receipts to February 16	823,282.83	"

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

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

Received by Federal Reserve Banks:

	<u>Gold Coin</u>	<u>Gold Certificates</u>
Week ending February 17	\$ 577,260.58	\$2,031,430
Received previously	<u>25,115,296.23</u>	<u>39,969,750</u>
Total to February 17	25,690,556.81	42,001,180

Received by Treasurer's Office:

Week ending February 17	\$ 4,700	68,000
Received previously	<u>229,044</u>	<u>1,141,500</u>
Total to February 17	\$ 233,744	1,209,500

Note: In addition gold bars to the amount of \$200,572.69 were deposited with the New York Assay Office, as previously noted.

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

For week ending February 17:

Federal Deposit Insurance	\$ 5,800,000
Other accounts	<u>1,289,000</u>
	7,089,000

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TREASURY DEPARTMENT
WASHINGTON

MEMORANDUM FOR THE PRESS.
(Immediate Release)

FEBRUARY 21, 1934

The Secretary of the Treasury today (February 21, 1934) sent a telegram to the Governor of the Federal Reserve Bank of New York and to the superintendents of the mints and assay offices advising them that the price to be paid for gold offered for sale is that prevailing on the day of the deposit of the gold.

The telegram explains that the day of the deposit of the gold is the day when the gold and the required accompanying papers (other than the certificate of the Collector of Customs) are received in proper order.

Unavoidable delays in settlement with the mints and the assay offices caused by receipt of heavy shipments of gold are said to be causing uncertainty on the part of some shippers of gold. The object of the telegrams sent by the Secretary today is to clear up any uncertainty that may exist.

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STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, February 26, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated February 28, 1934, and will mature on August 29, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for,

unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on February 26, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on February 28, 1934, provided, however, any qualified depository will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal reserve bank of its district.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, March 5, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated March 7, 1934, and will mature on September 5, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on March 5, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on March 7, 1934, provided, however, any qualified depository will be permitted to make payment by credit for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its district.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 5, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending March 2	271,800.00	ounces
Received up to February 23	<u>1,145,910.14</u>	"
Total receipts to March 2	1,417,710.14	"

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

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

Received by Federal Reserve Banks:	<u>Gold Coin</u>	<u>Gold Certificates</u>
Week ending March 2	\$ 311,341.14	\$1,526,840.
Received previously	<u>26,051,522.29</u>	<u>43,798,630.</u>
Total to March 2	<u>\$26,362,863.43</u>	<u>\$45,325,470.</u>

Received by Treasurer's Office:

Week ending March 2	\$ 2,000.	\$ 33,100.
Received previously	<u>236,749.</u>	<u>1,244,500.</u>
Total to March 2	<u>\$ 238,749.</u>	<u>\$1,277,600.</u>

Note: In addition gold bars to the amount of \$200,572.69 were deposited with the New York Assay Office, as previously noted.

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

For week ending March 3:

Federal Deposit Insurance	\$ 7,300,000
Other accounts	<u>2,908,100</u>
	\$10,208,100

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STATEMENT OF SECRETARY OF THE TREASURY TO
THE COMMITTEE ON FINANCE OF THE SENATE

3/16/34

The Treasury Department appreciates the opportunity granted by the Committee on Finance to present its views with respect to the revenue bill now pending before the Committee. I shall attempt to state at this time the general attitude of the Treasury, leaving the discussion of the specific provisions of the bill for later consideration.

In his Budget Message, the President stated that he expected the budget estimates of receipts to be increased by an additional \$150,000,000 to be obtained from the revision of the income tax, estate tax, and miscellaneous tax laws. The President did not at that time recommend the imposition of any specific new taxes, or the elimination of any taxes now in force. The budget estimate is, however, framed on the basis that any revenue revision should provide for the amount of receipts estimated to be obtained from the existing tax laws, plus at least \$150,000,000 additional. It is estimated by the Committee on Ways and Means that the revenue bill now pending before this Committee will produce approximately \$258,000,000 additional revenue in a full year of operation (including \$85,000,000 to be obtained from changes in the administration of the depreciation allowances). It should be noted, however, that most of this additional revenue will not be collected until 1935; and that revenue estimates in respect to technical changes are difficult to make, since they depend upon a number of uncertain factors, the most important of which is future business profits. It is therefore the best judgment of the Treasury that the bill finally adopted should provide for at least as much revenue as it is estimated the pending bill will yield.

The bill was prepared as the result of the work of a Subcommittee of the Committee on Ways and Means of the House, which was appointed to investigate methods of preventing the evasion and avoidance of the internal revenue laws, to consider the improvement of such laws, and to study possible new sources of revenue. The Subcommittee presented a Preliminary Report to the Committee on Ways and Means on December 4, 1933. At the request of the Committee, the Treasury set forth its views with respect to the proposed amendments in a Statement made on December 15, 1933. The Treasury expressed its hearty agreement with the objective of the Subcommittee as stated in its Preliminary Report, namely, to prevent avoidance of the income tax laws, and thereby to increase the revenue therefrom; but indicated that, on the basis of administrative experience, it would be desirable to modify some of the specific recommendations. The Treasury also recommended some further changes in the law, which, in the opinion of the Department, would improve its administration and prevent evasion. At the request of the Committee, representatives of the Treasury participated in the subsequent discussions of the various recommendations in executive session. The bill was thereafter drawn to embody the changes agreed upon by the Committee.

The bill does not alter the general framework of the federal tax system. The only new taxes are those imposed upon the first domestic processing of coconut and sesame oils; and upon the production and refining of crude petroleum. It is proposed to repeal the check tax as of January 1, 1935 instead of July 1, 1935; and to repeal entirely the taxes on fruit juices. In other respects, the existing taxes are left in effect, with amendments designed to assist in their better enforcement.

The income tax rate structure is considerably simplified, and the yield increased by heavier impositions upon dividend and partially tax-exempt income, with some reduction in the taxes applicable to salaried incomes in the lower brackets.

Viewing the proposed changes as a whole, I believe that the bill will yield the additional revenue which the President desires, primarily by the elimination of the serious loopholes which our experience has shown to exist in the present income tax law. No taxpayer can legitimately complain of these changes, since they result in a more equitable distribution of the tax burden over those persons who are best able to sustain it. The Treasury Department therefore approves the pending bill as a whole, with the exception of some minor matters, which the Department will be glad to discuss with the Committee at its convenience.

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March 8, 1934.

STATEMENT OF THE SECRETARY OF THE TREASURY BEFORE THE
JUDICIARY COMMITTEE OF THE HOUSE OF REPRESENTATIVES
ON THE SUBJECT OF TAX EXEMPT SECURITIES.

The Treasury Department favors as a permanent policy the elimination of the exemptions from Federal income tax now accorded to the interest on Federal, state, and municipal securities, in so far as future issues of such securities are concerned.

I consider it very important that when the exemption is eliminated it should be eliminated not only in respect to future issues of Federal securities, but in respect to future issues of state and municipal securities as well. The enactment of legislation requiring Federal obligations to be issued in the future on a fully taxable basis, in competition with wholly tax-exempt securities originating elsewhere, would be likely to react unfavorably on the market for Federal securities, to increase the cost of the Government's borrowing, and to complicate our financing operations.

I am advised that a constitutional amendment would be required to enable the Federal Government to tax the interest on state and municipal securities. In my judgment, such an amendment should be drawn on a reciprocal basis; the states should be permitted to tax the income from Federal securities, and the Federal Government to tax the income from state and municipal securities. I favor such an amendment.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

March 12, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended March 9	126,604.00	ounces
Received up to March 2	1,417,710.14	"
Total receipts to March 9	<u>1,544,314.14</u>	"

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

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

Received by Federal Reserve Banks: Gold Coin Gold Certificates

March 3 to 7, inclusive	\$ 103,424.88	\$ 1,372,820
Received previously	<u>26,362,863.43</u>	<u>45,325,470</u>
Total to March 7	<u>\$26,466,288.31</u>	<u>\$46,698,290</u>

Received by Treasurer's Office:

March 3 to 7, inclusive	\$ -----	\$ 26,200
Received previously	<u>238,749.00</u>	<u>1,277,600</u>
Total to March 7	<u>\$ 238,749.00</u>	<u>\$ 1,303,800</u>

Note: In addition gold bars to the amount of \$200,572.69 deposited with the New York Assay Office, as previously noted.

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

For week ended March 10:

Federal Deposit Insurance	\$ 5,600,000
Other accounts	<u>1,300,000</u>
Total to March 10	<u>\$ 6,900,000</u>

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal reserve banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, March 19, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated March 21, 1934, and will mature on June 20, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal reserve banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by

an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on March 19, 1934, all tenders received at the Federal reserve banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal reserve banks in cash or other immediately available funds on March 21, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal reserve bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

March 16, 1934.

Secretary Morgenthau today issued the following statement:

The appointment of Admiral C. J. Peoples to membership on the Special Board for Public Works, in place of Assistant Secretary L. W. Robert, Jr., represents merely the completion of routine changes in carrying out the Executive Order creating the Procurement Division in the Treasury Department and the transfer of public building activities to that division. It does not reflect in any way on Assistant Secretary Robert or affect his standing in the Treasury Department in any respect.

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TREASURY DEPARTMENT
Washington

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MEMORANDUM FOR THE PRESS

March 19, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending March 16, 1934:

Philadelphia	----		
Denver	131,593	fine ounces	
San Francisco	701,215.51	" "	
Total for the week			832,808.51 ounces
Received previously			<u>1,544,314.14</u> "
Total receipts to March 16			<u><u>2,377,122.65</u></u>

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending March 16, 1934.

	Imports	Secondary	New Domestic
Philadelphia	\$ ----	\$ 425,051.90	\$ 356.85
San Francisco	831,446.00	231,028.21	1,877,238.55
Denver	----	179,252.00	354,160.00
New York	33,692,000.00	4,130,000.00	710,000.00
Seattle	50,501.23	27,028.76	189,660.29
New Orleans	8,049.01	15,112.93	----
	<u>\$34,581,996.24</u>	<u>\$5,007,473.80</u>	<u>\$ 3,131,415.69</u>

RECAPITULATION

Imports	\$34,581,996.24
Secondary	\$ 5,007,473.80
New Domestic	\$ 3,131,415.69
Total	<u>\$42,720,885.73</u>

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 14	\$ 209,188.57	\$ 1,153,750
Received previously	26,466,288.31	46,698,290
Total to March 14	<u>\$26,675,476.88</u>	<u>\$47,851,040</u>

Received by Treasurer's Office:

Week ended March 14	\$ 1,700.00	\$ 37,200
Received previously	238,749.00	1,303,800
Total to March 14	<u>\$ 240,449.00</u>	<u>\$ 1,341,000</u>

NOTE: In addition, gold bars to the amount of \$200,572.69 deposited with the New York Assay Office, as previously noted.

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

For week ended March 17:

Federal Deposit Insurance Corporation....	\$ 5,267,000
Other accounts	2,642,000
Total to March 17	<u>\$ 7,909,000</u>

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$100,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, March 26, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$50,000,000, or thereabouts, maturing on June 27, 1934, and \$50,000,000, or thereabouts, maturing on September 26, 1934; both series to be dated March 28, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on March 26, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on March 28, 1934, provided, however, any qualified depository will be permitted to make payment by credit for Treasury bills maturing September 26, 1934, allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal reserve bank of its district.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

Release Folder

STATEMENT OF MR. TOM K. SMITH, ASSISTANT TO THE
SECRETARY OF THE TREASURY, BEFORE THE BANKING
AND CURRENCY COMMITTEE OF THE SENATE.

3/23/34

The Nation has experienced undoubtedly the most severe depression in its history. There seems to be no doubt that excessive speculation and harmful practices that developed in the securities market -- particularly on the stock exchanges -- were among the major causes of economic disaster.

We have started on our way to recovery. It is of supreme importance that a repetition of old mistakes should not wreck our efforts to bring about a broad and lasting economic improvement. The time is appropriate for legislation to remedy stock exchange abuses and to place stock market activities under reasonable and adequate regulation in the public interest. Those who wish to invest their savings, and industries having legitimate need for capital funds, must alike be protected from the evils of wild and unchecked speculation.

The general purpose of the National Securities Exchange Act of 1934 is to attain these ends. Its major objectives are:

- (1) To establish Federal supervision over securities exchanges;
- (2) To prevent manipulation of security prices and to protect the public against unfair practices;
- (3) To prevent excessive fluctuations in security prices due to speculative influences;
- (4) To discourage the use of credit in the financing of excessive speculation in securities.

With these general objectives the Treasury is in full accord.

The Treasury has been consulted on certain parts of the bill which are of direct concern to it. Within the limited time available, these have been studied to determine whether they would have an unduly adverse

effect on the marketing of government securities or on the national financial structure. Changes which were regarded as necessary within the framework of a general regulatory measure were suggested to the counsel for the Committees of the Senate and House and were, in all material respects, incorporated in the bill.

The Treasury has not considered those provisions of the bill which relate to the strictly technical matters of stock exchange practice and regulation. Failure to comment on those provisions does not mean that the Treasury is opposed to them, but only that they have not been the objects of our study. The Treasury is, therefore, not in a position to express an opinion on them.

TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS

March 26, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending March 23, 1934:

San Francisco	367,553.24	fine ounces	
Denver	2,291.00	" "	
Total for the week			369,844.24 ounces
Received previously			<u>2,377,122.65</u> "
Total receipts to March 23			<u>2,746,966.89</u> "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending March 23, 1934:	Imports	Secondary	New Domestic
Philadelphia.....\$	....	\$ 983,332.16	\$ 717.22
San Francisco	1,127.36	99,839.44	632,094.19
Denver	63,729.00	88,283.00	475,850.00
New York	29,200,300.00	2,957,750.00	865,250.00
Seattle .....	....	36,761.27	158,521.99
New Orleans	40,699.56	51,351.65	.....
Total	\$29,305,855.92	\$4,217,367.52	\$ 2,132,433.40

RECAPITULATION

Imports	\$29,305,855.92
Secondary	4,217,367.52
New Domestic	<u>2,132,433.40</u>
Total	\$35,655,656.84

Receipts of Secondary Gold from January, 1934 to March 16, 1934:

		NEW YORK
Philadelphia		
January - 1934	\$ 22,771.40	January, February
February	334,728.83	to March 9
March 1-9	669,751.64	\$ 18,798,000.00
March 10-16	425,051.90	March 10-16
Total	<u>\$ 1,352,303.77</u>	4,130,000.00
		<u>\$ 22,928,000.00</u>
SAN FRANCISCO		DENVER
January	\$ 13,527.99	January
February	317,091.15	\$ 10,309.00
March 1 - 13	231,028.21	February
March 14 - 16	66,548.76	71,518.00
Total	<u>\$ 628,196.11</u>	March 1 - 9
		223,590.00
		March 10 - 16
		<u>\$ 484,669.00</u>
NEW ORLEANS		SEATTLE
January	\$ 662.46	January
February	49,726.13	\$ 1,503.49
March 1 - 9	14,592.74	February
March 10 - 16	15,112.93	69,625.57
Total	<u>\$ 80,094.26</u>	March 1 - 9
		43,407.24
		March 10 - 16
		<u>\$ 27,028.76</u>
		<u>\$ 141,565.06</u>
GRAND TOTAL	\$25,614,828.20	

(Continued on Page 2)

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 March 21	\$ 122,016.84	\$ 1,080,150.
Received previously	26,675,476.88	47,851,040.
Total to March 21	<u>\$26,797,493.72</u>	<u>\$ 48,931,190.</u>
Received by Treasurer's Office:		
Week ended March 21	\$ 1,345.00	\$ 260,000.
Received previously	240,449.00	1,341,000.
Total to March 21	<u>\$ 241,794.00</u>	<u>\$ 1,601,000.</u>

NOTE: In addition, gold bars to the amount of \$200,572.69 deposited with the New York Assay Office, as previously noted.

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended March 24:	
Federal Deposit Insurance Corporation	\$ 23,241,000
Other accounts	14,503,000
Total for week	<u>\$ 37,744,000</u>

STATEMENT BY ACTING SECRETARY OF THE TREASURY GIBBONS

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$100,000,000, or thereabouts. One series will be 90-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, April 2, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$50,000,000, or thereabouts, maturing on July 3, 1934, and \$50,000,000, or thereabouts, maturing on October 3, 1934; both series to be dated April 4, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on April 2, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury Bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on April 4, 1934, provided, however, any qualified depository will be permitted to make payment by credit for Treasury bills maturing October 3, 1934, allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal reserve bank of its district.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS

April 2, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending March 30:

Denver	123,438.00	fine ounces			
Philadelphia.....	125,431.64	" "			
San Francisco.....	<u>105,841.44</u>	" "			
Total for the week			354,711.08	fine ounces	
Received previously			<u>2,746,966.89</u>	" "	
Total receipts to March 30.....			<u><u>3,101,677.97</u></u>		

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending March 30:	Imports	Secondary	New Domestic
Philadelphia\$	---	\$ 725,689.94	\$ ---
San Francisco	582,768.61	104,496.83	826,156.31
Denver	45,568.00	93,977.00	479,139.00
New York	25,340,000.00	3,054,000.00	330,000.00
Seattle	---	40,794.31	179,408.25
New Orleans	18,248.96	31,331.05	116.48
Total	\$25,986,585.57	\$ 4,050,289.13	\$1,814,820.04

RECAPITULATION

Imports	\$25,986,585.57
Secondary.....	4,050,289.13
New Domestic.....	<u>1,814,820.04</u>
Total	<u><u>\$31,851,694.74</u></u>

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 28	\$ 122,115.30	\$ 1,002,020.00
Received previously	<u>26,797,493.72</u>	<u>48,931,190.00</u>
Total to March 28	\$ 26,919,609.02	\$ 49,933,210.00
Received by Treasurer's Office:		
Week ended March 28	\$ 1,345.00	\$ 25,500.00
Received previously	<u>240,449.00</u>	<u>1,367,000.00*</u>
Total to March 28	<u><u>\$ 241,794.00</u></u>	<u><u>\$ 1,392,500.00</u></u>

(*) Corrected figure. Gold Certificates received by the Treasurer's Office week ended March 21 incorrectly reported last week as \$260,000 instead of \$26,000.

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended March 31:

Federal Deposit Insurance Corporation	\$11,800,000
Other accounts	<u>11,800,000</u>
Total	<u><u>\$23,600,000</u></u>

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$100,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, April 9, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$50,000,000, or thereabouts, maturing on July 11, 1934, and \$50,000,000, or thereabouts, maturing on October 10, 1934; both series to be dated April 11, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on April 9, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on April 11, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS

April 9, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending April 6:	
Philadelphia	450,057.29 fine ounces
San Francisco	116,726.18 " "
Denver	2,491.00 " "
Total for the week	569,274.47 fine ounces
Received previously	3,101,677.97 " "
Total receipts to April 6	<u>3,670,952.44</u>

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending April 6:	Imports	Secondary	New Domestic
Philadelphia	\$ -----	\$ 406,791.12	\$ 149.87
San Francisco	711,024.81	121,384.31	1,093,877.77
Denver	39,284.00	69,012.00	533,243.00
New York	20,847,000.00	4,973,000.00	208,000.00
Seattle	-----	25,610.79	51,200.75
New Orleans	5,075.21	21,014.75	237.13
Total	<u>\$21,602,384.02</u>	<u>\$5,616,812.97</u>	<u>\$1,886,708.52</u>

RECAPITULATION

Imports	\$21,602,384.02
Secondary	5,616,812.97
New Domestic	1,886,708.52
Total	<u>\$29,105,905.51</u>

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 April 4	\$ 142,339.28	\$ 860,910.00
Received previously	26,919,609.02	49,933,210.00
Total to April 4	<u>\$27,061,948.30</u>	<u>\$ 50,794,120.00</u>
Received by Treasurer's Office:		
Week ended April 4	\$ 1,500.00	\$ 22,900.00
Received previously	241,794.00	1,392,500.00
Total to April 4	<u>\$ 243,294.00</u>	<u>\$ 1,415,400.00</u>

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended April 7:	
Federal Deposit Insurance Corporation	\$ 20,838,000.00
Other accounts	21,531,400.00
Total	<u>\$ 42,369,400.00</u>

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$125,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, April 16, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$75,000,000, or thereabouts, maturing on July 18, 1934, and \$50,000,000, or thereabouts, maturing on October 17, 1934; both series to be dated April 18, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on April 16, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on April 18, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT
Washington, D. C.

Release Folder

April 16, 1934.

Following is text of letter transmitted by the Secretary of the Treasury to Honorable Duncan U. Fletcher, Chairman, Senate Banking and Currency Committee, together with text of memorandum which accompanied the letter.

"April 13, 1934.

Dear Mr. Chairman:

Receipt is acknowledged of your clerk's letter of March 8, 1934, transmitting a copy of the bill, S.2949, 'To permit resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks', and requesting a report thereon.

The bill proposes to free deposits frozen in closed banks by directing the Reconstruction Finance Corporation to purchase all the remaining assets of closed national banks and State member banks of the Federal Reserve System. The proceeds are then to be made immediately available to the depositors, while the Reconstruction Finance Corporation is to liquidate the assets over a period of years.

There is the gravest doubt whether recovery could be materially assisted by the plan proposed. Since a very high percentage of the total amounts of deposits now frozen stands to the credit of a small percentage of depositors, the expenditure involved could scarcely be justified as a means of affording widespread relief. The administrative and legal difficulties which would ensue could only minimize the gains which the measure is designed to achieve. Furthermore, the adoption of the principle, implicit in the bill, that the Government should guarantee the efficiency of those functions and activities of its citizens because it may have, to a greater or less extent, supervised or controlled them, would be unfortunate.

Finally, the addition of this burden upon the tax payers, which, exclusive of interest, may be estimated at from \$1,250,000,000 to \$2,500,000,000, would, in the opinion of this Department, outweigh any benefits that the legislation could achieve.

A memorandum, discussing the measure in greater detail, is enclosed for your convenient reference.

Respectfully,

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

Honorable Duncan U. Fletcher.
Chairman, Banking and Currency Committee
United States Senate"

"MEMORANDUM

Reference is made to S. 2949, being a bill 'to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks'. This bill directs the Reconstruction Finance Corporation to purchase and liquidate the remaining assets of closed national banks and State member banks of the Federal Reserve System, paying the receivers or conservators thereof sufficient funds to satisfy the remaining deposit liabilities of such banks in full.

While the initial disbursement involved in this proposal can only be approximated and the ultimate cost vaguely surmised, the following figures and comments are suggested.

As of March 12, 1934, there were 1,468 national banks in receivership, with an unpaid deposit liability (which is exclusive of other liabilities, such as for money borrowed, etc.) of \$920,000,000.00. There were 284 national banks in conservatorship with similar unpaid deposit liabilities of \$210,000,000.00. As to State member banks, 250 were in receivership and 47 in conservatorship, together having a total similar unpaid deposit liability of approximately \$685,000,000.00. The initial disbursement thus required by the Reconstruction Finance Corporation would be approximately \$1,815,000,000.00.

As to the ultimate cost of this project, after crediting probable realization by the Reconstruction Finance Corporation from the assets acquired, an estimate was reached by analyzing a representative group of 100 closed national banks of all sizes in all sections of the United States as of December 31, 1933. It was found there was an average deficiency in assets as against deposit liabilities only, of 44 per centum. Total deposit liabilities of closed national banks and State member banks as of their suspension were approximately \$3,104,500,000.00. Applying to this figure the 44 per centum average deficiency in assets, there is ascertained an approximate actual deficiency or ultimate cost to the United States Treasury and to the taxpayers of \$1,366,000,000.00. This loss will be substantially increased by the interest to be paid on the money borrowed to finance this plan, and by the expense incurred over the 10 year period in liquidating the assets of the banks.

If, as is likely, in this instance, it is found that adoption of the bill can be had only by amending it to include State nonmember banks, the ultimate loss will be increased to an extent far beyond present computation.

The title of the bill states that its proposals are in fulfillment of the implied guaranty by the Government of deposit safety in national and State member banks. This is considered a most hazardous responsibility to admit or accept. It establishes a precedent that may be extended to any business activity over which the Government exercises any supervision. Thus the holders of the bonds of Joint Stock Land Banks and of Federal Land Banks and of the debentures of Federal Intermediate Credit Banks would be in a position to contend that the Government's supervision over these agencies, being similar to that which it exercises over National Banks, entitles such holders to recover from the Government any loss which they may ever have sustained as a result of dealing in these securities. Indeed, a similar argument might be advanced with respect to

other business activities supervised to any extent by the Government, such as the sale of alcoholic liquor, railroads, radio, and possibly even to include individual losses, on securities registered under the Securities Act, and in the stock market in the event that the Government assumed supervision thereof.

It is not clear whether the bill is limited to banks closed at date of its enactment or whether it embraces banks that suspend any time in the future. If the latter are included, the obligation being assumed is immeasurable, and it would seem the functions of the Federal Deposit Insurance Corporation as insurer of deposits will be entirely superseded. If the plan is not to extend to future suspensions, it is difficult to see how a distinction between depositors of a bank closing before the bill's enactment and depositors of one closing a week thereafter can be supported legally or in principle. Like comment may be made on the fact that no relief is given to the depositors of hundreds of closed banks who in the past year waived part of their deposits in order to restore the banks to solvency under Section 207 of the Bank Conservation Act or to the non-consenting minority of depositors in such banks who lost part of their deposits involuntarily due to the operation of Section 207. Those who voluntarily waived part of their deposits are penalized for their patriotic effort to reopen the banks during this emergency, whereas if they had acted otherwise the respective banks would be in receivership and under this bill those depositors would be paid in full. Depositors of closed banks, liquidation of which has been completed and receivers discharged are likewise excluded. There have been 267 such receiverships of national banks closed the past three years with substantial loss to depositors. If this legislation is based on an implied governmental guaranty of safety as set forth in its title, then it would seem such implied guaranty has been equally given to all the excluded classes of depositors and to creditors other than depositors as well. If these excluded classes must be included to sustain the constitutionality of the legislation, the cost to the taxpayers will, of course, greatly exceed estimates herein submitted.

Provision is made that all remaining assets of the banks, including assessment liability of shareholders, shall pass to the Reconstruction Finance Corporation. This is an effort to accomplish what is deemed a legal impossibility as against creditors other than depositors. The Supreme Court of the United States has held several times that the rights of all creditors attach to the bank's assets at suspension, and that the assessment liability of shareholders is an asset belonging to the creditors (Scott v. Deweese, 181 U. S. 202, etc.). Provision is made under the National Bank Act, U. S. Code, title 12, section 65 for the direct enforcement of shareholders' liability by the creditors without intervention of a receiver. Hundreds of millions of dollars are owed by closed banks to open banks that hold deficiency notes of such banks or have loaned money to them. Closed banks are indebted in large amounts to beneficiaries of trust estates administered by their trust departments. They are largely indebted on outstanding drafts and checks. None of these obligations are depositor obligations and none would be provided for by this bill. Consequently, such creditors would appear to have a prior claim against the assets of the banks and the assessment liability of their shareholders, which prior claim cannot be destroyed by this legislation, even though it attempt to do so and which would substantially reduce the figures above given as to the estimated probable recovery by the Reconstruction Finance Corporation and correspondingly increase the figures as to the ultimate cost or loss involved under this plan.

If the transaction is considered as a sale of assets, then the Reconstruction Finance Corporation does not become a creditor of the bank; hence, is not entitled to assert assessment liability against its shareholders, inasmuch as such liability is for the benefit of creditors only. If the Reconstruction Finance Corporation is to be considered as becoming a creditor of the bank by virtue of the transaction, it becomes such after the bank's suspension, as to banks in the hands of receivers, and the courts hold that shareholders are not subject to assessment for debts arising subsequent to suspension.

If, on the other hand, the purpose of the bill is to create what is, in effect, a purchase from the shareholders of their rights, in exchange for a payment to them of the amount of their deposit, a different problem arises. It may be true that under this theory the Reconstruction Finance Corporation would, on the principle of subrogation, be entitled to proceed against the shareholders for any deficiency to the same extent that the depositors had that right. On this theory, however, the Reconstruction Finance Corporation would obtain only such rights in the assets as the depositors had. Future developments in realization on assets of some of the banks involved, especially of banks in conservatorship, may be such that in ordinary course of liquidation there will be a surplus for distribution to shareholders. On the theory of subrogation, these rights would have to be considered, but the present bill entirely overlooks any property rights of such shareholders and purports to invest absolute title in the Reconstruction Finance Corporation to all future recovery on the assets taken over.

The bill attempts to suspend the Statute of Limitations, apparently to enable the Reconstruction Finance Corporation to obey the mandate given that it allow debtors ten years to pay and yet avoid the barring of such debts by State Statute of Limitations of shorter duration. There may be some question as to whether Congress can suspend the operation of a State Statute of Limitations now operating in favor of an existing debtor, unless the debtor consents under the circumstances here involved.

There are pending or in prospect numerous suits against bank directors based on their civil liability to the bank's depositors and other creditors. No adequate provision is made for carrying on such litigation or giving the Reconstruction Finance Corporation any benefit of recovery therefrom. Furthermore, since the depositors are to be paid in full, the bulk of such directors' liability as now exists may thereby be extinguished, because such liability is based on loss to the creditors; hence, may be substantially eliminated to the extent that depositor creditors are relieved from loss through payment by the Reconstruction Finance Corporation.

It is doubtful whether the Reconstruction Finance Corporation will be subrogated to the rights of the bank or its receiver against the sureties on fidelity bonds, particularly in view of the provisions of many of the surety contracts involved. Numerous suits and claims of this character involving large sums are pending.

There are pending many suits and claims of depositors involving determination of the amount of the bank's deposit obligation to them or whether or not there is in fact a deposit obligation or an obligation of a different character. No provision of the bill adequately cares for this situation.

Suits and claims of depositors and debtors involving offset and consequent determination of net deposit liability are pending. The bill does not provide for the determining of such matters.

Suits involving collection of stock assessments already levied are pending and no provision of the bill provides for the disposition of same. Inasmuch as the Reconstruction Finance Corporation cannot enjoy the benefit of these assessments to the exclusion of non-depositor creditors and in fact may not be entitled to participate therein at all, and since once a receiver is in charge he alone can collect such assessment, it follows that the Reconstruction Finance Corporation could not proceed on its own behalf to collect such assessment. If the receivers are to remain in charge of banks to collect such assessments, then since the Reconstruction Finance Corporation will have taken possession of all the assets, there will be no means of carrying the expense of such receivership and litigation pertaining thereto except by anticipation against hoped-for collections which may not materialize.

No doubt one of the objects of the bill is to stimulate recovery by promoting industrial activity and employment. This will not necessarily follow because an analysis of the distribution that will be made to the depositors of a large closed city bank shows that 46 per centum would be received by 1/2 of 1 per centum of the depositors, while in a small country bank, 44 per centum would go to 7.3 per centum of the depositors. In other words, nearly half of the money to be distributed would be received by about four per centum of the depositors, and this group may in large part place comparatively little thereof in circulation by purchase of commodities or in industrial activity productive of employment. Since the program must be financed ultimately through taxation, there is a serious question whether taxation may be resorted to for the benefit of such an arbitrarily selected class, particularly where half of the proceeds will be enjoyed by a comparatively small group in the class intended to be benefited.

In the last analysis this bill would establish the principle of guaranty by the United States of bank deposits, past, present, and future."

TREASURY DEPARTMENT
WASHINGTON

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MEMORANDUM FOR THE PRESS

April 16, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending April 13:

San Francisco 8,489.51 fine ounces
Denver 1,543.00 " "

Total for the week 10,032.51 fine ounces
Received previously 3,670,952.44 " "
Total receipts to April 13 3,680,984.95 " "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending April 13:	Imports	Secondary	New Domestic
Philadelphia	\$	\$ 343,736.69	\$ 185.00
San Francisco	762,000.17	106,447.49	822,634.58
Denver	25,080.00	124,865.00	511,389.00
New York	12,147,000.00	3,184,400.00	554,600.00
Seattle .....	.....	26,233.05	162,960.76
New Orleans .....	.....	12,532.05	.....
Total	\$ 12,934,080.17	\$ 3,798,214.28	\$ 2,051,769.34

RECAPITULATION

Imports	\$ 12,934,080.17
Secondary	3,798,214.28
New Domestic	<u>2,051,769.34</u>
Total	<u>\$ 18,784,063.79</u>

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 April 11	\$ 119,618.54	\$ 1,009,650.00
Received previously	<u>27,061,943.30</u>	<u>50,794,120.00</u>
Total to April 11	\$ 27,181,566.84	\$ 51,803,770.00
Received by Treasurer's Office:		
Week ended April 11	\$	\$ 27,100.00
Received previously	<u>243,294.00</u>	<u>1,415,400.00</u>
Total to April 11	\$ 243,294.00	\$ 1,442,500.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended April 14:	
Federal Deposit Insurance Corporation	\$ 10,290,000.00
Other accounts	<u>10,290,000.00</u>
Total	\$ <u>20,580,000.00</u>

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$125,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, April 23, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$75,000,000, or thereabouts, maturing on July 25, 1934, and \$50,000,000, or thereabouts, maturing on October 24, 1934; both series to be dated April 25, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the

face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on April 23, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on April 25, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

April 23, 1934.

SEIZURES OF LIQUOR AND OF VEHICLES USED IN ITS TRANSPORTATION

Three Months Period ended February 28, 1933 and 1934
(As Reported by the Collectors of Customs)

	Dec. 1, 1932 to Feb. 28, 1933	Dec. 1, 1933 to Feb. 28, 1934	Percent of Increase (+) Decrease (-)
Number of Seizures	3,626	1,907	- 47.4
Distilled Liquors and Wines			
Gallons	67,272	17,061	- 74.6
Value	*	\$159,468	*
Malt Liquors			
Gallons	12,624	243	- 98.1
Value	*	\$848	*
Alcohol			
Gallons	5,721	12,383	+ 116.4
Value	\$11,918	\$122,150	+ 924.9
Boats			
Number	96	12	- 87.5
Value	\$181,145	\$4,976	- 97.3
Automobiles			
Number	218	128	- 41.3
Value	\$45,862	\$29,277	- 36.2
Airplanes			
Number	4	1	- 75.0
Value	\$11,450	\$200	- 98.3
Other Vehicles			
Number	5	5	
Value	\$29	\$157	+ 441.4

* Not available

TREASURY DEPARTMENT
WASHINGTON

MEMORANDUM FOR THE PRESS.

April 23, 1934.

STILLS SEIZED AND ARRESTS MADE BY REGULATIVE
INSPECTORS, BUREAU OF INDUSTRIAL ALCOHOL, WEEK
ENDING APRIL 21. (Preliminary; subject to correction.)

	<u>STILLS SEIZED</u>	<u>DAILY CAPACITY</u>	<u>AUTOMOBILES AND TRUCKS</u>	<u>ARRESTS MADE</u>
1. <u>BOSTON</u> (Me., Vt., N.H., Mass., Conn., R.I.)	0	0	0	0
2. <u>NEW YORK</u>	4	2,050	0	7
3. <u>PHILADELPHIA</u> (Pa., N.J., Del.)	2	1,500	1	7
4. <u>BALTIMORE</u> (Md., D.C., Va., W. Va., N.C., S.C.)	17	3,040	1	19
5. <u>NEW ORLEANS</u> (Ga., Fla., Ala., Miss., La., Tex.)	31	3,895	3	38
6. <u>CINCINNATI</u> (Mich., Ohio, Ky., Tenn.)	21	3,040	1	29
7. <u>CHICAGO</u> (Wisc., Ill. Ind.)	9	1,150	0	7
8. <u>ST. PAUL</u> (ND, SD, Minn., Neb., Ia)	2	55	1	2
9. <u>ST. LOUIS</u> (Kans., Okla., Mo., Ark)	7	750	6	20
10. <u>DENVER</u> (Colo., Wyo., Utah, Ariz., N. Mex.)	1	500	0	0
11. <u>SAN FRANCISCO</u> (Calif., Nev., Hawaii)	0	0	0	0
12. <u>SEATTLE</u> (Wash., Ore., Idaho, Alaska)	1	800	1	3
TOTAL	95	16,780	14	132

TREASURY DEPARTMENT

Washington

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MEMORANDUM FOR THE PRESS

April 23, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending April 20:

San Francisco	682,677.31	fine ounces
Denver	71,261.00	" "
Total for the week	<u>753,938.31</u>	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending April 20:	Imports	Secondary	New Domestic
Philadelphia	\$ 1,067.64	\$ 327,398.52	\$ 422.00
San Francisco	954,398.27	125,911.30	944,362.03
Denver	26,664.00	89,472.00	489,013.00
New York	10,255,086.00	727,593.00	31,711.00
Seattle	---	28,814.43	239,393.92
New Orleans	13,142.03	90,138.36	----
Total	<u>\$11,250,357.94</u>	<u>\$1,389,327.61</u>	<u>\$1,704,901.95</u>

RECAPITULATION

Imports	\$11,250,357.94
Secondary	1,389,327.61
New Domestic	1,704,901.95
Total	<u>\$14,344,587.50</u>

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 April 18	\$ 86,474.68	\$ 1,144,010.00
Received previously	27,181,566.84	51,803,770.00
Total to April 18	<u>\$27,268,041.52</u>	<u>\$52,947,780.00</u>
Received by Treasurer's Office:		
Week ended April 18	\$ 1,500.00	\$ 16,100.00
Received previously	243,294.00	1,442,500.00
Total to April 18	<u>\$ 244,794.00</u>	<u>\$ 1,458,600.00</u>

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended April 21:

Federal Deposit Insurance Corporation	\$20,000,000.00
Other accounts	10,500,000.00
Total	<u>\$30,500,000.00</u>

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$125,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time on Monday, April 30, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$75,000,000, or thereabouts, maturing on August 1, 1934, and \$50,000,000, or thereabouts, maturing on October 31, 1934; both series to be dated May 2, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment

securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on April 30, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on May 2, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

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Washington

MEMORANDUM FOR THE PRESS

April 30, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending April 27:			
San Francisco	344,067.21	fine ounces	
Denver	<u>91,976.00</u>	" "	
Total for the week	<u>436,043.21</u>	" "	

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending April 27:	Imports	Secondary	New Domestic
Philadelphia	\$ 4,554.97	\$ 380,392.24	\$ 345.49
San Francisco	<u>592,679.40</u>	129,146.57	830,864.98
Denver	25,159.00	83,007.00	511,916.00
New York	10,122,900.00	1,054,700.00	74,107.00
Seattle	----	21,563.66	165,612.57
New Orleans	<u>14,717.06</u>	<u>51,106.31</u>	<u>472.77</u>
Total	\$10,760,010.43	\$1,719,915.78	\$1,583,318.81

RECAPITULATION

Imports	\$10,760,010.43
Secondary	1,719,915.78
New Domestic	<u>1,583,318.81</u>
Total	<u>\$14,063,245.02</u>

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 April 25	\$ 170,851.08	\$ 890,120.00
Received previously	<u>27,268,041.52</u>	<u>52,947,780.00</u>
Total to April 25	\$27,438,892.60	\$53,837,900.00
Received by Treasurer's Office:		
Week ended April 25	\$ ----	\$ 14,000.00
Received previously	<u>244,794.00</u>	<u>1,458,600.00</u>
Total to April 25	<u>\$ 244,794.00</u>	<u>\$ 1,472,600.00</u>

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended April 28, 1934:	
Federal Deposit Insurance Corporation	\$4,860,000
Other accounts	<u>25,000</u>
Total	<u>\$4,885,000</u>

TREASURY DEPARTMENT
Washington, D. C.

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May 2, 1934.

Following is text of letter transmitted by the Secretary of the Treasury to
Honorable Prentiss M. Brown, House of Representatives:

"April 24, 1934.

My dear Mr. Brown:

I have your letter of April 18, 1934, referring to the cost of the
McLeod Bill and requesting that I have prepared for you a similar cost
analysis of the bill introduced by you.

You realize, of course, that it is extremely difficult to get accurate
figures without an analysis of each bank involved, and especially where
non-member state banks are involved, since there is no central source of in-
formation with respect to such banks. Therefore, any estimate which is made
must be based upon an analysis of the situation with respect to national
banks and the application of that analysis to the state banks, with the hope
that it is somewhere near right. I have, therefore, endeavored to give you
below an analysis or estimate on the basis of the expenditures necessary and
the cost to the Government, under the first section of your bill. There is
no way that I know of to give you a reasonably accurate estimate of cost
under Section 2 or Section 5 of the bill.

The initial expenditure under Section 1 of the bill would be
\$1,807,299,942, with estimated recoveries of \$724,088,196, or net loss to
the Government of \$1,083,211,746.

The above stated amounts are made up from three classes of banks:
national, state member and non-member as follows:

No. of banks closed on or after Jan. 1, 1930.	R. F. C. Ad- vances	Recoveries	Loss to U. S.
1,581 national banks	\$ 575,135,304	\$257,100,216	\$318,025,088
281 state member banks	402,679,945	150,998,619	251,681,326
5,554 state non-member banks	829,494,693	315,989,361	513,505,332
7,416	\$1,807,299,942	\$724,088,196	\$1,083,211,746

The foregoing figures, of course, do not include any estimate for interest
costs pending final liquidation.

There is attached hereto a detailed statement of the estimate set forth
above. You will note that an estimate of the cost on the basis of a \$1,000 pay-
off can be obtained from this detail. It was, however, not practical to break
down the figures to show the cost of a \$1,500 pay-off.

Very truly yours,

Honorable Prentiss M. Brown,
House of Representatives.

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$125,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, May 7, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$75,000,000, or thereabouts, maturing on August 8, 1934, and \$50,000,000, or thereabouts, maturing on November 7, 1934; both series to be dated May 9, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment

securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on May 7, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on May 9, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

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Washington

MEMORANDUM FOR THE PRESS:

May 7, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending May 4, 1934:

San Francisco	343,494.35	fine ounces
Denver	2,866.00	" "
Philadelphia	300,863.24	" "
Total for the week	647,223.59	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending May 4, 1934	Imports	Secondary	New Domestic
Philadelphia	\$ 17,496.46	\$ 244,898.38	\$ 2,074.06
San Francisco	805,911.00	142,821.07	634,122.36
Denver	14,966.00	105,635.00	752,039.00
New York	8,407,560.00	1,764,340.00	23,100.00
Seattle	---	24,785.76	175,325.54
New Orleans	---	12,696.77	---
Total	\$ 9,245,933.46	\$ 2,295,176.98	\$1,586,660.96

GOLD RECAPITULATION

Imports	\$ 9,245,933.46
Secondary	2,295,176.98
New Domestic	1,586,660.96
Total	\$13,127,771.40

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 May 2	\$ 123,398.51	\$ 779,960.00
Received previously	27,438,892.60	53,837,900.00
Total to May 2	\$27,562,291.11	\$54,617,860.00
Received by Treasurer's Office		
Week ended May 2	\$ 1,200.00	\$ 14,900.00
Received previously	244,794.00	1,472,600.00
Total to May 2	\$ 245,994.00	\$ 1,487,500.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for week ended May 5, 1934 \$5,001,500

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TREASURY DEPARTMENT

Following is text of letter transmitted by the Secretary of the Treasury, under date of May 9, 1934, to Hon. Duncan U. Fletcher, Chairman, Senate Committee on Banking and Currency.

"May 9th, 1934.

My dear Chairman:

There have been submitted to the Treasury Department for comment three bills which would amend the Banking Act of 1933.

The Banking Act of 1933 provided that commercial banks should divorce their investment affiliates within a year, which expires July 16, 1934. Senate bill, S. 3422, introduced by yourself, would postpone the time for such divorcement for one year, and Senate bill, S. 3134, introduced by Senator Walsh, would allow another year if the Secretary of the Treasury is satisfied that the banks have been diligent and require more time.

It is my belief that affiliates should be divorced when and as provided in the Banking Act of 1933, and it seems no useful purpose would be served by further postponing the consummation of this reform.

The other matter involved in the proposed amendments to the Banking Act of 1933, which have been submitted to the Treasury Department for comment, is Section 21 prohibiting firms handling investment securities from receiving deposits subject to check or repayment upon presentation of a pass book, certificate of deposit or other evidence of debt, or upon request of the depositor. Both S. 3422, introduced by yourself, and S. 3316, introduced by Senator Russell, would postpone the effective date of these provisions of Section 21. It is my view that postponement of the operation of these provisions of law is not advisable.

Very truly yours,

(Signed) Henry Morgenthau, Jr.

Hon. Duncan U. Fletcher,

Chairman, Committee on Banking and Currency. "

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$100,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, May 14, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$50,000,000, or thereabouts, maturing on August 15, 1934, and \$50,000,000, or thereabouts, maturing on November 14, 1934; both series to be dated May 16, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on May 14, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on May 16, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

May 14, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending May 11, 1934:

San Francisco	194,339.63	fine ounces
Denver	5,114.00	" "
Philadelphia	401,177.47	" "
Total for the week	600,631.10	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending May 11, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 6,640.55	\$ 264,142.50	\$ 271.64
San Francisco	1,130,851.19	135,874.23	1,137,493.66
Denver	17,013.00	120,755.00	397,228.00
New York	8,900,100.00	927,070.00	147,000.00
Seattle	---	27,501.86	66,502.96
New Orleans	22,057.89	45,095.11	238.11
Total	\$10,076,662.63	\$1,520,438.70	\$1,748,734.37

GOLD RECAPITULATION

Imports	\$10,076,662.63
Secondary	1,520,438.70
New Domestic	1,748,734.37
	<u>13,345,835.70</u>

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 9	\$ 86,786.03	\$ 903,650.00
Received previously	27,562,291.11	54,617,860.00
Total to May 9	\$27,649,077.14	\$ 55,521,510.00
Received by Treasurer's Office:		
Week ended May 9	\$ ---	\$ 32,600.00
Received previously	245,994.00	1,487,500.00
	\$ 245,994.00	\$ 1,520,100.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for week ended May 12, 1934 \$500,000.00

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for two series of Treasury bills to the aggregate amount of \$100,000,000, or thereabouts. One series will be 91-day bills and the other series will be 182-day bills. Both series will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, May 21, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will, as stated, be issued in two series, \$50,000,000, or thereabouts, maturing on August 22, 1934, and \$50,000,000, or thereabouts, maturing on November 21, 1934; both series to be dated May 23, 1934. Bidders will be required to specify the particular series for which each tender is made. The face amount of the bills of each series will be payable without interest on their respective maturity dates. The bills will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment

securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on May 21, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices for each series will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Any tender which does not specifically refer to a particular series will be subject to rejection. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on May 23, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

May 21, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending May 18, 1934:

San Francisco	501,992.80	fine ounces
Denver	<u>1,316.00</u>	" "
Total for the week	503,308.80	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending May 18, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 13,987.78	\$ 393,353.60	\$ 946.65
San Francisco	12,969.50	143,691.78	1,582,304.65
Denver	51,229.00	109,004.00	878,649.00
New York	5,237,000.00	831,100.00	147,500.00
Seattle	----	29,803.43	221,164.13
New Orleans	<u>1,780.32</u>	<u>54,757.17</u>	-----
Total	\$5,316,966.60	\$1,561,709.98	\$2,830,564.43

GOLD RECAPITULATION

Imports	\$5,316,966.60
Secondary	1,561,709.98
New Domestic	<u>2,830,564.43</u>
Total	\$9,709,241.01

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 16	\$ 122,129.86	\$ 970,860.00
Received previously	<u>27,649,077.14</u>	<u>55,521,510.00</u>
Total to May 16	\$27,771,207.00	\$56,492,370.00
Received by Treasurer's Office:		
Week ended May 16	-----	\$ 3,400.00
Received previously	<u>\$ 245,994.00</u>	<u>1,520,100.00</u>
Total to May 16	\$ 245,994.00	\$ 1,523,500.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week ended May 19, 1934 \$4,000,000.00

TREASURY DEPARTMENT
Washington

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MEMORANDUM FOR THE PRESS:

May 28, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending May 25, 1934:

San Francisco	325,500.59	fine ounces
Denver	157,353.00	" "
Philadelphia.....	402,202.79	" "
Total for the week	885,056.38	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending May 25, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 15,121.96	\$ 348,551.98	\$ 205.77
San Francisco	50,094.79	123,564.31	777,873.22
Denver	39,826.00	96,179.00	567,163.00
New York	8,286,500.00	834,500.00	31,000.00
Seattle .....	....	27,690.59	162,720.71
New Orleans	9,182.41	55,450.74	161.87
Total	\$8,400,725.16	\$1,485,936.62	\$1,539,124.57

GOLD RECAPITULATION

Imports	\$8,400,725.16
Secondary	1,485,936.62
New Domestic	1,539,124.57
TOTAL	\$11,425,786.35

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 23.....	\$ 52,927.06	\$ 937,810.00
Received previously	27,771,207.00	56,492,370.00
Total to May 23	\$ 27,824,134.06	\$57,430,180.00
Received by Treasurer's Office:		
Week ended May 23	1,000.00	5,400.00
Received previously	245,994.00	1,523,500.00
Total to May 23	\$ 246,994.00	\$ 1,528,900.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week ended May 26, 1934 \$5,000,000.00

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

June 4, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending June 1, 1934:

San Francisco	291,835.17	fine ounces
Denver	3,676.00	" "
Total for the week	295,511.17	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending June 1, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 15,464.48	\$ 259,195.82	3,510.40
San Francisco	552,519.86	113,429.99	580,907.00
Denver	9,046.00	43,037.00	669,333.00
New York	7,394,000.00	803,400.00	52,600.00
Seattle .....	....	21,743.59	45,312.19
New Orleans	38,100.14	29,862.14	150.32
Total	\$ 8,009,130.48	\$ 1,270,668.54	\$ 1,351,812.91

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 29	\$ 63,863.62	\$ 734,660.00
Received previously	27,824,134.06	57,430,180.00
Total to May 29	\$27,887,997.68	\$58,164,840.00

Received by Treasurer's Office:

Week ended May 29	\$ 1,000.00	\$ 10,200.00
Received previously	246,994.00	1,528,900.00
Total to May 29	\$ 247,994.00	\$ 1,539,100.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

None for the week ended June 2, 1934.

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS:

June 11, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending June 8, 1934:

Philadelphia	151,272.30	fine ounces		
San Francisco.....	44,284.07	"	"	
Denver	5,341.00	"	"	
Total for the week.....	200,897.37	"	"	

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending June 8, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 1,448.30	\$ 370,967.22	\$ 2,460.33
San Francisco.....	1,045,717.06	151,048.72	1,535,440.70
Denver	7,650.00	101,265.00	740,453.00
New York	16,100,000.00	602,700.00	108,100.00
Seattle .....	....	21,133.07	129,861.40
New Orleans .....	....	20,069.47	192.61
Total for the week....	\$ 17,154,815.36	\$1,267,183.48	\$2,516,508.04

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 June 6, 1934	\$ 51,348.26	\$ 631,760.00
Received previously	27,887,997.68	58,164,840.00
Total to June 6, 1934.....	\$ 27,939,345.94	\$58,796,600.00

Received by Treasurer's Office:

Week ended June 6, 1934	\$	\$ 18,700.00
Received previously.....	247,994.00	1,539,100.00
Total to June 6, 1934.....	\$ 247,994.00	\$ 1,557,800.00

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

TREASURY DEPARTMENT
Washington, D. C.

June 12, 1934.

Following is text of letter transmitted by the Secretary of the Treasury to Honorable John N. Garner, President of the Senate and to Honorable Henry T. Rainey, Speaker, House of Representatives.

"June 11, 1934.

I transmit with recommendation for its enactment the accompanying Joint Resolution which is designed to give to the Secretary of the Treasury additional means of collecting the full amount of revenue to be derived from distilled spirits, in that it affords means whereby a surveillance may be had over the manufacture of bottles and other containers of distilled spirits and dealings therein.

Pursuant to the provisions of the Liquor Taxing Act of 1934 practically all of the taxable distilled spirits go to the consumer in glassware packages. There is at present a very large illicit trade in the manufacture of liquorware bottles used by illicit manufacturers and dealers in distilled spirits, accompanied by employment of imitation and counterfeit labels and stamps that is not only resulting in large loss of revenue, but is a means whereby important criminal elements are able to secure funds for the furtherance of other criminal operations. There are only about 40 establishments in the United States where liquor glassware is manufactured, and the manufacturing operation is obviously of such a character that it does not lend itself to concealment, as is the case with the imitation of labels and the counterfeiting of stamps. It is believed that an adequate control of these limited sources, to the end that the sale and distribution and possession of liquor bottles is limited to duly qualified distillers and rectifiers who may manufacture, tax-pay and bottle distilled spirits under the Revenue Laws, accompanied by supervision over the principal dealers and jobbers, both in new and used liquorware bottles, will deprive the illicit distillers of the principal means which they now employ of introducing untaxpaid distilled spirits into the regular lawful channels of commerce. The supervision of dealings in used bottles is of importance, as this traffic has reached large proportions and is a direct adjunct of the illicit trade in untaxpaid spirits.

The consumer who purchases bottled distilled spirits may be entirely unaware of the fact that untaxpaid illicit liquor of uncertain quality is in the bottle which he purchases, and consumers who purchase bottled liquor in good faith are entitled to adequate protection.

The legitimate glassware manufacturers and the duly qualified taxpayers who manufacture and distribute distilled spirits are heartily in accord with this proposed legislation.

Very truly yours,

H. MORGENTHAU, Jr.
Secretary "

PROPOSED JOINT RESOLUTION

To protect the revenue by regulation of the traffic in containers of distilled spirits.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever in his judgment such action is necessary to protect the revenue, the Secretary of the Treasury is authorized, by the regulations prescribed by him, and permits issued thereunder if required by him (1) to regulate the size, branding, marking, sale, resale, possession, use, and reuse, of containers (of a capacity of less than 5 wine-gallons) designed or intended for use for the sale at retail of distilled spirits (within the meaning of such term as it is used in Title II of the Liquor Taxing Act of 1934) for other than industrial use, and (2) to require, of persons dealing in or using any such containers, the submission to such inspection, the keeping of such records, and the filing of such reports as may be deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any regulation prescribed, or the terms or conditions of any permit issued, pursuant to the authorization contained in this Joint Resolution, and any officer, director, or agent of any corporation who knowingly participates in such violation, shall, upon conviction, be fined not more than \$1,000, or be imprisoned for not more than 2 years, or both; and, notwithstanding any criminal conviction, the containers involved in such violation shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for forfeitures, seizures, and condemnations for violations of the internal revenue laws, and any such containers so seized and condemned shall be destroyed and not sold. Any

requirements imposed under this Joint Resolution shall be in addition to any other requirements imposed by, or pursuant to, existing law, and shall apply as well to persons not liable for tax under the internal revenue laws as to persons so liable.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, June 18, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated June 20, 1934, and will mature on December 19, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on June 18, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on June 20, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS:

June 18, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending June 15, 1934:

San Francisco.....	203,328.36	fine ounces
Denver.....	3,462.00	" "
Total for the week:.....	206,790.36	" "

(NOTE: Corrected figure on total receipts of silver through
June 15: 8,115,000 fine ounces)

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending June 15, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$	\$ 401,109.84	\$ 220.85
San Francisco.....	427,858.31	127,678.79	940,986.19
Denver.....	25,672.00	74,232.00	519,329.00
New York.....	26,380,000.00	761,300.00	18,700.00
Seattle.....	.....	37,575.28	21,262.88
New Orleans.....	17,049.02	36,073.07	.....
Total.....	\$26,850,579.33	\$1,437,968.98	\$1,500,498.92

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 June 13.....	\$ 127,258.05	\$ 818,410.00
Received previously.....	27,939,343.94	58,796,600.00
Total to June 13.....	\$28,066,603.99	\$59,615,010.00
Received by Treasurer's Office:		
Week ended June 13.....	\$	\$ 15,900.00
Received previously.....	247,994.00	1,557,800.00
Total to June 13.....	\$ 247,994.00	\$ 1,573,700.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

No purchases for the week ended June 16, 1934.

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TREASURY DEPARTMENT
Washington

RELEASE TO MORNING PAPERS, JUNE 20, 1934;
but only if the Silver Purchase Act shall
have been signed by the President.

June 19, 1934.

MEMORANDUM FOR THE PRESS:

Regulations relating to the tax on transfers of interests in silver bullion were issued today, (June 19) by the Commissioner of Internal Revenue, following approval by the President of the Silver Purchase Act of 1934.

The tax section --- section 8 --- of the Silver Purchase Act amends the Revenue Act of 1926 and the regulations are issued under authority of the 1926 statute.

The regulations provide substantially as follows:

1. The tax applies to transfers of interests in silver bullion if the price for which such interest is or is to be transferred exceeds the cost thereof and the allowed expenses.
2. Transfers coming within the scope of the tax include (a) those in the United States; and (b) those wholly effected outside of the United States, if (1) either party to the transfer is a resident of the United States, or (2) either party to the transfer is a citizen of the United States who has been resident here at any time during the three months immediately preceding the transfer, or (3) the silver bullion or interest therein which is transferred is situated in the United States at the time the transfer is made or agreed to be made.
3. The tax applies to transfers made on or after May 15, 1934. Separate regulations govern transfers completed prior to 9:00 p. m., ^(June 19) when the Act was signed, and those completed after that time.

4. The tax applies to transfers to the United States Government except transfers by deposit or delivery at a United States mint (a) under the proclamation of December 21, 1933, relating to the coinage of newly mined domestic silver, or other like proclamation of the President, or (b) in compliance with any Executive order which may be issued pursuant to section 7 of the Silver Purchase Act of 1934. (Sec. 7 authorizes the President to require the delivery of all silver to the mints.) Transfers by the United States Government are not taxable.

5. The tax is fifty per cent of the amount by which the price for the interest in silver bullion transferred exceeds the total of the cost plus the allowed expenses.

(a) Price is defined as "the amount of money and/or the market value of the property other than money received or to be received by the transferor, directly or indirectly, in consideration of the transfer".

(b) Cost is defined as "the amount paid or agreed to be paid therefor by the transferor in money and/or the market value of the property other than money exchanged or agreed to be exchanged by him for such interest", except that there are a number of particular situations governed by special provisions.

(c) Allowed expenses include any usual and necessary expenses, such as storage, insurance, transportation and processing charges, but not interest, taxes, and charges in the nature of overhead.

6. Both parties to a transfer are responsible for affixing stamps in the required amount, except in case of transfers to the United States Government and in case of transfers made before 9:00 p.m., June 19, 1934, in which

cases the liability rests upon the transferor. In any case the liability of the transferee ceases when stamps are cancelled by the collector.

7. Persons who transferred interests in silver bullion between May 15, 1934 and the time of enactment of the Silver Purchase Act must file a return on or before July 18, 1934, reporting the transfer.

8. Persons who transfer interests in silver bullion after the time of enactment of the Silver Purchase Act must deliver to the transferee a memorandum, under oath, giving the details of the transaction, which memorandum must be transmitted to a collector of internal revenue. If the transfer is taxable, stamps must be affixed before delivery of the memorandum to the transferee.

9. The regulations provide for abatement or refund of taxes in certain cases where the profit is (1) realized in the course of the transferor's regular business or furnishing silver bullion for industrial, professional or artistic use, or (2) offset by losses incurred in silver foreign exchange transactions hedged by the silver on which the profit is realized.

N. B. Documentary tax stamps to be affixed to silver purchase memoranda have been supplied to the collectors of internal revenue.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

Following is a copy of a letter sent to all heads of bureaus and divisions in the Treasury Department:

"June 20, 1934.

Dear Mr. -----

On June 5 I addressed a letter to all employees of the United States Treasury Department for distribution through the various bureaus and divisions, directing attention to the provisions of Federal law with respect to political activity by Government employees and the solicitation of contributions for political purposes. This letter was prompted by the discovery that in more than one instance persons employed by the Treasury Department had either violated the law in this respect, or had committed acts which constituted gross impropriety in view of their official positions. Disciplinary action in several of such cases was found to be necessary.

Since distribution of this letter I have received inquiries from several employees of bureaus and divisions of the Treasury as to the legality and propriety of their continuing to hold office in regular political party organizations. I have considered this matter very carefully and I have come to the firm conviction that no officer or employee of the Treasury Department ought to continue to hold any political party office. It seems to me that the holding of any such political party office is not compatible with the public interest and will hamper the officer or employee in the effective discharge of his Governmental duties.

I wish, therefore, that you would send a circular letter to all officers and employees serving under you in the Treasury Department requesting those who hold such political party offices to submit their resignations from such offices, to be effective not later than September 1, 1934, or, if they so elect, to submit their resignations from office or employment in the Treasury Department, to be effective not later than the same date.

Sincerely,

(Signed) H. MORGENTHAU, Jr.

Secretary."

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock P.M., Eastern Standard time, on Monday, June 25, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated June 27, 1934, and will mature on December 26, 1934, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on June 25, 1934, all tenders received at the Federal Reserve Banks or branches thereof up

to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on June 27, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS

June 22, 1934.

Amplifying the statement concerning the issue of silver certificates, it was pointed out by Treasury officials that apparently some confusion exists because of a failure to distinguish between, on the one hand, the basis on which or the ounceage of silver against which silver certificates may be issued and, on the other hand, the dollar amount of silver certificates to be issued.

As to the first matter, viz., the ounceage of silver that must be placed behind any given dollar amount of silver certificates, it was stated that silver certificates now or hereafter issued must be secured 100% with silver, in the form of coin or bullion, valued on the basis of \$1.29 an ounce. Silver certificates have been issued on this basis for over a half a century. Stating the matter another way, each dollar amount of silver certificates has and will have back of it either one coined silver dollar or the amount of silver bullion necessary to coin a dollar, to-wit $41\frac{1}{2}$ troy ounces of standard silver or $371\frac{1}{2}$ grains of fine silver.

As to the other matter, viz., the dollar amount of silver certificates to be issued, under the Silver Purchase Act of 1934, the Secretary of the Treasury is required to issue silver certificates of a dollar amount equal to the cost of the silver purchased under Section 3 of such Act. This Act, in addition, authorizes, but does not require, him to go further and issue a dollar amount of silver certificates equal to the monetary value of the silver so purchased, which monetary value is fixed by law at \$1.29 per ounce. Thus if a thousand ounces of silver is purchased at a cost of \$450, the Treasury is re-
quired to issue \$450 in silver certificates, but may issue \$1,290 in such certificates.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

June 25, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending June 22, 1934:

Philadelphia.....	275,423.75	fine ounces
San Francisco.....	2,628.30	" "
Denver.....	102,480.00	" "
Total for the week.....	380,532.05	" "

Corrected figure on total receipts of silver through June 22: 8,495,000 fine ounces.

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending June 22, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ -----	\$ 284,999.37	\$ 393.61
San Francisco.....	321,043.57	123,246.53	993,941.83
Denver.....	59,826.00	116,514.00	650,018.00
New York.....	4,175,850.00	763,650.00	42,500.00
Seattle.....	210.35	23,660.11	349,556.34
New Orleans.....	-----	25,705.88	190.57
Total.....	\$4,556,929.92	\$1,337,775.89	\$2,036,600.35

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 June 20.....	\$ 52,507.58	\$ 837,790.00
Received previously.....	28,066,603.99	59,615,010.00
Total to June 20.....	\$28,119,111.57	\$60,452,800.00
Received by Treasurer's Office:		
Week ended June 20.....	\$ 1,200.00	\$ 17,600.00
Received previously.....	247,994.00	1,573,700.00
Total to June 20.....	\$ 249,194.00	\$ 1,591,300.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

No purchases for the week ended June 23, 1934.

TREASURY DEPARTMENT

FOR RELEASE, MORNING PAPERS,
June 25, 1934.

STATEMENT OF INVESTMENT

The Secretary of the Treasury gives notice that tenders for United States Treasury bills to the amount of \$75,000,000, at 10 percent, are invited. They will be 10 percent bills; and will be sold as a discount basis to the highest bidder. Tenders will be received at the Federal Reserve Banks, or the Treasurer's Office, up to two o'clock p. m., Eastern Standard time, on Friday, June 23, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated July 3, 1934, and will mature on August 3, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts of denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (security cases).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Bank or branches upon application therefor.

Bills tendered for an amount less than \$1,000 will be disregarded. Each tender must be in multiples of \$1,000. The price offered must be expressed in the units of 100, with not more than three decimal places, e.g., 99.120. Fractions need not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from individuals and unincorporated entities in investment securities. Tenders from others must be accompanied by a deposit of

Note: For full text see Subject File: Construction, unless the tender is accompanied by an express guaranty of payment by an incorporated bank or trust company.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 183-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Friday, June 29, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated July 3, 1934, and will mature on January 2, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on June 29, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on July 3, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

RELEASE, UPON DELIVERY,
Saturday, June 30, 1934, 3:30 p.m.
6-28-34.

FUTURE RELEASE
Press Service
OBSERVE DATE

Address prepared for delivery by Robert H. Jackson, Assistant General Counsel of the U. S. Treasury Department, before the Ninth Annual Meeting of the Federation of Bar Associations of Western New York, at Niagara Falls, N.Y., on Saturday, June 30, 1934.

CHANGES IN TREASURY TAX POLICY

Among the most controversial and vital problems of the coming years are those relating to taxation. Lawyers will further impair their already declining leadership if they fail to bring disinterested and intelligent influence to bear upon the economic and legal questions involved.

He is blind to coming events, who fails to see ahead a heavy and growing tax burden. This nation, like every organized government, has shown a constant expansion of functions and a tax rate that, whatever the promises, shows a steady upward curve. Emergency expenditures caused by the economic collapse and the cost of our economic reconstruction, have already led Congress to direct a special inquiry into the operation of our tax laws and into new sources of revenue.

All political parties have found the power of taxation a powerful control device. The "protectionists" found a tariff taxation a powerful, quick and certain means to divert wealth

from its ordinary economic channels and to concentrate it in the hands of "infant industries". Now an opposed group seeks to use the same power to a different end, to equalize incomes and to redistribute concentrated wealth.

Whether or not they accept either of these extreme positions, all governing groups find taxation a powerful measure of regulation. Liquor taxation is an old example. More recent examples are processing taxes and compensating taxes under the Agricultural Adjustment Act, and the new tax on the transfer of firearms and machine guns, really designed to help suppress crime, and the new 50% tax on silver profits designed to prevent speculators from growing rich on the government's silver policy. The impact of a tax law is not wholly absorbed by the field of trade and finance; it jolts the whole social order.

No more than casual examination of our federal, state and local tax structures is necessary to convince you that tax laws are too often changed, too immaturely thought out, that they are simply a patchwork put together by compromises among contending groups. Private groups seek special advantages or seek to avoid burdens, and different governmental agencies, federal, state and local, compete with each other to get necessary revenues without unfavorable political results.

It brings despair to those who seek a scientific and equitable tax system that there is nowhere visible a group that is at once informed, influential and unselfish. With few and notable exceptions,

the men who throng national and state capitals when tax laws are being revised, who provide the information or misinformation, and the "sentiment" that presses laws through, are each agents of a special cause. Whatever proposals may be made by the Treasury, or by such agencies as New York State's excellent tax department, or by special committees, no scientific and equitable tax system can ever become law until there is developed a strong body of sentiment, sustained by informed opinion and powerful enough to override the contenders for special advantages. Bar associations could, if they but would, contribute powerfully to this cause, but frankly, it seems hopeless to count on most bar associations for much contribution to governmental, economic, or social science unless intellectual inertia be counted a contribution.

Your program today, considering taxation from several angles, is a hopeful sign. The Treasury is making extensive studies of the operation of tax laws here and abroad, welcomes discussion of policies, and will gladly cooperate with its resources of information, statistics and experience with groups everywhere to build up public interest in and information about the tax problem without, however, becoming a party to any group interest propaganda.

Meanwhile, without awaiting more perfect tax laws, we must improve the administration of the one we have. No workable scheme for decentralizing the federal tax assessing function and spreading it into the several states or regions, has yet been devised. Centralizing the function in Washington, to cover our vast and complex national

economy, necessitates a vast machine in the Treasury Department which, under the name "Bureau of Internal Revenue" has much more importance to taxpayers than they generally realize.

Kinds and rates of tax, broad principles of application and the main outline of procedure, are determined by Congress. But upon the Congressional skeleton, the flesh that makes the living figure is added by Treasury Regulations and Decisions, by General Counsel's rulings and, last but not least, by the administrative attitude of the bureau in individual cases. The extent of Bureau power may be realized from the fact that Congress refrained from enacting a statutory reduction of depreciation rates upon assurance that the Commissioner, simply by administrative regulation and disallowance of unreasonable claims for depreciation allowance, would add \$85,000,000 to the revenues.

The supervision of this vast power, the new administration has committed to a direct thinking and dynamic Secretary of the Treasury. The democratic party, long cast for the role of opposition and criticism, from which it has made but brief and widely separated ventures into national administration, has developed more prominently men whose talents were adapted to opposition, such as orators, reformers, critics, political philosophers. It has not had necessity or opportunity to develop so many executives except on the narrower state-wide scale. But in the Treasury, particularly, and I think in all other Departments as well, zeal for reform, and a philosophy of progressivism is not enough to make the "New Deal"

effective. The administration must still face the test of administrative competency. It must execute with fidelity the designs it has conceived. It must steer between the twin dangers of yielding itself to patronage pressure on the one hand, and of having loyalty undermined and its work sabotaged by retaining unsympathetic although technically equipped reactionaries. It must handle staggering sums of money without scandal or waste. As the emergency recedes and more normal times resume, the emphasis will shift more and more to a plain test of administrative capacity. There is a certain determination in the Treasury, most noticeable in Washington, that by this test, the Treasury shall not be found wanting.

John Stuart Mill has said:

"The disease which afflicts bureaucratic governments, and which they usually die of, is routine. They perish by the immutability of their maxims; and, still more by the universal law that whatever becomes a routine loses its vital principle, and having no longer a mind acting within it, goes on revolving mechanically, tho the work it is intended to do remains undone."

Short contact will verify the deadly tendency of the Revenue Service to "become routine", to "lose its vital principle" and to "go on revolving mechanically" while a great volume of work accumulated. Moreover, the "immutable maxims" of the Bureau were laid down and the routine pretty much cast in the reckless days of rising markets and declining prudence which preceded the crash. Wild disregard by taxpayers of their own expenditure, shameless exploitation of stockholders by corporation executives through salary and

bonus and reorganization devices, were the order of that day. The whole atmosphere of financial laxity and horse trader ethics which prevailed in the business world could not fail to have its reflection in the government service. The age of \$8 bootleg liquor, of watered holding company stocks, of fabulous stock market profits on paper, which became the basis of private cash extravagance, was also the age of big depreciation allowances, approval of wash sales, easy compromises of taxes. In an era when, as we now see, not one of us took real heed of his own interests, could it be expected that the interests of the government would be more strictly guarded? Different times have taught different standards to business and government.

To reanimate the service, to make the non-Civil Service officials give undivided allegiance to the government and to break up the practice of generations by which the collectors of taxes were also collectors of political assessments, to overcome also the inertia and obstructive spirit of those who are entrenched in the Civil Service, to guard against favoritism or advantage, to stop the holes poked in the law by clever lawyers in aid of powerful clients, is the task bequeathed to this administration. Such is the task for which those working in the new administration generally have been decorated with the title "misguided bureaucrats, who ignore history" by that superb anthology of platitudes and epithets recently promulgated as the "Republican Declaration of Policy."

The income tax law is citizen-administered in the first instance. The individual citizen reports his transactions, confesses his income and even makes the computation and assesses himself the amount of his tax. In applying a technical law which few have read, and voluminous regulations known to fewer, and opinions and decisions some of which are not even published, errors will be made, differences of opinion will arise.

In spite of some widely reported cases of tax evasion, I am convinced that the honor of the taxpayer has not failed but that it is, and always must be, the greatest force in income tax collection. Looking at a cross section of the work of 1933, and using even thousands, 4,798,000 taxpayers filed returns, the government claimed deficiencies against 85,000 and admitted over-assessments against 45,000. In that year, after all negotiations were over, the government issued 17,700 deficiency letters and taxpayers took 6,597 appeals. Settlements are reached without trial in about two-thirds of these appealed cases.

I claim no finality for statistics in matters of this kind. Discovered understatements of income may be no measure of those undiscovered. Grievances appealed may be no measure of grievances borne, because of weariness or inability to finance further protest. But for whatever they are worth, the statistics do show annually only about 2,000 actual litigations, and differences of opinion were eventually reconciled, except in cases numbering about 1/20 of 1% of returns filed. If there be any general disposition by taxpayers to hold out on the government or by government to harass taxpayers, it is not capable of statistical proof.

There was a tendency in the bureau upon creation of the Board of Tax Appeals to claim the greatest possible tax and let the Board go into the evidence carefully for the first time and determine the tax. Such a policy of tax assessment by litigation was probably never intended by Congress but it came near to being the result. Changes in procedure and organization of the Commissioner's office to overcome that tendency have been made. The Commissioner, before sending a deficiency letter to any taxpayer, makes careful audits and field investigations, holds conferences with the taxpayer or his counsel and makes every effort to act only upon full information and consideration. Such a policy, though not yet fully reflected in pending cases, has contributed largely to the falling off in number and percentage of appeals taken.

Of course the government will always be obliged to litigate many cases. Taxpayers are better informed and often have better access to sources of evidence than the government. The Bureau must often assert the tax on doubtful points of law in order to obtain guiding decisions. If administrative officers concede the point, the revenues have no redress, while if it is asserted in error the taxpayer has remedy. But we do aim at substantial improvement in the percentage of government success through more careful analysis of cases before trial.

Delays in hearings invite appeals to obtain time. Delay results in heavy losses to the revenues through insolvency, dissipation of assets and devices to defeat collection.

Steps to clear calendar congestion were early taken. Rigid refusals of postponements brought cases on. Conferences with taxpayers and counsel result in agreement on some and often on all issues when the date of trial is near at hand. The Board is cooperating by working at top speed. June 1, 1933, saw pending 16,902 cases and June 1, 1934 saw them reduced to 11,099, of which 1944 have been tried and are under submission or awaiting decision, thus remaining to be heard 9,155. At the end of May, 1933, pending litigation before the Board involved \$776,800,000, and at the end of May this year it was reduced to \$442,600,000.

These figures are prophetic of a not too distant day when delay will no longer vex or advantage the taxpayer.

Compromise of tax, penalties or interest liability to the government is considerably restricted. Congress has given tax liability a preference as to assets and priority of payment over general creditors of the taxpayer, and has provided that the liability is not to be discharged by bankruptcy. Those provisions, to our minds, point to a policy of strict collection.

It is our understanding that the power given to the Secretary of the Treasury to compromise, is lawfully exercised only where there is doubt as to the liability of the taxpayer or the collectibility of the tax. Regardless of former policies, we now hold that an undisputed liability, which by reason of the preferences, or lien provision of the law, is actually collectible, presents no case for compromise, even though the taxpayer is embarrassed or insolvent. We compromise

in the same circumstances, and only to the same extent that a good banker does -- we compromise only when we cannot collect. Compromise because of alleged "equities" or reasons of "public policy" are no longer considered.

It is urged that this rule is severe and causes hardship. I have yet to learn of a tax that does not. A tax that is only collected from those who find it convenient to pay is not a tax; and few taxpayers live who cannot make out a case of hardship. Taxpayers often neglect to set aside reserves to pay income tax and then use their improvidence as a club to compel compromise lest a business be closed or employees deprived of work, or other creditors prejudiced or credit injured. Too often these claims are not true or are exaggerated by the taxpayer who wishes to blame the government for a failure that would have happened even if there never had been an income tax.

A liberal compromise policy which waives the claims of the Treasury for consideration of "public policy" or hardship is impossible of administration without creating a favored class of taxpayers, and without creating many real discriminations, which give rise to stories of compromise by influence and partiality. It shifts the burden of the taxpayer who has not provided for the claims of his country upon those who have, keeps the improvident in competition with the sound, fills the revenue bureau with taxpayers and attorneys crying for special favors and too often getting them. Meanwhile, the taxpayer who seeks no special favors but makes every sacrifice to meet his own burden, has shoved onto him also the burden of those

relieved on claim of hardship . If the present policy seems severe, let it have credit for being impartial.

Refunds and abatements of tax are made in those cases where it is apparent that the taxpayer has overpaid or has been over-assessed. No allowance is made unless it is clear that the taxpayer has a case which he could establish in court.

Nothing has contributed so much to criticism of Treasury policy as public misunderstanding of the published figures on refunds and abatements.

There are some cases where the taxpayer has overpaid by reason of his misunderstanding of the tax law or where an excessive amount has been collected by action of the Bureau. It would be a shabby Government that would not correct such mistakes. These refunds are carefully audited and investigated and subjected to the examination of the Congressional Joint Committee on Taxation where the amount exceeds \$75,000.00.

There are cases where the statute of limitations is about to expire, or for some other good cause the tax liability could not be carefully investigated in the time permitted. In those cases, to protect the interests of the Government, an assessment of the maximum possible amount has been made, with the result that a more careful auditing frequently obliges the Bureau to make abatement because the amount is overstated.

Under the estate tax law, estates receive certain credits upon their Federal taxes for amounts paid to the State. These are pub-

lished as refunds or abatements, when as a matter of fact they are not refunds at all in any proper sense of the word, and their publication under this heading is misleading. Such credits are allowed by law; the Bureau has no option about it and they do not ordinarily involve a repayment of money. They simply lessen the amount due to the Federal Government.

Another class of cases causes misunderstanding. To use an actual case as an illustration -- a deficiency of approximately one million dollars was assessed against a corporation. Because it made a joint return with affiliated companies some seventy other companies were also liable. The same tax was assessed against each of them. Therefore seventy million dollars of tax was written on to the books of the Government, although only one million dollars was ever due, but each and any one of the seventy taxpayers was liable for it. The same thing happens in the case of transferees where the transfer of a taxpayer's assets without the payment of the tax may make many transferees liable, and the full amount of such tax is assessed against each, although one payment discharges the entire liability. The result is that when one pays, there must be an abatement or write-off of the tax as against all of the others. The method of accounting produces an absurd result. If a private banker kept his books on such a basis, he would be accused of inflating his assets, and properly. Yet the impression is given out that some one has been relieved of a tax, when in fact the amount was never owing except secondarily, and was paid by the primary debtor.

The answer to the question whether refunds and abatements are made is Yes, provided the taxpayer can prove by clear and convincing evidence that he is entitled to them, and that he would get them in court anyway. The policy is a strict and somewhat technical one.

Criminal prosecutions for fraud are recommended by the Treasury where evidence indicates, in the language of the statute, "fraud with intent to evade tax."

While the present Treasury policy toward fraud is more severe than in times past, it is not as has been portrayed, an indiscriminating severity. Its procedure now, as heretofore, is designed to avoid groundless prosecution as well as to assure deserved ones.

When a deputy or agent suspects a fraud, the investigation is taken over by the experienced investigators of the Intelligence Unit. It is the invariable policy of that Unit to give the taxpayer an opportunity to present his version of the facts and his arguments in defense of his conduct. The history of that Unit shows that of the suspected cases investigated, it has recommended prosecution in about 25%.

This recommendation goes to the General Counsel's Office, where it and the record are reviewed by experienced lawyers of the Penal Division, to make sure the evidence meets legal requirements. Taxpayers are again heard often, in person and by counsel. This review is not merely formal, for only 51% of the cases received are referred out to the Department of Justice for prosecution.

The result of this care has been, over the years, a record of unparalleled success. Of the cases recommended by the Treasury for prosecution, conviction or pleas of guilty have been had in 93.27%. Those prosecuted have included public officials, movie actors, lawyers, business men and racketeers. They include those listed as public enemies, like Al Capone of Chicago and Waxey Gordon of New York, and also men of such influence as to be able to call as character witnesses the Governor of a State (not New York) and Mayor and a former Mayor of a great city. The effect of a conservative policy of prosecution with a large percentage of success was well expressed by a Los Angeles paper upon the collection of \$75,000 in taxes and conviction of a magician with the stage name "The Man Who Knows." The headline read "Man Who Knows All Learns It does not Pay to Fool with Internal Revenue Department." The Treasury will not break down this wholesome respect of groundless recommendations for prosecution.

I wish also to make plain that no collector, deputy, or revenue agent whatever has authority to threaten any citizen with prosecution in order to compel agreement with proposed tax changes. No prosecution will be permitted or threatened for a difference of opinion, nor to punish a taxpayer who asserts what he believes to be his rights, even if the Department disallows his claim. We make no recommendation for prosecution and (except for rare jeopardy assessments) no assertion of a fraud penalty except after hearing the taxpayer's side of the case, after careful investigation of what he claims to be the facts and after careful sifting of the evidence by experienced lawyers.

The principal changes in Bureau policy as related to criminal cases are involved in the treatment of voluntary disclosure and tax sale or "wash sale" cases.

The taxpayer who has committed a fraud, and does not sleep well o'nights, either because of conscience or more likely because of the activities of revenue agents, can no more buy his peace by voluntary disclosure and mere payment of the tax. He must now also pay the civil penalty of 50% of the tax and the interest at 12% as fixed by the law if he would be excused from criminal prosecution. Confessions are still heard but penance is more fitting the offense. More than a few citizens can testify that tax frauds are very unprofitable and that from the government few secrets are hidden.

Sales of securities to establish loss have given rise to many charges of fraudulent practice, and the policy of the Treasury in reference to them has abruptly changed. Of course a good faith sale, resulting in a complete separation of the taxpayer from the ownership, benefit, and control of a security and resulting in a loss, is the basis for a deduction. Less than this raises doubt and may, in some circumstances, be fraud. The Treasury now treats trick stock sales the same as any other kind of fraud.

One would be rash to attempt to define the boundaries of fraud. It does not include good faith difference of opinion as to facts, or as to their legal effect. It does include all deliberate and intentional acts or omissions, and every trick, artifice, and pretense which results in a deception or material concealment. Between these

two extremes appearances often exist which men of good faith and honest dealing are careful to avoid and others allow at their peril.

Questions arising in the minds of taxpayers were answered by their lawyers, such as these:

"Can I sell to my wife?" "Can a sale be made upon credit terms?" "Can I buy it back having once sold it?"

Then the taxpayer and the sharp practicing lawyer attempted to combine all of these elements into one transaction and omitted entirely the ever present requirement of good faith. Men made sales to their wives that the wives never knew about. In some instances large blocks of securities were sold to a secretary of no means and small income, who put up no money and never knew that she owned the property. Deductions were claimed for mere bookkeeping entries, and for transactions that were no nearer real sales than the moving of securities from one safe deposit box to another.

We hold that only sales which are sales may be the basis for a deduction, and any sale that is a trick to present the appearance of sale, without its substance, is a fraud.

Taxpayers who had come to accept the tax sale as an approved device, or who on past experience or bad advice had come to rely on Treasury approval of such attempts to reduce taxes, now find themselves in an embarrassing position. But no one can acquire a vested interest in tax evasion.

Tax lawyers are a necessity because the tax law and regulation and their application present technical and controversial questions. It is the policy that the taxpayer who employs no counsel shall receive

fair and equal treatment. But most taxpayers feel insecure without their own advisers, and a tax bar with many honorable and able members presents cases to the Bureau, the General Counsel's office, the Board of Tax Appeals, and to the courts, with skill and fidelity to the ideals of our profession.

But they are not alone. The shyster tax lawyer, like his blood brother in other specialities, challenges the profession as well as the Treasury. However apt the public may be to blame the whole profession for the delinquencies of the few, we know that the legal profession collectively has less control over the conduct of its individual member than does the bricklayer's union over the conduct of bricklayers, or the Railway Brotherhoods over the conduct of trainmen. To prevent or punish lawyer misconduct, we are unable to rely upon any established discipline by professional associations. Splendid as are isolated examples of Bar Association activity in dealing with professional misconduct, the associations really effective are few and local. State and National Bar Associations are usually without the implements and too often without the motive or the will to be real governing professional bodies. If we dealt with lawyers alone, the problem of discipline would be left on our door step by the profession's default.

But the problem is complicated because departmental practice is not limited to the legal profession. Many lawyers avoided tax practice and in some sections that field was almost abandoned to the accountant. Upon many occasions justice requires that the taxpayer

be allowed representation by an employee, or an agent, who is neither lawyer nor accountant.

From this mixed bar of lawyers, accountants and agents, are experienced two principal difficulties. One is the lawyer whose bid for business is some slick scheme to outwit the Treasury and evade tax. Conservative and honorable lawyers, whose habit has been to advise clients against tricks and deception to evade taxes, have seen their clients taken away by the solicitation of sharp practitioners who claimed to have safe schemes of evasion. The lawyer got the fee, the client, who signed the return, thought he had closed up a sharp deal with the government. His harvest of grief was a long time maturing, for the government moves slowly, and the conservative advisor's business meanwhile slipped into the hands of the soliciting competitors.

The second evil is the lawyer, also usually a solicitor, whose bait is the claim of political or personal influence, or inside knowledge not available to general practitioners.

It would be rash to say that no case was, or is, or shall be helped by political influence or personal relations. But I give it as my general observation -- and my bureau connection is so brief that I have hardly become defensive minded, that the statement is hardly self serving -- that if a taxpayer wanted to prejudice his case the most certain method would be to employ a political lawyer, not ordinarily connected with his business and obviously employed for his prominence and alleged influence. It arouses resentment in the honest official, and puts even a weak or unfaithful one on his guard.

If the public understood that it pays such men extravagant fees only to have cases subjected to suspicion and double check, the political lawyer's sucker list would be gratly diminished. I can give no better advice to those in trouble with the Bureau than to say "Don't underestimate the integrity of the men you deal with." James M. Beck, unsparing in his criticism of the Federal Government says, "I state as my belief that while today it is too complex, and needlessly large, yet in integrity it need yield to that of no other nation."

The Treasury administration is determined that its responsibility for the character of the Treasury bar shall be discharged with strictness and vigor. Regulations are to be revised, enrollment will be granted only after searching investigation by the Intelligence Unit and disbarment will be freely used where offenses against fair dealing are revealed. A pronounced stiffening of the disbarment policy is already noticeable to one who follows the course of events in the department.

It is possible that enrollment for an indefinite period will be abolished and enrollment for not to exceed three years substituted so as to insure revision of the list and fresh scrutiny of the bar at stated intervals.

Also every one who advises a taxpayer in the preparation of his tax return must now be named in the return. Responsibility will be fixed at the time the return is made. It cannot be later shifted on to a lawyer who has obligingly died, nor can an honest advisor be blamed for schemes he never advised.

In dealing with this troublesome problem of maintaining a Treasury Bar of lawyers, accountants and agents of high standards of ethics and intelligence, it is the purpose to avoid all unnecessary suspicion toward and vexation of those who would practice before the department. In framing new regulations and in their enforcement, there will be three purposes in mind.

First, To protect against fraud and waste, the subject of its special trust, the revenues of the United States.

Second, To protect the taxpayers against dishonest or tricky advice which leads them to trouble and controversy.

Third, To protect honorable lawyers who give clients faithful advice, against the unfair competition of slickers whose stock in trade is fraudulent practice or false claims of influence.

The Treasury never has, and probably never will, rank as a popular or even a well understood department of government. But in these last two troubled years, when the credit of almost every bank, every business and every municipality trembled, the Treasury of the United States has stood almost solitary in its unshaken credit. The present tax policies of the Treasury are dictated by a high sense of responsibility for the integrity of the revenue system upon which economic existence as well as economic reconstruction depend.

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS.

July 2, 1934.

The following summary of the Government's brief in the Charles E. Mitchell tax case before the United States Board of Tax Appeals is issued for the convenience of the press and is not to be quoted as a Treasury statement:

The Government today filed with the Board of Tax Appeals its brief in the Charles E. Mitchell tax case. The Government is seeking to collect \$1,275,644 taxes and penalties for 1929 and 1930.

The case was tried before the Board of Tax Appeals in the week beginning April 30, 1934, before a division of the Board consisting of Hon. Jed C. Adams, William C. Landsdon and Ernest H. Van Fossen. Mitchell and other witnesses testified.

In the brief filed today, the Government showed that although Mitchell had an income of about three and one-half million dollars in 1929, he paid no income tax for that year, and that in 1930 he had an income of over three-quarters of a million dollars and likewise paid no tax for that year. The Government contends that the sale of 18,300 shares of National City Bank stock which Mitchell claims he made to his wife in December, 1929, was sham and fictitious and that Mitchell's acts in claiming on his income tax return a deduction of \$2,872,305 as a loss resulting from such sale constituted fraud with an intent to evade the payment of taxes. It is pointed out that when Mitchell says he sold the stock to his wife for over \$3,800,000, her total assets were less than one million; that she never paid any cash for the stock and never received the stock which was at all times held by J. P. Morgan & Company as collateral for a loan to Mitchell. In 1932, when Mitchell was insolvent to an amount in excess of three million dollars, he bought back stock from his wife at the original "purchase price" of \$212

although the market was then \$45. Attention is called to the fact that when Mitchell was a witness before the Senate Committee on Banking and Currency, he admitted that the sale was merely "a sale of convenience". The Government also claims that a like sale in 1930 of 8500 shares of Anaconda Copper stock was likewise fraudulent and that the sum of \$666,666.67 received by him from the National City Company's Management Fund in July 1929 was income and that his failure to report this money in his income tax return likewise constituted fraud. The Government claims that Mitchell arranged it so that the Board of Directors of the National City Company took action which permitted him to treat this large payment merely as an advance, to be repaid only out of future payments from the Management Fund. At a later date Mitchell received \$50,000 from the Management Fund and had his salary increased by \$50,000 a year, but nevertheless did not repay any of this so-called advance, and the National City Company took no steps to collect payment from Mitchell.

Mitchell has contended that his acquittal in the criminal case charging him with attempt to evade the payment of taxes prevents the Government from collecting the tax. The Government argues that different questions were involved in the criminal trial and that the acquittal does not prevent the Government from collecting what is justly due to it. The acquittal in the other trial showed merely that the Government was unable to prove beyond a reasonable doubt that Mitchell had been guilty of a crime. The question before the Board of Tax Appeals in the present case is whether Mitchell's acts were a fraudulent attempt to escape payment of taxes, and no punishment is sought in this proceeding which is merely the Government's normal steps to collect taxes due to it.

The Government's brief today was filed on behalf of Commissioner of Internal Revenue Guy T. Helvering by Robert H. Jackson,

Assistant General Counsel of the U. S. Treasury for the Bureau of Internal Revenue as Attorney for the Respondent.

The following are listed as "Of Counsel for the Commissioner": Edward S. Greenbaum and Thomas E. Dewey, Special Assistants to the Attorney General, and Nathan Gammon and James D. Head, Special Attorneys for the Bureau of Internal Revenue.

Mitchell's brief is to be filed July 30th. Thereafter the cases will be decided by the Board of Tax Appeals.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

July 2, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending June 29, 1934:

San Francisco.....	62,950.61	fine ounces
Denver.....	1,096.00	" "
Total for the week	64,046.61	" "

Corrected figure on total receipts of silver through June 29: 8,560,000 fine ounces.

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending June 30, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$	\$ 389,408.00	\$
San Francisco.....	1,906.27	30,146.77	521,941.92
Denver.....	365.00	20,767.00	354,435.00
New York.....	14,042,000.00	435,900.00	19,900.00
Seattle.....	.....	20,977.32	206,214.58
New Orleans.....	18,996.40	54,501.29	385.72
	<u>\$14,063,267.67</u>	<u>\$ 951,700.38</u>	<u>\$1,102,877.22</u>

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 June 27.....	\$ 43,234.74	\$ 861,980.00
Received previously.....	28,119,111.57	60,452,800.00
Total to June 27.....	<u>\$28,162,346.31</u>	<u>\$61,314,780.00</u>
Received by Treasurer's Office:		
Week ended June 27.....	\$	\$ 10,600.00
Received previously.....	249,194.00	1,591,300.00
Total to June 27.....	<u>\$ 249,194.00</u>	<u>\$ 1,601,900.00</u>

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week ended June 30, 1934: \$500,000.

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TREASURY DEPARTMENT

Washington

RELEASE, AFTERNOON NEWSPAPERS,
Wednesday, July 4, 1934.

Press Service.

7-2-34

The United States Treasury Department has 193 buildings already under construction as part of the Treasury construction program, it was announced today. These buildings, mainly post offices, involve the spending of approximately \$52,000,000.

The Treasury Department, in charge of the erection of Federal buildings, has in hand in all approximately 900 building projects. The amount which will have been spent when all are completed is in excess of \$167,000,000. More than \$110,000,000 of this amount has just recently been allotted and appropriated in order to help relieve unemployment throughout every section of the country.

The Treasury is bending every effort to expedite the work of getting this new group of projects under contract and under construction. It is estimated by the Division of Procurement of the Treasury that more than one half of the total number of projects in the whole program will be completed or under construction by winter, unless unforeseen circumstances arise.

The building program is now being carried out in four separate divisions, paid for from four separate funds.

The first division of the Treasury building program comprises the 302 approved projects to be paid for out of the \$65,000,000 appropriation allotted by Congress June 19, 1934, for which sites will be selected and plans prepared as soon as possible in order that contracts may be advertised and completed at an early date.

In the second group or division of the program are those projects for which funds have been allocated from other sources. There are 466 such projects, authorized at a total limit of cost of \$67,410,788. Forty-nine of these are already under contract, involving an expenditure of \$24,442,742 or 37% of the total.

Eighty-two projects in the second division are in the market for bids, or in the specification stage. The amount involved is \$8,006,295, or 12% of the total allotment.

Two hundred and seven projects are in the drawing stage, amounting to \$17,041,516, or one-fourth of the total.

One hundred and twenty-eight projects are in the site stage, involving \$17,920,235, or 26% of the total. Branch post offices in the principal cities will be approximately \$14,000,000 under this item.

Out of the \$67,410,788 fund for the second division of the program, \$4,851,627 or 7.1% has been disposed of through expenditures; 29.3% or \$19,591,115 is now under contract for immediate construction.

In the third division of the program are those projects to be paid for out of funds transferred to the Treasury from other Departments. There are 33 projects in this division and the limit of cost is \$1,711,865. There have been placed under contract projects totaling \$1,249,230. The value of the work on the market, or in the specification stage, is \$275,851. The remainder, totaling \$186,784 is in the drawing stage.

These funds transferred from other Departments involve rehabilitation, extension and remodeling of old buildings, construction of new buildings, repairs to sea walls, and similar undertakings.

Some of the larger projects in this Division of the program are Ellis Island, N. Y., Immigrant Station; Galveston, Texas, Quarantine Station; Reedy Island, Delaware, Quarantine Station; Honolulu, Hawaii, Quarantine Station; New York, N. Y., Quarantine Station and Washington, D. C., National Institute of Health.

The fourth division of the program is the hold-over building, the remnants of the program commenced under the Enabling Act of May, 1926. Eight hundred and fifteen projects were included in that program. One hundred and thirty-five remain under construction at the present time. The total of the obligations involved in this construction is \$33,468,000. These projects will be rushed to completion just as speedily as conditions permit.

Because of the state of the real estate market during the last year, the Treasury Department has been able to make many advantageous purchases of sites. On the other hand, many original estimates of construction costs had to be revised because of increases. The Division of Procurement estimates that building costs have risen approximately 20% since July 1, 1933. The market appears to be somewhat more stable at the present time, making substantial progress possible during the coming months.

The present program had its inception March 4, 1913, when Congress made a specific authorization for the purpose. Since that date it has appropriated to the Treasury \$598,799,572, and of this amount \$409,397,529 has been spent up to June 22.

All projects under the program are contract projects. The Treasury does not recognize sub-contractors. Payment on contracts is made the first of each month after operations begin, less ten per cent, which is payable upon completion. After the project is fifty per cent completed, full payments may be secured monthly.

With rising construction costs, in order that there be no inferior construction, unusual care has been necessary. Post office building maintenance costs have been kept surprisingly low during the past few years, despite the great amount of public usage received. Less than one per cent of the cost of the buildings has been spent yearly for upkeep. The high quality of materials and construction is believed by Treasury officials to account for this low maintenance figure.

Care is taken in the selection of sites in order to insure the greatest possible efficiency. For instance, in selecting a site for a post office, a representative of the Procurement Division will visit the city and make a survey of available sites cooperating with postal authorities. He will then study traffic, advantages of the various locations which may be had, nearness to a railway, population centers, and other important factors.

In the case of the projects under the \$65,000,000 appropriation, more than 600 more projects were considered than could be taken care of with the amount allotted. Some of these may still be selected, as the 302 projects already chosen may not exhaust the entire sum.

STATEMENT BY ACTING SECRETARY OF THE TREASURY COOLIDGE

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, July 9, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated July 11, 1934, and will mature on January 9, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on July 9, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on July 11, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

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MEMORANDUM FOR THE PRESS:

July 9, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending July 6, 1934:

Philadelphia.....	450,130.53	fine ounces
San Francisco.....	766,856.49	" "
Denver.....	211,260.00	" "
	<u>1,428,247.02</u>	" "

Corrected figure on total receipts of silver through July 6: 9,985,000 fine ounces.

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending July 7, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$	\$ 312,167.30	\$ 314.44
San Francisco.....	926,594.31	122,162.38	1,051,005.37
Denver.....	46,291.00	110,552.00	851,014.00
New York.....	9,663,300.00	1,113,200.00	.....
Seattle.....	.....	19,510.20	168,429.57
New Orleans.....	1,484.36	28,016.92	161.24
Total.....	<u>\$10,637,669.67</u>	<u>\$1,705,608.80</u>	<u>\$2,070,924.62</u>

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 July 3.....	\$ 45,863.18	\$ 579,106.00
Received previously.....	28,162,346.31	61,314,780.00
Total to July 3.....	<u>\$28,208,209.49</u>	<u>\$61,893,886.00</u>

Received by Treasurer's Office:

Week ended July 3.....	\$	\$ 18,100.00
Received previously.....	249,194.00	1,601,900.00
Total to July 3.....	<u>\$ 249,194.00</u>	<u>\$ 1,620,000.00</u>

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

No purchases for the week ended July 7, 1934.

STATEMENT BY ACTING SECRETARY OF THE TREASURY COOLIDGE

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, July 16, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated July 18, 1934, and will mature on January 16, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on July 16, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on July 18, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

July 16, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending July 13, 1934:

*Denver.....	118,560.00	fine ounces
San Francisco.....	111,931.19	" "
Total to July 13.....	230,491.19	" "

* Corrected figure for Denver for week ending July 6: 1,260.00 fine ounces
 Corrected figure on receipts for week ending July 6: 1,218,247.02 fine ounces
 Corrected figure on total receipts of silver through July 13, 1934: 10,005,000 fine ounces

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending July 13, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$...	\$ 333,532.17	\$ 968.73
San Francisco.....	1,303,990.71	205,104.14	1,081,718.64
Denver.....	42,769.00	90,399.00	943,392.00
New York.....	9,270,000.00	951,000.00	...
Seattle.....	...	30,320.35	236,182.07
New Orleans.....	18,996.40	27,614.86	...
	\$10,635,756.11	\$1,637,970.52	\$2,262,261.44

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 July 11.....	\$ 64,191.87	\$ 708,374.00
Received previously.....	28,208,209.49	61,893,886.00
Total to July 11.....	\$28,272,401.36	\$62,602,260.00

Received by Treasurer's Office:

Week ended July 11.....	\$ 800.00	\$ 12,400.00
Received previously.....	249,194.00	1,620,000.00
Total to July 11.....	\$ 249,994.00	\$ 1,632,400.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended July 16, 1934..... \$3,828,000.00

STATEMENT BY ACTING SECRETARY OF THE TREASURY COOLIDGE

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, July 23, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated July 25, 1934, and will mature on January 23, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on July 23, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on July 25, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

July 23, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ending July 20, 1934.

Denver	4,118.00	fine ounces
San Francisco	111,099.24	" "
Total to July 20	115,217.24	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ending July 20, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 4,059.09	\$ 303,316.85	\$ 57.54
San Francisco	10,869.98	100,380.75	659,051.35
Denver	41,373.00	68,237.00	592,519.00
New York	8,872,300.00	2,065,000.00	.....
Seattle .....	.....	36,708.36	217,414.34
New Orleans	21,227.44	43,017.51	799.79
Total	\$ 8,949,829.51	\$ 2,616,660.47	\$ 1,469,842.02

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 July 18	\$ 41,513.89	\$ 754,220.00
Received previously	28,272,401.36	62,602,260.00
Total to July 18	\$28,313,915.25	\$63,356,480.00

Received by Treasurer's Office:

Week ended July 18	\$	\$ 16,100.00
Received previously	249,994.00	1,632,400.00
Total to July 18	\$ 249,994.00	\$ 1,648,500.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Week ended July 23	\$ 400,000.00
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STATEMENT BY ACTING SECRETARY OF THE TREASURY COOLIDGE

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts; They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, July 30, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 1, 1934, and will mature on January 30, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on July 30, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on August 1, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

July 30, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended July 27, 1934:

San Francisco	126,926.93	fine ounces
Denver	5,854.00	" "
Philadelphia	159,933.55	" "
Total for the week	292,719.48	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended July 27, 1934:	Imports	Secondary	New Domestic
Philadelphia..... \$	13,091.30	\$ 294,348.14	\$ 66.40
New York	18,882,000.00	2,738,000.00	.....
San Francisco	964,224.94	129,776.67	1,445,633.40
Denver	77,838.00	33,643.00	483,177.00
New Orleans	766.20	43,809.89	98.23
Seattle .....	.....	20,763.26	264,606.31
Total	<u>\$19,937,920.44</u>	<u>\$3,260,340.96</u>	<u>\$2,193,581.34</u>

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 July 25	\$ 220,936.98	\$ 954,830.00
Received previously	28,313,915.25	63,356,480.00
Total to July 25	\$ 28,534,852.23	\$ 64,311,310.00

Received by Treasurer's Office:

Week ended July 25	\$	\$ 7,400.00
Received previously	249,994.00	1,648,500.00
Total to July 25	<u>\$ 249,994.00</u>	<u>\$ 1,655,900.00</u>

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, August 6, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 8, 1934, and will mature on February 6, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on August 6, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on August 8, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, August 13, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 15, 1934, and will mature on February 13, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on August 13, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on August 15, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
August 14, 1934.

INSTRUCTIONS FOR DELIVERING SILVER TO THE ASSAY OFFICE IN NEW YORK
UNDER THE "NATIONALIZATION" ORDER.

1. If the silver is in your possession, send it to the New York Assay Office at Old Slip and South Street, which is near the foot of Wall Street on the East River.
2. If the silver is in a bank or an approved warehouse and you have the warehouse receipt, endorse the receipt to "Superintendent, U. S. Assay Office", have this endorsement guaranteed by your bank or a Commodity Exchange Clearing broker, and deliver or send the warehouse receipt to the Assay Office.
3. If the warehouse receipt is in the hands of your broker or bank, arrange for the broker or bank to deliver the receipt to the Assay Office endorsed as above.
4. If you deliver the silver itself, an advance payment up to ninety-five per cent will ordinarily be made at once, and the balance will be paid after the exact value has been determined. If the warehouse receipt is turned over to the Assay Office, the advance payment up to ninety-five per cent will ordinarily be made within twenty-four hours.
5. The Government will pay all proper delivery charges, and will pay storage from the time the Assay Office accepts delivery of warehouse receipts.

NELLIE TAYLOR ROSS
Director of the Mint

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS:

August 14, 1934

Instructions similar to those issued today for delivery of silver to the Assay Office in New York, have been issued by the Director of the Mint, Nellie Tayloe Ross, covering the delivery of silver under the "nationalization" order to the mints at San Francisco, Philadelphia, Denver, New Orleans, and the Assay Office at Seattle.

The only difference in the instructions is that at places other than New York the endorsement on warehouse receipts must be made by a bank, and not by a Commodity Exchange Clearing broker.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING PAPERS,
Friday, August 17, 1934.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, August 20, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 22, 1934, and will mature on February 20, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are

accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on August 20, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on August 22, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS.

August 17, 1934.

The Secretary of the Treasury today issued regulations in connection with the "nationalization" of silver covering --

Receipt of silver by the United States Mints and Assay Offices under the Proclamation of August 9, 1934;

Delivery of silver to the United States Mints and Assay Offices as required by the Executive Order of the same date;

Investigation and regulation of the acquisition, importation, and exportation of silver;

Prohibition of exportation of silver; and

Filing of reports in connection with the foregoing.

The regulations may be summarized as follows:

Reports to the Secretary of the Treasury.

1. Persons delivering silver to a United States Mint or Assay Office on or before September 1, 1934 are not required to file reports relative to such silver.

2. As to other silver situated in the continental United States on or after August 9 and not falling within the excepted categories (coins, fabricated articles, and a limited amount of scrap, sweepings, etc.), the person owning, possessing, or controlling it on or after August 9, 1934, is required to file by September 15 with the Secretary of the Treasury a report containing true and complete information relative thereto. Similar reports are required respecting the acquisition or disposition after August 9 of such silver and must be filed within forty-five days after the acquisition or disposition.

Receipt of silver by the Mints.

3. The mints and assay offices will receive all silver situated in the continental United States on August 9, 1934, whether or not required to be delivered; except that

(a) Silver required to be delivered must be in lots of not less than 24,500 troy ounces, or the total amount which the depositor is under obligation to deliver if that is less than 24,500 troy ounces.

(b) Silver which may be -- but is not required to be -- delivered will be received only if of a fineness greater than .8 and in lots of not less than 50 troy ounces.

4. Payment for the silver delivered will be at the rate of 50.010505⁴ cents per fine ounce, in standard silver dollars, silver certificates, other coin or currency, (or may be by United States check if the depositor does not request coin or currency).

Silver required to be delivered.

5. All silver situated in the continental United States on August 9, 1934, must be delivered, unless falling within an exempted class.

6. Exemptions include coin, fabricated silver, and a limited amount of scrap silver. (See Sections 41 through 48 for complete list of exemptions.)

7. Silver "newly mined" after August 9, 1934, from natural deposits in the United States, or any place subject to its jurisdiction, is not required to be delivered under the Executive Order or the regulations.

Silver "newly mined" after December 21, 1933 from natural deposits in the continental United States may be deposited with a coinage mint under the Proclamation of that date; but if mined between December 21, 1933 and August 9, 1934, and not deposited under the December 21 Proclamation within fifteen days after refining or November 7, 1934, whichever is later, such silver must be delivered under the Executive Order of August 9 and the regulations.

Time and place of delivery.

8. Delivery should be made to the United States Mint or Assay Office to which the silver can be shipped most economically -- i.e., Philadelphia, New York, Denver, or San Francisco, whichever is nearest.

9. Silver must be delivered to the proper mint on or before November 7, 1934, or if temporarily exempt, within fifteen days after it ceases to be exempt.

Duty to see that delivery is made to a Mint.

10. Transfer or delivery of ownership, possession or control to another (except in fulfillment on or before November 7, of an obligation incurred or assumed on or before August 9, 1934, or to a person licensed to acquire and withhold silver) will not relieve any person of the duty of seeing that silver is delivered in compliance with the provisions of the Executive Order or of the regulations.

Reimbursements for costs.

11. The Treasury will pay necessary costs actually incurred in delivering silver to the proper mint or assay office after receipt of expense account on Treasury voucher form. Forms may be obtained at the mints and assay offices.

Licenses to withhold silver.

12. The Secretary of the Treasury may issue licenses authorizing the acquisition or withholding of "nationalized" silver for industrial use, for reexport, or to fulfill pre-existing contracts; and, with the approval of the President, for purposes deemed to be in the public interest and not inconsistent with the purposes of the Silver Purchase Act of 1934 and of the Executive Order; but, as licenses are not necessary to acquire or withhold silver which is not "nationalized" licenses will not be issued where such silver can be substituted. Applications for such licenses are to be made not later than September 15, 1934.

Exportation of silver.

The Regulations of July 5, relating to licenses to export silver, are revoked (Section 3) but appear in modified form in Article IX.

TREASURY DEPARTMENT
Washington

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MEMORANDUM FOR THE PRESS:

August 20, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended August 17, 1934:

Philadelphia.....	154,249.79	fine ounces
San Francisco.....	490,276.26	" "
Denver.....	5,231.00	" "
Total for week ended Aug. 17...	649,757.05	" "

Total receipts of silver through August 17, 1934: 11,321,000 fine ounces.

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

San Francisco.....	987,039.00	fine ounces
Denver.....	6,727.00	" "
New York.....	32,471,325.00	" "
Total through August 17.....	33,465,091.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended August 17, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 5,931.35	\$ 416,193.04	\$ 244.04
San Francisco.....	78,166.48	158,014.51	739,045.12
Denver.....	28,634.00	56,712.00	734,807.00
New York.....	3,631,000.00	960,900.00	.....
Seattle.....	.....	25,829.60	101,022.97
New Orleans.....	3,511.63	35,090.16	2,286.55
Total for the week.	\$3,747,243.46	\$1,652,739.31	\$1,577,405.68

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 August 15.....	\$ 50,733.74	\$ 681,340.00
Received previously.....	28,789,447.75	65,734,590.00
Total to August 15.....	\$28,840,181.49	\$66,415,930.00

Received by Treasurer's Office:

Week ended August 15.....	\$	\$ 17,000.00
Received previously.....	250,994.00	1,671,000.00
Total to August 15.....	\$ 250,994.00	\$ 1,688,000.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for week.....\$1,250,000.00

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, August 27, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 29, 1934, and will mature on February 27, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on August 27, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on August 29, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT
Washington

MEMORANDUM FOR THE PRESS:

August 27, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended August 24, 1934:

San Francisco	374,526.65	fine ounces
Denver	<u>1,977.00</u>	" "
Total for week ended Aug. 24...	376,503.65	" "

Total Receipts of silver through August 24, 1934: 11,698,000 fine ounces

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended August 24, 1934:

Philadelphia	3,952	ounces
San Francisco	3,817,650	"
Denver	5,602	"
New York	<u>22,260,315</u>	"
Total for week ended Aug. 24	26,088,019	ounces

Total receipts of silver through August 24, 1934: 59,553,110 ounces

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended August 24, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 3,742.55	\$ 289,860.07	\$ 59,85
San Francisco	953,873.25	153,851.69	596,070.49
Denver	11,642.00	38,410.00	586,378.00
New York	2,329,450.00	843,200.00	-----
Seattle	-----	19,238.98	531,082.70
New Orleans	<u>18,128.34</u>	<u>56,741.69</u>	-----
Total for the week..	\$ 3,316,836.14	\$ 1,401,302.43	\$1,713,591.04

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 August 22, 1934 ...	\$ 38,157.33	\$ 896,220.00
Received previously	<u>28,840,181.49</u>	<u>66,415,930.00</u>
Total to August 22, 1934....	\$28,878,338.82	\$67,312,150.00

Received by Treasurer's Office:

Week ended August 22, 1934 ...	\$	\$ 7,600.00
Received previously	<u>250,994.00</u>	<u>1,688,000.00</u>
Total to August 22, 1934 ...	\$ 250,994.00	\$ 1,695,600.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week \$10,798,000.00

TREASURY DEPARTMENT

Washington

RELEASE, UPON DELIVERY,
Tuesday, Aug. 28, 1934, 10:00 a.m.
8-21-34

Press Service

Address prepared for delivery by Robert H. Jackson, Assistant General Counsel of the U. S. Treasury Department, before the Tax Lawyers Attending the American Bar Association Meeting at Milwaukee, Wisconsin, on Tuesday, August 28, 1934.

PROBLEMS OF THE FEDERAL TAX BAR

The American Bar Association's Committee on Taxation wisely has called those lawyers engaged in tax practice to meet and consider their common problems. In addition to difficulties which vex the general profession, tax practice presents some of its own. Need for a clearing house for the exchange of views, and a voice to speak for the tax bar is so apparent that I hope you may perfect at least a preliminary organization and perhaps a Section for the purpose.

If you choose to so organize, we invite you to go at once to work on behalf of the tax bar. The Treasury Department is considering complete revision of regulations governing enrollment and disbarment. It would welcome creation of a representative professional group whose criticisms and suggestions it could weigh and consider. We therefore invite you to name a Committee to take up at once consideration of a new code to govern the Treasury Bar and at once to demonstrate the usefulness of collective effort as a measure of self interest and also one of public service.

Announcement is being made today of the appointment by Secretary Morgenthau, of a new Committee on Enrollment and Disbarment. It will consist of Mr. Walter Wheeler Cook, Mr. Irwin Gilruth and Mr. Lawrence Becker. Mr. Cook

has a unique position with the profession as the guide, philosopher and friend of the many lawyers who have come under his influence as an instructor. Mr. Gilruth brings to the Committee the view point of the active practitioner, and Judge Becker, a former judge in Indiana, a former Solicitor for the Treasury, and more recently the prosecutor of disciplinary cases before the Enrollment Board, brings an intimate knowledge of the problems of the department. The high character of this board should be taken by tax practitioners as notice from Secretary Morgenthau, that disciplinary matters will have vigorous, but judicious, treatment, that accused members of the tax bar must stand on the merits of their conduct, not on the influence of their friends.

At this somewhat experimental meeting it would be well to consider our professional problems with a perspective that covers years, rather than this day alone. I can be more helpful by raising questions, than in attempting answers. To that end I offer a number of inquiries that sooner or later will have to be answered. The answers may be of consequence to you in your professional life.

(1) SHALL THERE BE A FEDERAL DEPARTMENTAL BAR OR WILL EACH DEPARTMENT CONTINUE TO MAINTAIN SEPARATE ENROLLMENT AND PRACTICE RULES?

The present policy is so chaotic, confusing and costly from the viewpoint of the government and so vexatious and burdensome to practitioners that I cannot give it a long expectancy of life, in spite of the well known inertia of the Federal machine.

The Department of State, the Department of Justice, the Department of Agriculture have no regulations governing enrollment and no restrictions upon those who may practice before them. The Treasury Department has elaborate regulations governing enrollment, conduct and disbarment, admits lawyers, accountants and agents to practice and maintains an Enrollment Committee and a prosecuting officer to present complaints. Enrollment with the Treasury Department permits practice in the Department only, and does not authorize an

appearance before the Board of Tax Appeals, so that two enrollments are required to conduct a case before the Bureau and before the Board of Tax Appeals.

The Board of Tax Appeals has a separate enrollment system and admits both lawyers and certified public accountants to its practice. It does not maintain any disciplinary organization.

In spite of close relationship between bureau practice and board practice, there is no coordination between the two enrollments, an attorney may be disbarred before one and still practice before the other, nor are the investigations made by one department available to the other.

The Department of the Interior has rather comprehensive regulations governing the recognition of agents and attorneys. It maintains no special Committee on Enrollment and Disbarment but charges may be preferred by the Secretary and heard before a subordinate designated for the purpose, who returns the record with findings of fact and recommendations to the Secretary for action.

The Federal Trade Commission has rules of practice and procedure but no regulations governing admission to practice. Attorneys appear without formal recognition unless their qualifications to practice are questioned.

The Department of Commerce has an elaborate code governing admission to practice before the Patent Office.

The United States Veteran's Administration has regulations governing recognition and disbarment of attorneys and agents. Charges of misconduct are preferred by the Administrator and final action is apparently taken by the Administrator himself.

The Interstate Commerce Commission has rules governing admission to practice of both attorneys and agents. It has set up no machinery for enforcement and the rules themselves are rather general in character. It is significant, however, that there exists an "Association of Practitioners before the Interstate Commerce Commission" with headquarters in Washington, which claims some 1500 practitioners and which has adopted a code of ethics that is more detailed and

imposes higher standards upon its members than does the code of ethics of the American Bar Association. It may be that detailed rules and enforcement machinery are not found necessary because the profession itself is organized and vigilant. I am not informed whether there is a relationship between the two, but it is safe to say that generally, the more the profession is regulated from within, the less regulation it needs from without.

At the present time each department goes about enrollment in a different way, some regarding it as a mere formality and others making careful local investigation of applicants. Information of one department is not availed of by any other, and notice of disbarment of a practitioner would only come to another department by accident or by a new complaint. The Departments themselves have made no joint effort to coordinate such policies or activities. There is no established channel for the exchange of information between them.

Each department has the same need to see that those who represent others shall be identified, reliable, and possess a character fitting to a position of trust and a general competency equal to the task assumed. Except for technical qualifications, and no department really tests those, the requirements should not differ as between them.

It is probable that Congressional enactment, if default of administrative action continues, will bring about a consolidation of enrollment activities of the several departments. The bar should concern itself with a problem so vital, not in the usual spirit of antagonism, but in a cooperative mood. The present duplication of systems is not economical nor effective. Enforcement of discipline is either omitted entirely, or judgments are rendered by the same officers who prefer the charges. The bar and the government have common grounds for dissatisfaction with the present method of Departmental enrollment and should make its improvement a common cause.

(2) SHOULD ENROLLMENT BE INDETERMINATE OR FOR A FIXED PERIOD?

A permanent enrollment carries names upon its lists long after their possessors are dead or out of practice. Admission to the bar for life in a local jurisdiction is a different matter than in a national jurisdiction. Enrollment for not longer than five years would give better information and control, and would assure a current membership roll. The usual motives to observe approved standards of professional conduct would be strengthened by the prospect of submitting application for renewal of the professional privilege and of having one's standards reviewed.

(3) WHAT FAITH AND CREDIT SHOULD THE FEDERAL AUTHORITY GIVE TO MEMBERSHIP IN A STATE BAR?

Unfortunately mere admission to a State bar is not always a strong assurance of either character or competency. The several states differ widely in requirements for admission. If Federal authority were to seek uniformity, there would be difficulty in reconciling the conflicting standards of the several communities.

Is uniformity of education necessary or desirable, or should each locality judge the equipment necessary to represent it? If one attains standards satisfactory to his own neighbors, should he not be entitled to recognition as their legal representative in Washington?

Tests of character imposed by local law are also variable. The fundamental principles of organization of the bar itself differ in the several commonwealths. We have outstanding examples of an all-inclusive statutory organization with great powers in the bar itself over admission and discipline. Elsewhere bar associations are voluntary groups and membership somewhat on a club basis. The vigor and consistency with which discipline is administered varies in different localities. The most constant and energetic disciplinary effort is made by the bar associations of the larger cities, doubtless because

the need is most imperative there. State Bar Associations are usually without the implements and often without the will to be real governing professional bodies.

There are those who feel that admission to practice before the courts of their state, should be sufficient warrant for recognition by the administrative departments, as it is usually the warrant for admission without further examination to the Federal Courts, including the Supreme Court. It might be answered that the lawyers' methods, equipment, duties and responsibilities before the administrative departments of the central government are so different as to require a separate inquiry into his qualifications. Events, however, have already made their own terms with theories. The existing condition is a flock of Federal Bars, they threaten to multiply, they are creatures of chance, their requirements result from the individual convictions of the department head who happened at some time to concern himself with the matter. Shall this development be left to evolution, or shall its intelligent direction be assumed? Shall a system be created or a chaos of systems be continued? Shall such a system impose uniform standards? Or no standards? Or minimum tolerable standards? Or adopt as its own the standards it finds in each locality?

(4) ANOTHER PROBLEM OF GOVERNMENT DEPARTMENTAL REGULATION OF PROFESSIONAL CONDUCT IS THE CONTINGENT FEE.

This problem is present wherever there is law practice.

The universal character of the problem is some evidence that the contingent fee is a necessary concession to claimants, who need representation but do not have or do not wish to jeopardize any other asset than the claim involved.

That the abuse of the contingent fee, is almost as extensive as its use indicates the necessity and delicacy of its regulation.

Few who are familiar with the necessities of humble people would advocate the abolition or prohibition of the contingent fee. It is equally certain

that few who have observed the effect of the contingent fee would look with favor upon a law practice or accountancy practice based entirely on contingent fees. The contingent fee when resorted to by the attorney as a means of procuring professional employment or of enlarging his fees, destroys that sense of detachment and professional perspective which is the greatest assurance that a lawyer will present his client's case with fairness. A partner in a claim is no longer a professional representative. The contingent fee has led to the presentation of unjustifiable claims against the government and it has led to grossly extortionate charges for the performance of purely formal matters. Its advocates can point to just claims that would have been abandoned had not the contingent fee made prosecution possible, and its opponents can point to perjury, extortion and general professional degeneracy as its products.

The bar cannot permanently evade some effort to control the contingent fee. What will the answer be?

(5) WHAT REGULATION WILL REACH THE LAWYER WHO ATTEMPTS TO USE HIS POLITICAL INFLUENCE OR PERSONAL RELATIONS, OR FORMER OFFICIAL POSITION WITH THE DEPARTMENT, TO PROMOTE HIS BUSINESS?

My official life is long enough to make my testimony interested, and not long enough to make it well informed, but your own experience I am confident will confirm the observation that very few cases relatively are helped by political or personal influence. Tactics which indicate a resort to political pressure arouse the resentment of honest officials and put even weak and unfaithful ones on their guard. The country at large does not understand that a former office holder is held in the same esteem in Washington as yesterday's newspaper.

However ineffective claims or appearances of influence may be in obtaining decisions of the government, they are unquestionably persuasive in obtaining business. Taxpayers and even members of the bar sometimes employ as counsel men who once held positions of influence but who are already discredited by

their efforts to "cash in" on their friendships or political connections. Aside from a tendency to discredit the service, the "influence lawyer" presents a problem of unfair competition which the bar should aid in suppressing.

(6) WHAT RESPONSIBILITY SHOULD REGULATIONS IMPOSE UPON THE LAWYER WHO PRESENTS A CASE TO A GOVERNMENT DEPARTMENT?

Between practice in a local tribunal, and practice before a department of the central government, there are differences in temptation and in opportunity to mislead. In near-at-home practice one's representations are readily tested by neighborhood knowledge, testimony is subjected to informed and interested cross examination, and a contestant is alert to expose deceit or overstatement. Before the Departments the test of local knowledge is wanting, and the investigations which must serve as its substitute are often casual and feeble. Hearings are usually ex parte and no interested competitor sits ready to expose errors or omissions. The opportunity to mislead by half truths is tempting. Perhaps that is why men cautious in ordinary affairs, seem reckless in their representations to the government, and it may account for the tendency of officialdom to become suspicious and exacting.

The tendency therefore in federal departments is in the direction of increasing the responsibility of attorneys for the statements which they make or sponsor. Lawyers must assume large responsibilities for the accuracy of letters, briefs and affidavits. No attorney can in all instances verify the information that he must use nor make all statements upon personal knowledge. A lawyer's name upon a document should, however, imply his certification that he does not know of any inaccuracy, falsity or omission, that he has been diligent in searching for all relevant information and that the evidence submitted comes from sources which he believes reliable. If it shall appear that the document is reckless or false, is it too much to place upon the attorney the burden of satisfying the Enrollment Board that he was not a party to the falsity?

It is true that this is a reversal of the usual rule of burden of proof but it does not seem to me an unreasonable burden to place upon the bar.

Everyone who advises a taxpayer in the preparation of his tax return must now be named in the return. Responsibility for tax advice will be fixed at the time the return is made. It cannot later be shifted to a lawyer who has obligingly died. This is one step in the direction of fixing the responsibility of those engaged in tax practice for the results of their work.

(7) WHAT COOPERATION IN DISCIPLINE WILL A COMMITTEE ON ENROLLMENT AND DISBARMENT RECEIVE FROM THE BAR?

No government department desires to be constantly spying upon those it recognizes as attorneys, nor can a spy system be effective.

Those who know best the unethical lawyers, are the lawyers themselves. They know by general reputation, and they know specific instances of misconduct.

While I have a school boy's prejudice against a tattler, I can see no way discipline can be enforced upon the bar except by the cooperation of the bar itself. It must impart information as to the identity of fellow tax practitioners whose methods warrant investigation. It must call attention to specific acts that violate professional obligations. If the tax bar regards the fumigation of its household as its own job in which it can invoke the aid of the Treasury, the effort to place tax practice upon a higher plane will be successful. If, however, the bar as a whole regards the right to be crooked as a priceless possession to be defended by hostility to all regulation and governance, the inevitable result will be that as a whole it will face a vexatious degree of regulation really needful only for its relatively few rascals.

In regulating the Treasury Bar, which consists not only of lawyers but also of accountants and agents, there will be three purposes in mind.

1. To protect the revenues of the United States against fraud and waste.

2. To protect taxpayers against dishonest or tricky advisors who lead them into trouble and controversy.

3. To protect honorable lawyers who give faithful advice to their clients against the unfair competition of slickers whose stock in trade is fraudulent practice or false claims of influence.

Much of the professional misconduct which disturbs the Treasury should be equally disturbing to the honorable members of the legal profession. Lawyers whose practice has been based upon their ability and character have seen their clients lured away by claims or appearances of political or personal influence. Lawyers who give conservative and upright advice have seen their clients wooed away by soliciting lawyers who claimed to have safe schemes to outwit the Treasury by taking long chances.

Taxation is a problem of great importance today and of increasing importance in the years to come. The Treasury can have substantial aid in the administration of the tax laws from an intelligent, high minded, reliable bar, though it be zealous in the advocacy of taxpayers rights. It can have no greater obstruction than those who by clever devices that border upon fraud or by claims of the use of improper influence, bring tax administration into contempt and disrepute.

In the belief that a more effective organization of the tax bar would be a contribution to good tax administration as well as to the welfare of the profession, I am privileged on behalf of the present administration of the Treasury, to commend the efforts of your Committee and invite you to early conference with the new enrollment board as to the regulations best designed to keep both government and taxpayer representation on a creditable professional plane.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING PAPERS,
Wednesday, August 29, 1934.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Friday, August 31, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 5, 1934, and will mature on March 6, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for,

unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on August 31, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on September 5, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT,
Office of the Secretary,
August 31, 1934.

Amendment to Silver Regulations of August 17, 1934.

The Silver Regulations of August 17, 1934 are amended in Section 21 by adding at the end thereof the following:

"A person regularly engaged in an industry, profession, or art requiring silver who, on or before September 15, 1934, delivers to the appropriate mint an instrument, accepted by the mint, transferring to the United States title to silver owned by such person which was situated in the continental United States on August 9, 1934, is not required to file a report relative to such silver, provided that the mint receives such silver (or, in case of a mixture, silver which may be deemed to be such silver) on or before the dates for delivery fixed in the instrument with the approval of the mint."

and, in Section 30 by striking out the last sentence and inserting in lieu thereof the following:

"In cases where silver situated in the continental United States on August 9, 1934 is, in the regular course of the owner's business of processing or fabricating silver, mixed with other silver (i.e., silver not situated in the continental United States on Aug. 9), the mint will receive such an amount of the mixture as the mint is satisfied is equal to the silver situated in the continental United States on August 9, which entered such mixture, subject to the condition that the balance of the mixture shall be deemed for all purposes to be the other silver."

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

APPROVED:

(Signed) Franklin D. Roosevelt.

August 31, 1934.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

September 4, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended August 31, 1934:

San Francisco.....	9,739.25	fine ounces
Denver.....	1,835.00	" "
Total for week ended Aug. 31	11,574.25	" "

Total receipts of silver through Aug. 31, 1934..... 11,712,000.00 fine ounces

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Philadelphia.....	21,292	fine ounces
New York.....	8,025,609	" "
San Francisco.....	4,104,650	" "
Denver.....	102,971	" "
New Orleans.....	- - -	" "
Seattle.....	47,209	" "
Total for week ended Aug. 31	12,301,731	" "

Total receipts of silver through Aug. 31, 1934..... 71,854,841 fine ounces

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended August 31, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ - - -	\$ 186,730.82	\$ 163.94
New York.....	2,729,000.00	587,000.00	- - - -
San Francisco.....	4,810.82	158,248.06	1,078,847.86
Denver.....	10,199.00	33,975.00	580,403.00
New Orleans.....	14,719.13	46,118.40	215.78
Seattle.....	- - -	21,797.09	163,243.09
Total for week ended August 31, 1934.....	\$2,758,728.95	\$1,033,869.37	\$1,822,873.67

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 August 29.....	\$ 38,633.75	\$ 846,590.00
Received previously.....	28,878,338.82	67,312,150.00
Total to Aug. 29, 1934.....	\$28,916,972.57	\$68,158,740.00
Received by Treasurer's Office:		
Week ended August 29.....	\$ - - -	\$ 7,300.00
Received previously.....	250,994.00	1,695,600.00
Total to Aug. 29, 1934.....	\$ 250,994.00	\$ 1,702,900.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week..... \$17,746,000.00

Release Folder

TREASURY DEPARTMENT

Washington

September 6, 1934.

MEMORANDUM FOR THE PRESS:

The preliminary statement of Internal Revenue Collections for the fiscal year 1934, which bears the printed notice of release for publication in the morning papers of September 10, 1934, should not be released until Tuesday morning, September 11, 1934. Please note carefully this change of release date.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, September 10, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 12, 1934, and will mature on March 13, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on September 10, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on September 12, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

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Washington

MEMORANDUM FOR THE PRESS:

September 10, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended September 7, 1934:

Philadelphia.....	148,958.19	fine ounces
San Francisco.....	113,077.08	" "
Denver.....	2,272.00	" "
Total for week ended Sept. 7....	264,307.27	" "
Total receipts of silver through Sept. 7, 1934	11,976,000	fine ounces

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended September 7, 1934:

Philadelphia.....	45,143	fine ounces
New York.....	3,452,392	" "
San Francisco.....	640,565	" "
Denver.....	5,986	" "
New Orleans.....	71	" "
Total for week ended Sept. 7....	4,144,157	" "
Total receipts of silver through Sept. 7, 1934.....	75,998,998	fine ounces

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended September 7, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 15,344.46	\$ 257,723.04	\$. . .
New York.....	764,400.00	1,268,000.00	. . .
San Francisco.....	293,736.07	123,059.15	708,515.92
Denver.....	6,869.00	54,766.00	707,032.00
New Orleans.....	79.68	26,862.74	. . .
Seattle.....	. . .	26,859.98	141,950.03
Total for week.....	\$1,080,429.21	\$1,757,270.91	\$1,557,497.95

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 Sept. 5	\$ 74,519.08	\$ 847,480.00
Received previously.....	28,916,972.57	68,158,740.00
Total to Sept. 5.....	\$28,991,491.65	\$69,006,220.00
Received by Treasurer's Office:		
Week ended Sept 5.....	\$. . .	\$ 9,900.00
Received previously.....	250,994.00	1,702,900.00
Total to Sept. 5.....	\$ 250,994.00	\$ 1,712,800.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week..... \$18,652,000.00

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

September 10, 1934.

The first of the joint meetings of bank examiners from the office of the Comptroller of the Currency, the Federal Reserve Board and banks, the Reconstruction Finance Corporation and the Federal Deposit Insurance Corporation was held today (August 10).

The examiners were welcomed by the Secretary of the Treasury, Henry Morgenthau, Jr., who, in a brief address, explained the purpose of the meeting to be agreement upon a common purpose and the achievement of a better mutual understanding of methods of examination.

The other speakers at the meeting were the Comptroller of the Currency, J. F. T. O'Connor, who also presided as chairman of the meeting, the Chairman of the Reconstruction Finance Corporation, Jesse H. Jones, and the President of the American Bankers Association, Francis M. Law, of Houston, Texas. At the request of the Secretary of the Treasury, the address made by Mr. Law is being made public.

The examiners in attendance participated in a general discussion of the question as to why banks are not lending on a larger scale and whether bank examinations are a significant factor in this respect.

TREASURY DEPARTMENT
Washington

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MEMORANDUM FOR THE PRESS.

September 13, 1934.

The following circular letter is being distributed to all Treasury Department employees:

POLITICAL ACTIVITY OF TREASURY EMPLOYEES.

To Officers and Employees of the Treasury Department:

As a result of numerous inquiries received by the Treasury Department requesting information as to whether holding a certain office or engaging in a particular activity violates a specific section of Treasury Department Circular No. 518, regarding political activity of Treasury employees, heretofore issued by me on August 2, 1934, the following explanation of said Circular No. 518 is issued for the guidance of Treasury Department employees not under Civil Service:

Generally, the regulations are not intended to curtail or interfere with the exercise of a person's civic rights and duties as a citizen.

The instructions contained in said Circular should not be construed:

1. To restrain an employee from voting as he or she desires or from expressing his or her opinion, privately or publicly, on political subjects.

2. To prevent any such employee from voluntarily contributing to the campaign fund of the party of his choice, if such contribution is made freely and without coercion or improper solicitation, and is not made to a person in the service of the United States.

3. To prevent any such employee from introducing speakers, or from making speeches on public questions or the work of a particular office, provided offensive partisanship is not displayed in said speeches.

4. To prevent such employee from attending a county, state or district convention as a member or a delegate, if such employee does not act as Chairman of the convention, attempt to use the power of his public office to control or manipulate the proceedings or display such obtrusive partisanship as to cause public scandal.

5. To prevent such employee from holding positions on boards of education, school committees, public libraries, religious or eleemosynary institutions incorporated, established or sustained by State or municipal authority.

Employees of the Treasury Department may engage in the above-mentioned activities, provided the attention required by such activity does not interfere with the regular and efficient discharge of the duties of their office in the Treasury Department, and provided the time used for such activities is charged against the employees' annual leave or leave without pay. Under no circumstances should any such activity be performed at the Government's expense.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, September 17, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 19, 1934, and will mature on March 20, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on September 17, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on September 19, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

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Washington

MEMORANDUM FOR THE PRESS:

September 17, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended September 14, 1934:

San Francisco.....	347,564.29	fine ounces
Denver.....	5,440.00	" "
Total for week ended Sept. 14...	353,004.29	" "

Total receipts of silver through September 14, 1934: 12,329,000.00 fine ounces.

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended September 14, 1934:

Philadelphia.....	30,975	fine ounces
New York.....	3,200,880	" "
San Francisco.....	745,467	" "
Denver.....	2,419	" "
New Orleans.....	545	" "
Seattle.....	4,077	" "
Total for week ended Sept. 14...	3,984,363	" "

Total receipts of silver through September 14, 1934: 79,983,361 fine ounces.

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended Sept. 14, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 5,372.85	\$315,245.36	\$ 122.99
New York.....	- - -	43,900.00	676,500.00
San Francisco.....	14,449.73	142,318.29	1,342,300.50
Denver.....	18,164.00	34,389.00	754,345.00
New Orleans.....	13,770.63	41,618.46	1,478.88
Seattle.....	- - -	19,764.22	384,245.12
Total for the week.....	\$51,757.21	\$597,235.33	\$3,158,992.49

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 Sept. 12.....	\$ 42,673.65	\$ 843,640.00
Received previously.....	28,991,491.65	69,006,220.00
Total to Sept. 12, 1934.....	\$29,034,165.30	\$69,849,860.00
Received by Treasurer's Office:		
Week ended Sept. 12.....	\$ 900.00	\$ 12,200.00
Received previously.....	250,994.00	1,712,800.00
Total to Sept. 12, 1934.....	\$ 251,894.00	\$ 1,725,000.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week..... \$11,657,000.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, September 24, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 26, 1934, and will mature on March 27, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills

applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on September 24, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on September 26, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

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Washington

MEMORANDUM FOR THE PRESS:

September 24, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended September 21, 1934:

San Francisco.....	95,966.10	fine ounces	
Denver.....	7,075.00	" "	
Total for week ended Sept. 21....	103,041.10	" "	
Total receipts through Sept. 21, 1934..	12,432,000.00	" "	

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended September 21, 1934:

Philadelphia.....	302,489	fine ounces	
New York.....	7,616,225	" "	
San Francisco.....	234,668	" "	
Denver.....	276,621	" "	
New Orleans.....	796	" "	
Seattle.....	5,121	" "	
Total for week ended Sept. 21....	8,435,920	" "	
Total receipts through Sept. 21, 1934..	88,419,281	" "	

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended September 21, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 17,255.91	\$298,864.67	\$ 258.06
New York.....	706,000.00	- - -	470,800.00
San Francisco.....	236,051.81	149,340.48	1,068,672.71
Denver.....	12,286.00	21,129.00	665,076.00
New Orleans.....	21,069.73	63,731.99	1,826.78
Seattle.....	- - -	33,113.59	344,674.30
Total for the week ended Sept. 21	\$992,663.45	\$566,179.73	\$2,551,307.85

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 Sept. 19.....	\$ 29,403.64	\$ 739,420.00
Received previously.....	29,034,165.30	69,849,860.00
Total to Sept. 19, 1934.....	\$29,063,568.94	\$70,589,280.00
Received by Treasurer's Office:		
Week ended Sept. 19.....	\$ - - -	\$ 12,300.00
Received previously.....	251,894.00	1,725,000.00
Total to Sept. 19, 1934.....	\$ 251,894.00	\$ 1,737,300.00

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

PURCHASES OF GOVERNMENT SECURITIES FOR INVESTMENT ACCOUNTS:

Total for the week..... \$8,843,000.00

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, October 1, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 3, 1934, and will mature on April 3, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on October 1, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on October 3, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

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Washington

October 1, 1934.

MEMORANDUM FOR THE PRESS.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended September 28, 1934:

Philadelphia.....	616,420.19	fine ounces
San Francisco.....	432,404.84	" "
Denver.....	5,462.00	" "
Total for week ended Sept. 28.....	1,054,287.03	" "
Total receipts through September 28, 1934.....	13,601,000	fine ounces

SILVER TRANSFERRED TO THE UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended September 28, 1934:

Philadelphia.....	24,987	fine ounces
New York.....	2,058,624	" "
San Francisco.....	447,326	" "
Denver.....	18,170	" "
New Orleans.....	716	" "
Seattle.....	570	" "
Total for week ended Sept. 28.....	2,550,303	" "
Total receipts through September 28, 1934.....	90,969,584	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended September 28, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 14,941.96	\$ 215,596.02	\$ - - -
New York.....	417,400.00	584,600.00	- - -
San Francisco.....	14,095.48	140,998.35	1,603,395.69
Denver.....	27,384.00	41,142.00	589,384.00
New Orleans.....	- - -	57,700.45	2,628.52
Seattle.....	- - -	24,958.52	252,006.71
Total for week ended Sept. 28	\$473,821.44	\$1,054,995.34	\$2,447,414.92

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 Sept. 26, 1934.....	\$ 37,395.64	\$ 599,120.00
Received previously.....	29,063,568.94	70,589,280.00
Total to Sept. 26, 1934.....	\$29,100,964.58	\$71,188,400.00
Received by Treasurer's Office:		
Week ended Sept. 26, 1934.....	\$ - - -	\$ 12,800.00
Received previously.....	251,894.00	1,737,300.00
Total to Sept. 26, 1934.....	\$ 251,894.00	\$ 1,750,100.00

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

NET PURCHASES (OR SALES) OF SECURITIES FOR TREASURY INVESTMENT ACCOUNTS:

Net sales for week ending Sept. 29, 1934..... \$1,204,000.00

TREASURY DEPARTMENT
Washington

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FOR IMMEDIATE RELEASE
October 4, 1934.

Press Service

J. F. T. O'Connor, Comptroller of the Currency, gave out the following statement today:

My attention has been called to a rather misleading editorial appearing in a Washington paper yesterday under the heading "Bank Expenses." After commenting on the fact that 94 cents out of every dollar collected by receivers has been returned to the depositors, leaving merely 6 cents for the payment of receivers' salaries, attorneys' fees and all other expenses of receiverships, the editorial calls attention to the fact that this figure is based on the amount collected and not on the amount the depositor thought he had in the bank. If all of the money the depositors placed in the bank was in the bank or in good securities it would not have closed. Banks close because there are losses, poor management and in some cases embezzlement. No way has been found yet to make collections on losses.

Again the editorial refers to "the wholesale refusal of permits to reopen institutions closed arbitrarily in the bank holiday", and further states "It was this arbitrary action which tied up thousands of millions of dollars of the depositors' money about 50 per cent of which is still frozen". This statement is positively false. There were 1,417 banks under the jurisdiction of the Comptroller of the Currency unlicensed at the end of the banking holiday on March 16, 1933, representing \$1,971,960,000. There have been reorganized 1,051 of these banks with deposits of \$1,758,184,000 and in addition 28 banks paid their depositors in full the sum of \$11,051,000 and went out of business; 302 were placed in receivership with \$158,417,000 in deposits. The fact that a bank is placed in receivership does not mean that it will not reopen and 18

of these receivership banks with deposits of \$10,132,000 have already had plans approved for reopening. These figures account for all but 36 of the closed national banks after the holiday and 30 of these have plans approved for reopening representing \$41,664,000 and 6 have plans disapproved representing \$3,183,000. The banks with disapproved plans may be able to submit a plan which can be approved.

These figures have been available at all times to newspaper men and it is indeed unfortunate that such a false and misleading statement would be printed.

Substantial dividends have been paid to depositors in closed banks and there has been distributed to depositors in all closed national banks since March 16, 1933, over half a billion dollars, or to be exact \$542,811,998.

The article is further misleading in its statement that the receivership and conservatorship expenses in Washington banks alone run over a million dollars. The same paper indicated a short time ago that this expense included monies paid on prior liens, taxes and other items of expense. These items were paid to protect the depositors.

TREASURY DEPARTMENT

Washington

RELEASE, AFTERNOON NEWSPAPERS,
Thursday, October 4, 1934.

Press Service

10-3-34.

Address prepared for delivery by Arthur H. Kent, special counsel in the office of the Assistant General Counsel for the Bureau of Internal Revenue, before the Thirteenth Annual Meeting of The American Society of Certified Public Accountants at Atlantic City on Thursday, October 4, 1934.

TREASURY TAX PROBLEMS

It is both a pleasure and a responsibility to appear today before you to discuss briefly a few of the problems and policies in which the Treasury Department and the members of the distinguished and useful profession of which you are representative are mutually interested. It is a pleasure because the responsible officials of the Department from Secretary Morgenthau down recognize in the type of constructively critical interest and cooperative attitude which such organizations as your own have displayed a source of strength and of wisdom. It is a responsibility because it is no easy task, in the short space to which I shall limit myself adequately to enlighten you upon a number of the more important modifications of and developments in Treasury policy.

Taxation and other fiscal problems of government are rapidly replacing the weather as a favored topic of discussion, popular and otherwise. While such discussions too often generate more heat than light, nevertheless they are a healthy and hopeful sign.

Unfortunately, the search for a revenue system which is at once scientific, equitable in its operation, and productive of large revenues is complicated and hindered by the fact that there are few large and influential

groups whose interest in tax policies and problems is intelligent and informed and at the same time free from the bias of selfish or sectional interest. The prime function of taxation is the provision of revenue adequate to the needs of government with the least possible disturbance to essential economic and wealth-producing processes and with a minimum of hardship and invidious discrimination.

Our revenue laws, federal, state, and local, are in considerable measure compromises between powerful conflicting interests and competing governments, and molded by considerations other than by what is most beneficial or least injurious to our economic and social order. We may as well face the fact that there is little hope of a durable revenue system which is scientific and equitable in its structure and operation until there is mobilized an organized and informed body of opinion powerful enough to overwhelm inertia and the pressure of special interests and selfish groups. Organizations such as your own can contribute much to the creation of such a body of opinion. The Treasury Department welcomes discussion of its policies and solicits the benefit of your criticisms and suggestions.

But the Treasury administration is not content to await the birth of a better day through the slow processes of legislative reform. Much can be accomplished through improvements in administration. Congress, it is true, provides the essential framework, and fundamental reforms or changes must await legislative enactment. But after Congress has determined what subjects shall be taxed and how much, and has established general principles of tax application and procedure, much still remains to be done before the revenues in full flow come pouring into the Treasury. Congress has implemented the Department with great and important powers for the performance of its part of the task. The authority to promulgate Treasury Regulations and Decisions is a power greater in its extent than is generally realized. Its

exercise involves legislation as well as interpretation. The rulings of the Assistant General Counsel interpreting the revenue laws may go far to vitalize the dry bones of the statutory text or, on the contrary, to nullify the legislative intent. The attitude which animates the Bureau in its disposition of individual cases is of the greatest consequence both from the government's and the taxpayers' points of view.

The demands for wisdom and administrative competence on the part of the Treasury staff are great. By taxation or by borrowing, which, of course, simply means deferment of taxation to the future, it must provide the financial sinews for the great war upon depression and the grave abuses which helped to bring it about which the people led by a dynamic President have declared. These vast sums must be raised and administered without scandal or waste. The problem of finding and retaining administrative personnel equal to such responsibilities is in itself a formidable one.

Changed conditions demand correlative changes in administrative policies and maxims. One who has but recently entered the government service soon discovers that the weakness of bureaucratic administration is not lack of integrity, nor want of technical competence nor of industry. Rather, in the language of John Stuart Mill:

"The disease which affects bureaucratic governments, and which they usually die of, is routine. They perish by the immutability of their maxims; and, still more by the universal law that whatever becomes a routine loses its vital principle, and having no longer a mind acting within it, goes on revolving mechanically, tho the work it is intended to do remains undone."

Now it should be apparent that maxims of administration and a routine evolved in days of vast surpluses accumulating despite steady reduction of rates and elimination of wartime taxes cannot safely be maintained under present conditions. Moreover, the standards and quality of government service necessarily reflect to some extent at any given time the current ethics of business and finance. The age of inflated depreciation allowances, administrative winking at purely colorable sales, easy refunds or compromise of taxes, and uncritical approval of so-called reorganizations whose only intelligible purpose is tax avoidance has passed into history along with the age, of which it was the counterpart, of bootleg fortunes, financial buccaneering through holding company and other corporate manipulation, and stock market paper fortunes which would put Croesus to shame.

The present Treasury administration is determined to safeguard the revenues upon which both public and private credit and the hope of return to economic stability depend not only against the more obvious dangers of outright chicanery and fraud but the even more subtle and deadly perils of favoritism, whether conscious or not. So far as administration either by itself or with the aid of legislation can do so, resort to clever legal devices for the evasion of taxes must be stopped. Nothing is more essential than the maintenance of the confidence of the great body of our citizens in the integrity, intelligence, and disinterestedness of the administration of the revenue laws. The income tax law, for instance, would be well nigh unenforceable without the honest cooperation of the great majority of taxpayers. The productivity of the tax over a period of years and such statistical evidence, admittedly inconclusive, as is available indicate that attempts at deliberate tax evasion are confined to a relatively small portion of the body of taxpayers.

One of the principal dangers to the revenue is undue delay in assessment and collection of taxes. Such delay involves inevitable losses through intervening insolvency, dissipation of assets, creation of prior liens and resort to other stratagems to thwart collection. Important changes in procedure and organization in the Commissioner's office have been made for the purpose of accelerating the determination of deficiencies. Instead of claiming the largest possible tax and throwing on the Board of Tax Appeals the added burden, in effect, of making the real assessment, the sending out of deficiency letters is deferred, save in cases of jeopardy, until careful audits and field examinations have been completed and taxpayers and their counsel have had full opportunity to be heard. Since deficiency letters under this policy are based upon the fullest information the Commissioner can obtain, the amount of overassessment is considerably reduced and many cases which otherwise would go to the Board are settled without appeal. The result is already apparent in a sharp reduction in the number and percentage of new appeals docketed, and the alarming congestion of cases awaiting hearing and determination before the Board two years ago is being steadily relieved.

The Board has itself cooperated in splendid fashion. Continuances are denied except for the most imperative reasons. Every effort is made to reduce the number of issues to be tried by the Board through conference with taxpayers and their counsel prior to the date of trial. In many cases a full agreement is reached and settlement made by stipulation. A great majority of cases pushed to hearing before the Board result in settlement by agreement at or before the conclusion of the hearings, thereby obviating the necessity of Board decisions. In the year following June 1, 1933, pending cases were reduced from 16,902 to 11,099, and of the latter number 1,944 had been heard and were awaiting decision. In the same period the total amount involved in pending litigation fell by several hundred million dollars.

A considerable volume of litigation over taxes will continue to be inevitable. In many cases excessive deficiency assessments will be made because of the inability of the government to gain access to all the sources of information necessary to accurate assessment and the correlative necessity of fully protecting the revenue. Bona fide differences of opinion as to the meaning and effect of the tax statutes will continue to require resort to the courts for adjudication. Not infrequently it will be deemed essential by the Bureau to maintain a doubtful position until one or more court decisions provide the necessary administrative guidance. But it will continue to be one of the major objectives of Bureau policy to settle cases administratively, whenever it can be done without jeopardizing any substantial interest of the Government, and thereby to minimize the costs and delays incident to all litigation.

This policy will, however, be subject to one important qualification, viz., that the language of the tax statutes and the legislative intent which they express must be respected and given full effect. It is no proper function of administration to pass judgment upon the wisdom or the constitutionality of acts of Congress. In the framing of new regulations, legislative intent will not be defeated by restrictive interpretation of statutes merely because a more natural interpretation may give rise to some doubts as to constitutional validity. In the absence of authoritative decisions definitely establishing unconstitutionality, it will be presumed that the law in the form in which Congress enacted it is a valid law and the constitutional questions will be left to the courts to decide.

The policies of protection of the revenues and strict adherence to the mandates of the statutes reasonably interpreted have led to considerable restrictions in the compromise of tax, interest, or penalty liabilities and in the granting of extensions of time for payment of deficiencies. The power

to compromise vested by statute in the Secretary, as interpreted, is a fiscal power and as such properly exercisable only on the basis of fiscal considerations, viz., doubt as to the liability of the taxpayer or as to the collectibility of the tax. It should be remembered that Congress has given tax obligations a preference as to assets and priority of payment over general creditors of the taxpayer. It has decreed that such obligations shall not be affected by discharge in bankruptcy. These provisions necessitate, we believe, a policy of strict collection. Hence insolvency, much less financial stringency, of the taxpayer does not ipso facto create a ground for compromise, if by reason of statutory preference or liens the amount of the tax can in fact be collected. So-called "equities" or reasons of "public policy" are thereby excluded from consideration.

It is possible to picture Uncle Sam under this policy as a Shylock demanding his pound of flesh. May I point out that this is a superficial and distorted view of the situation? Taxes always create some hardships in fact and more feeling of hardship. Unfortunately, in a time of economic stress such as we have been going through the demands on federal cash and credit increase, and taxes go up, while the capacity of many to pay decreases, thereby in many cases aggravating the hardship. But it is also too often true that the taxpayer's own improvidence and failure to set aside proper reserves is the proximate cause of the difficult situation in which he finds himself. Mere hardship cannot justify administrative officials in surrendering preferences or releasing liens which the law itself has created. There is a well-known saying that "hard cases make bad law". It is equally true that hard cases may produce bad administration unless caution is exercised.

Whenever a tax liability is compromised for less than the government could reasonably expect to collect, such loss of revenue must be made good from other sources. It is easy to forget, in pre-occupation with so-called

cases of hardship, that a liberal policy of compromise, under present conditions at least, is but a disguised form of robbing Peter to pay Paul. The admission of equities and hardship as relevant factors in compromise cases is fraught with grave dangers of favoritism and abuse. It creates discrimination by increasing pro tanto the burdens of thrifty taxpayers who make provision for paying their taxes as a prior obligation or are too proud to plead for special favors. Real equality should be the ideal of any tax administration worthy of the name. Discrimination is its most deadly enemy. The present strict and impartial compromise policy, however severely it may operate in some individual cases, is surely conducive to the best interests of the great majority of taxpayers. Certainly it is not animated by any desire to work injustice or oppression upon anyone.

The revenue acts create no statutory right in favor of taxpayers to an extension of time in which to pay deficiencies. They merely authorize the Commissioner, with the approval of the Secretary, to grant such extensions upon certain conditions and where "undue hardship" would result from enforcing immediate payment. Manifestly mere inconvenience to the taxpayer is not sufficient under the statute. The burden is upon him to establish something more than the degree of hardship or financial embarrassment which payment of taxes normally creates. Moreover, the present policy insists that such measures be taken in individual cases as their nature permits to assure that the risk of loss to the government will not be increased by reason of the extension of time. In some cases this can be done by filing a satisfactory bond; in others a pledge of personal property or the conveyance of real property in trust to the collector may be the best solution; in still others the filing of a notice of lien by the collector may be necessary. The Bureau is, however, reluctant to file a notice of lien where to do so would tend to paralyze the operation of a business or to hamper unduly liquidation of the taxpayer's assets.

The published statistics relating to refunds and abate-ments probably account for the major portion of the criticisms of administrative policy in these matters, for, unless they are subjected to careful interpretation and explanation, they suggest a distorted picture of the true situation. A few illustrations will suffice. Whenever it is necessary, because of jeopardy or because the statute of limitations is about to run, to make an immediate assessment without the benefit of full investigation, the highest possible assessment may often be made in order to protect the revenue. Quite commonly fuller investigation will show that the assessment is excessive and a refund or abatement must be allowed. In cases involving transferees' liability or cases of consolidated or joint returns, the same deficiency in tax may be assessed against two or more different taxpayers, although manifestly payment in full by any one of them will extinguish the claim of the government and the remaining assessments must be abated or written off. In a classic case, a one million dollar deficiency in tax was assessed against each of seventy companies who had made a joint return and were all liable for the amount of tax. The bare figures in such cases convey the quite erroneous impression that certain taxpayers have been let off scot-free from payment of large tax obligations. Moreover, the credits allowed under the Federal estate tax law representing inheritance tax paid to the State are shown in the published figures as refunds or abatements, which is also highly misleading.

The policy of administrative refunds and abatements has given rise to widespread misunderstanding and criticism and has done more, perhaps, than any other single factor to generate suspicion as to the integrity of tax administration. Yet it is apparent that a strict policy of denying all claims for refund or abatement and of compelling taxpayers in all cases to resort to suits in the Court of Claims or the Federal district courts for relief to which they may be clearly entitled would create intolerable injustice. The

only defensible policy is one granting relief administratively, pursuant to acts of Congress, but only where the taxpayer establishes his right so clearly that there is little doubt he would win in court. Substantial doubts must be resolved in favor of the government, but simple fairness demands that, when a case of overpayment or overassessment is clearly made out, adjustment by way of refund or abatement should be made without further ado. You are no doubt aware of the fact that all claims for refund are subjected to careful audit and investigation and are submitted for review of the action proposed by the Bureau to the Congressional Joint Committee on Taxation where the amount is in excess of \$75,000.00.

Time does not permit any extended comment upon the present policy with relation to criminal prosecutions in cases of "fraud with intent to evade tax". While the policy with respect to fraud cases has in certain respects become more strict, there has been no relaxation in the precautions taken to avoid groundless prosecutions. Charges of fraud are subjected to the most careful investigation by experienced members of the Intelligence Unit. A part of its regular procedure is to afford the taxpayer an opportunity to controvert the charges and to defend his conduct. The Unit recommends prosecution in only about one-fourth the cases it investigates, which surely does not indicate that it is suffering from a "prosecution" complex. The recommendation and the record are then subjected to careful review by experienced attorneys in the Penal Division of the Assistant General Counsel's office, where taxpayers and counsel are again often given a hearing. No case is recommended to the Department of Justice for prosecution unless the reviewing attorneys are convinced that sufficient admissible evidence to convict is available.

The extreme care with which such review is made is indicated by the fact that only 51% of the cases reviewed are referred out for prosecution. The vindication of this conservative policy is a record of 93.27% of convictions or pleas of guilty in the cases so referred, and the persons prosecuted include both the distinguished and the notorious, men of influence and public enemies. No change in policy has been made or is contemplated which will impair the salutary respect which the public has for Federal tax fraud prosecutions.

The Treasury Department does not tolerate the use of threats of criminal prosecution to coerce taxpayers into paying or agreeing to pay proposed deficiencies. As long as the taxpayer is asserting what he in good faith believes to be his rights, however mistaken the Department believes him to be, he has no ground to fear the resort to any penal sanction. Save in occasional cases of jeopardy assessments, not even a fraud penalty is asserted until after careful investigation of the facts, a consideration of the taxpayer's version of the case, and review of the evidence by competent attorneys. The most meticulous regard for due process of law could not ask for more careful procedure than this,

In two important instances the Bureau has modified its policy in the direction of greater severity. A taxpayer who has been guilty of fraud must do more than make a voluntary disclosure thereof and pay the deficiency in tax to avert criminal prosecution. He must now pay as well the civil penalty of 50% of the tax and interest at the rate of 12% fixed by the statute. Would anyone assert that such a penalty constitutes a cruel and unusual punishment or that its severity is disproportionate to the gravity of the offense? Something more than voluntary confession is necessary to discourage fraud on the revenues.

The other sharp reversal of policy has to do with fictitious sales. The policy is based upon the premise that the use of purely colorable or fictitious sales of stocks or other securities for the purpose of establishing deductible losses is a fraud on the revenues and should be dealt with in the same manner as other species of fraud and deception. The taxpayer who sells his securities in good faith at a loss has nothing to fear if he claims a deduction, but it must be a sale, not a mere semblance of one. You are no doubt familiar with some of the devices, devious and ingenious, which unscrupulous taxpayers and their counsel have resorted to in an endeavor to take unconscionable advantage of provisions of the statute intended to encourage and protect legitimate business and investment transactions. Sales were made to wives, relatives, family corporations, and others which the vendee never knew about. Securities worth a fortune were transferred to persons without resources upon security no better than a bare promissory note. The present policy simply insists that the appearance of sale is not enough, unless intent to sell and good faith be present. If some taxpayers have relied on Treasury approval of such practices, because of past experience or poor advice, to their present discomfiture, it only remains to remind them that neither law nor good morals recognizes vested interests in tax evasion.

Your profession numbers among its members many who have rendered useful and valuable service to taxpayers in the proper presentation of their claims and defenses before the Bureau of Internal Revenue, the office of the Assistant General Counsel for the Bureau, and the Board of Tax Appeals. Such service, animated by loyalty to professional ideals and to the legitimate interests of the client, is as essential to sound and just tax administration from the Government's as from the taxpayer's point of view. Incompetence or lack of character on the part of members of the Treasury Bar are equally dangerous to both. The Government is composed of fallible human beings who,

however honorable and fair minded they may be, can and sometimes do make mistakes. Moreover, many of them show a natural and proper tendency to resolve doubts in favor of the Government by which they are employed, however sincere their desire may be to treat fairly and without discrimination all taxpayers with whom they have occasion to deal, whether they be represented by counsel or not. Counsel who limit their zeal to vigorous advocacy and defense of their clients' rights under the law, who do not resort to improper solicitation or claims of personal or political influence to procure business, and who are frank and courteous in their dealings with the representatives of the Government are a credit to the Treasury Bar. Fortunately, a large part of its members are of that character. Unfortunately, a considerable number are not.

In order to protect the revenues, the body of taxpayers, and honorable practitioners from the nefarious activities of this minority, the Treasury Department has for many years promulgated regulations governing admission to practice before the Department and establishing certain standards of conduct, disregard of which was made the basis for withdrawal, temporarily or permanently, of the privileges thus conferred. Machinery for the endorsement of the regulations was set up in the form of a Committee on Enrollment and Disbarment to hold hearings on charges preferred against enrolled attorneys or agents and submit findings of fact and recommendations to the Secretary of the Treasury as a basis of action. Many unworthy members have in this manner been eliminated from the rolls.

While much good work has been done, time and experience have revealed weaknesses and inadequacies in the regulations and the machinery set up for their enforcement which required correction.

As a first step a new Committee of three members has been constituted, none of whom are to be otherwise officially connected with the Department. The high character and competence of the new appointees and the simple but carefully considered procedure under which they will operate provide ample guarantees that they will function as a shield for the innocent as well as a sword against the guilty. The attorney or agent who has had his day in court before this Committee and has on the basis of the evidence been found guilty of infraction of the regulations warranting disciplinary action will indulge in a vain hope if he expects to resort to political influence to save him.

The chairman of the new Committee is Doctor Walter W. Cook, an eminent legal scholar and for years one of the leaders of the Institute of Law at Johns Hopkins. His colleagues are Judge Lawrence Becker, whose years of experience as attorney for the Government before the old Committee will be of great value to the new, and Mr. Irvin H. Gilruth, a public-spirited lawyer of high character and judicial temperament, who has had many years of experience in grievance committee work as a member of the Chicago Bar Association. The appointment of a new attorney who will devote his full time to representing the interests of the Government before the Committee will soon be announced.

There will be promulgated shortly a new Department Circular No. 230 containing the revised regulations. I regret to say that time does not permit my commenting upon them in detail. They incorporate the results of past experience and the best thought of a considerable number of competent persons. Tentative drafts have been submitted for critical study to representatives of the American Bar Association and to officers of your own and allied organizations. The regulations as published will have benefited by their cooperation and will at numerous points bear the marks of their suggestions.

Many of the problems dealt with have been inherently difficult and have given rise to divergences of opinion which have been resolved by full and free discussion. I have no hesitation in stating that the new regulations and the machinery set up for their administration and enforcement represent a large step in advance.

Those charged with the duty of preparing the new regulations and those who have the responsibility for their proper enforcement have been and will be animated by three paramount purposes: (1) the protection of the revenues of the United States, as a trust, against fraud and waste; (2) the protection of taxpayers against unscrupulous solicitation and dishonest advice which lead them into unnecessary trouble and controversy with the Government; (3) the protection of honorable lawyers and agents who give their clients honest service and faithful advice, against the unfair competition of tricksters who rely as their stock in trade, not upon professional competence and the merits of their cases, but upon fraudulent and unethical practices or false pretensions to influence. In addition, effort has been made, the success of which you will soon be able to judge, to make the regulations, so far as practicable, a document of educational value from the point of view of those many persons enrolled as agents who are neither licensed attorneys nor certified public accountants and who have not enjoyed the advantages that come from membership in a professional organization such as your own which has promulgated a code of ethics for the guidance and governance of its members. At the same time we have sought to avoid any captious interference with or needless vexation of those members of the Treasury Bar whose practices are conducted upon the basis of high ethical standards and professional competence. Moreover, there will be a noticeable stiffening in the scrutiny to which applicants for enrollment are subjected, with respect to education, character and reputation, experience, and professional and technical ability.

Steps will also be taken to eliminate deceased or inactive members from the roster and to keep it up to date. The regulations relating to fees will be considerably modified with a view to restricting the activities of those who would reduce practice before the Department to the status of a commercialized racket. An effort will be made in cases of filing of false returns, to locate the responsibility for the fraud where it belongs, whether it be upon the taxpayer or his counsel.

The Treasury, being vested with the powers and duties of the tax gatherer, can never hope for popularity nor perhaps, for general understanding. But in the troubled years through which we have come, when the credit of banks, business and municipal governments has trembled in the balance, the Treasury Department has maintained the credit of the Federal Government secure against the storm. Its present policies in tax administration are animated by a high sense of its great responsibility for the integrity of the revenue system which forms the cornerstone of economic solvency and future reconstruction.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, October 8, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 10, 1934, and will mature on April 10, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on October 8, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on October 10, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

Release Folder

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

October 5, 1934.

Reference is made to Press Service No. 3-24 released for afternoon papers, Friday, October 5, 1934.

The last paragraph and the table showing the value of coins on hand at the Philadelphia, Denver and San Francisco mints should be corrected to read as follows:

A statement of unencumbered balances of subsidiary silver and minor coins at United States mints on dates indicated, the latest available, follows:

	<u>Mint, Philadelphia</u> <u>October 2</u>	<u>Mint, Denver</u> <u>October 2</u>	<u>Mint, San Francisco</u> <u>September 28</u>
Halves	\$133,000	\$220,000	\$1,000,000
Quarters	224,000 short	141,000	522,000
Dimes	229,000	144,000	369,000
Nickels	85,000	27,000	488,000
Cents	8,000 short	31,000	190,000

Release Folder

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

October 8, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended October 5, 1934:

Philadelphia.....	616,739.29	fine ounces
San Francisco.....	2,065.11	" "
Denver.....	1,834.00	" "
Total for week ended Oct. 5	620,638.40	" "
Total receipts through October 5, 1934	14,222,000.00	" "

SILVER TRANSFERRED TO THE UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended October 5, 1934:

Philadelphia.....	8,756.00	fine ounces
New York.....	1,649,400.00	" "
San Francisco.....	811,561.00	" "
Denver.....	701.00	" "
New Orleans.....	797.00	" "
Seattle.....	3,594.00	" "
Total for week ended Oct. 5	2,474,809.00	" "
Total receipts through October 5, 1934	93,444,393.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended October 5, 1934:			
Philadelphia.....	\$ 7,695.84	\$ 346,882.75	\$ 544.11
New York.....	1,091,000.00	- - -	1,104,600.00
San Francisco.....	44,414.27	167,995.55	1,219,452.23
Denver.....	18,273.00	49,637.00	536,868.00
New Orleans.....	2,424.12	77,049.21	282.71
Seattle.....	- - -	27,822.01	21,583.99
Total for week ended Oct.5:..	\$ 1,163,807.23	\$ 669,386.52	\$2,883,331.04

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 October 3, 1934.....	\$ 48,997.44	\$ 892,270.00
Received previously.....	29,100,964.58	71,188,400.00
Total to October 3, 1934.....	\$29,149,962.02	\$72,080,670.00
Received by Treasurer's Office:		
Week ended October 3, 1934.....	\$ 908.00	\$ 18,400.00
Received previously.....	251,894.00	1,750,100.00
Total to October 3, 1934	\$ 252,802.00	\$ 1,768,500.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, October 15, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 17, 1934, and will mature on April 17, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on October 15, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on October 17, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

RELEASE, UPON DELIVERY,
Friday, October 12, 1934, 10:00 p.m.
10-11-34

Press Service

Radio address of Honorable J. F. T. O'Connor, Comptroller of the Currency over Station WOL, Washington, D.C., to be broadcast over the following stations of the American Broadcasting System: WCBM, Baltimore; WDEL, Wilmington, Delaware; WTNJ, Trenton; WIP, Philadelphia; WMCA, New York; WHDH, Boston; WPRO, Providence, October 12th, 1934, 10:00 to 10:15 P.M., Eastern Standard Time.

THE PRESIDENT AND THE BANKS

My friends: Permit me to thank the National Democratic Committee for the privilege of giving you a brief message. How many of you know the real story of the Government and the banks? While the limited time allotted will permit but a brief review, will you bear with me? On Saturday, March 4th, 1933, the clear, firm voice of President Franklin Delano Roosevelt was carried into every corner of our land and to distant parts of the world, as he delivered his Inaugural Message. He advised the Nation that he would ask for extraordinary powers to meet an extraordinary situation, and Congress placed in his hands greater power than a Chief Executive ever before exercised in our history. Permit me to tell you how that power was wielded in connection with the banks. At one o'clock Monday morning, March 6th, the President issued his first proclamation and every bank was closed. Credit was not available; gold, silver and currency were locked in steel vaults; commerce was paralyzed and a hundred and twenty million people, with fear in their hearts, tears in their eyes and a prayer on their lips, look to the New Leader. He did not fail. What a beginning for a new Administration! Can you name a President who assumed office in more discouraging circumstances? Lincoln? No. True, war clouds were gathering but they did not break for over a month. In three great crises we had three supreme leaders -- Abraham Lincoln, Woodrow Wilson and Franklin Delano Roosevelt.

At the end of the so-called Banking Holiday, there were 1,417 banks under the jurisdiction of the Comptroller of the Currency which did not reopen. These banks contained \$1,971,960,000. Can you visualize the distress of the millions of people suddenly deprived of their savings, and of business organizations without funds to meet current expenses? This was the first problem to which the President directed attention. He gave the order --- these banks must be reopened as speedily as possible and the money released. The major part of a large office building was taken over; several hundreds of trained men and women were called to serve. Late into the night they worked; telegrams were sent and received by the thousands; letters averaged over seven thousand per week. It is useless to try to paint the picture. Nineteen months have passed and you have a right to ask what has been accomplished. Out of the 1,417 closed banks, 1,056, with deposits of \$1,777,459,000 have been reopened. In addition, 29 banks paid their depositors in full in the sum of \$11,104,000 and discontinued business, while 299 are in receivership with deposits of \$157,225,000, of which depositors have already received \$40,296,379. Of the 299 banks in receivership, 16 have received approved plans for reorganization, which will release an additional \$3,587,000. This leaves only 33 banks out of the 1,417, and of these, 27 with deposits of \$24,409,000 have approved plans for reopening, while 6 with deposits of \$3,183,000 have disapproved plans. Please bear in mind that these figures refer only to national banks and banks in the District of Columbia, and not to state institutions. The Federal Government has no jurisdiction over state banks in liquidation. However, the various State Banking Commissioners have worked diligently in solving the problems of the state banks and trust companies.

The President not only solved the problem as indicated in connection with the unlicensed national banks, but recognizing the necessity for a sound banking structure in the Nation, he appointed a Committee about a year ago, to be exact October 23, 1933, naming Honorable Harvey Couch, a member of the Board of Directors of the Reconstruction Finance Corporation, as its Chairman and including

other officials of the Government. The objects of this committee can best be expressed in the President's own words, "We hope", President Rossevelt said, in announcing the creation of this division, "that all banks will take advantage of this opportunity to put themselves in an easy cash position to help in the work of recovery. We need the banks and want them to have adequate capital. As a rule such capital cannot now easily be found in the communities. As recovery continues, such capital will be found. But in the meanwhile and temporarily, but for such length of time as may be necessary, the Government will supply the necessary capital through the Reconstruction Finance Corporation in its purchase of preferred stock. The Reconstruction Finance Corporation will thus serve as a recovery finance corporation.

"The banks must feel free to function well and the Government will help them prepare themselves to play their important part.

"To accept the Government's offer to purchase preferred stock does not mean that a bank is weak, but that it is eager to cooperate in the recovery effort to the fullest possible extent, and thus undertake to put this additional capital to work. We are not thinking of idle capital. We are thinking of working capital --- capital working for recovery."

This committee went diligently to work and met several days a week at 5:00 p. m., continuing until all pending applications were disposed of. The results are gratifying. The Reconstruction Finance Corporation has authorized the expenditure of \$1,104,674,639 to October 1st, of this year, in loans on preferred stock of banks and trust companies, subscriptions for the preferred stock of such institutions, purchases of capital notes and purchases of debentures. Of this amount, \$882,831,022 has actually been disbursed.

There was another problem with reference to the closed banks in which the President was deeply concerned. He insisted that as much money as possible be made immediately available to depositors in closed banks. No one appreciated more than he did the distress of our people who were denied access to their own

money. The old method of paying depositors was to collect all notes in the closed banks, sell whatever collateral was attached to them and foreclose on farms, homes and buildings. This the President opposed and he directed that the assets of these banks be appraised and the highest possible sum be loaned against the assets and distributed to the depositors. For this important work, the President appointed about a year ago, to be exact October 15, 1933, a committee to carry out his plan. Honorable C. B. Merriam, a member of the Board of Directors of the Reconstruction Finance Corporation, was named Chairman and the committee was composed of other heads of the various departments. In this connection, the President said: "It is estimated that the maximum loanable value of the assets of banks closed during the year 1933 will not exceed \$1,000,000,000, and it is hoped that the distribution will approximate that amount." Up to October 10th, 1934, the Corporation had authorized loans amounting to \$990,728,563 to aid in the reorganization or liquidation of closed banks and trust companies, state or national. Of this amount, \$631,454,257 had actually been disbursed to those institutions by that date. Permit me to emphasize the fact that there has been no discrimination between state institutions and national institutions in giving this aid.

It was indeed an honor to be selected to serve on the boards of these committees appointed by the President, and having participated in their work, I am in a position to speak authoritatively about what has been accomplished.

It must be clearly understood that this huge sum does not include all of the dividends received by depositors in closed state and national banks. This merely represents the amount loaned by the Reconstruction Finance Corporation. Besides this figure, there was distributed to depositors cash realized from collections by the various banks throughout the country. The depositors in closed national banks from March 16, 1933, up to the present time, which covers the period of the Roosevelt Administration, have received over a half a billion dollars, or to be exact \$544,435,625.

The Administration has reason to be proud of this record, and what has been stated would be sufficient to earn the lasting gratitude of the people, but even more has been done. For the first time in the history of this country, depositors feel secure in the knowledge that their deposits are insured up to \$5,000 by a Federal agency -- The Federal Deposit Insurance Corporation. Fourteen thousand banks are members of the Insurance Fund. Only five small banks have failed during the first nine months of the present year, with aggregate deposits of \$1,478,371. The assets in these banks have a high recovery value and while the depositors have been paid in full by the Federal Deposit Insurance Corporation up to the limit of its liability, the loss to the Corporation will be negligible. It is interesting to note that the income of the Federal Deposit Insurance Corporation from its investments exceeds \$22,000 per day. Your attention has been called to the five failures. Compare this with the failures during a period of twelve years -- 1921 to 1932 -- when 6,974 banks, with aggregate deposits of \$2,893,827,000, failed in the United States during the first nine months only of such years. The five failures, therefore, in nine months are in marked contrast to the average of 581 failures and average deposits of \$241,152,000 throughout the first nine months of the 12 years ending with 1932. Honorable Leo T. Crowley of Wisconsin, is Chairman of this Corporation, and I have the honor to serve on the Board of Directors.

The record is made. A large share of the credit must go to the driving yet inspirational force of the President and the magnificent cooperation of his two secretaries of the Treasury, the late William H. Woodin and Henry Morgenthau, Jr. It is impossible to conceive of a finer spirit of helpfulness and sympathetic understanding than exhibited by these men in aiding the work of the Comptroller of the Currency. To have had a small part to play in this important work will be a cherished memory and an incentive to go forward and finish the task. New problems arise daily. Rapid changes demand new laws and amendments to old statutes with one purpose in mind -- a sounder and a better banking structure for the nation.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
October 12, 1934.

Press Service

Secretary of the Treasury Morgenthau today announced that approximately \$1,870,000,000 of the outstanding 4-1/4 percent Fourth Liberty Loan bonds of 1933-38 have been called for redemption on April 15, 1935. The bonds included in this third call for partial redemption are those bearing serial numbers ending in the digit 5, 6, or 7 .

One year ago approximately \$6,268,000,000 of the Fourth 4-1/4's were outstanding. On October 12, 1933, about \$1,880,000,000 of the bonds were called for redemption on April 15, 1934 and on April 13, 1934, about \$1,250,000,000 were called for redemption on October 15, 1934. Accordingly one-half the outstanding Fourth Loan was included in the first two calls. Through refunding during the past year about \$2,750,000,000 of the bonds of this Loan have been exchanged for other interest-bearing obligations of the United States, while about \$380,000,000 of the bonds included in the first two calls either have been paid or will be paid in cash.

The Secretary invites the attention of holders of the bonds included in the third call for redemption to the fact that interest on such bonds will cease on April 15, 1935, and states that it is probable that prior to that date the holders may be offered the privilege of exchanging their called 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 THIRD CALL FOR PARTIAL 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 5, 6, or 7 (such serial numbers in the case of permanent coupon bonds being prefixed by the corresponding distinguishing letter E, F, or G, respectively), are hereby called for redemption on April 15, 1935, on which date interest on such bonds called for redemption will cease.

2. This third call for partial redemption is made pursuant to the provision for redemption contained in the bonds and in Treasury Department Circular No. 121, dated September 28, 1918, under which the bonds were originally issued, the bonds to be redeemed having been determined by lot in the manner prescribed by the Secretary of the Treasury.

3. Outstanding Fourth 4-1/4's bearing serial numbers (and prefix letters) other than those designated are not included in or affected by this third call for partial redemption.

Holders of Fourth 4-1/4's now called for redemption on April 15, 1935, may, in advance of that date, be offered the privilege of exchanging their third-called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

Full information regarding the presentation and surrender of Fourth 4-1/4's under this call is given in Department Circular No. 525, dated October 12, 1934.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury

Treasury Department,
Washington, October 12, 1934.

Fourth 4-1/4's bearing serial numbers ending in 1, 2, 8, 9 or 0, have heretofore been called for redemption.

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TREASURY DEPARTMENT

Washington

October 15, 1934

MEMORANDUM FOR THE PRESS

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended October 12, 1934:

San Francisco.....	604,868.44	fine ounces
Denver.....	<u>4,607.00</u>	" "
Total for week ended Oct. 12	609,475.44	" "
Total receipts through Oct. 12, 1934	14,831,000.00	fine ounces

SILVER TRANSFERRED TO THE UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended October 12, 1934:

Philadelphia	12,296.00	fine ounces
New York	1,562,895.00	" "
San Francisco	1,254,827.00	" "
Denver	902.00	" "
New Orleans	432.00	" "
Seattle	<u>2,596.00</u>	" "
Total for week ended Oct. 12	2,833,948.00	" "
Total receipts through Oct. 12, 1934.....	96,278,341.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended October 12, 1934.....	Imports	Secondary	New Domestic
Philadelphia	\$ ---	\$ 238,092.35	\$ 150.95
New York	23,900.00	541,800.00	--
San Francisco	65,430.86	129,798.68	1,718,580.52
Denver	48,782.00	45,759.00	835,920.00
New Orleans	4,596.29	39,092.26	497.41
Seattle.....	-----	24,668.10	256,428.15
Total for week ended Oct. 12, 1934...	\$ 142,709.15	\$1,019,210.39	\$2,811,577.03

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 October 10, 1934	\$ 36,285.78	\$ 839,990.00
Received previously	29,149,962.02	72,080,670.00
Total to October 10, 1934	\$29,186,247.80	\$72,920,660.00
Received by Treasurer's Office:		
Week ended October 10, 1934	-----	\$ 9,800.00
Received previously	252,802.00	1,768,500.00
Total to October 10, 1934	\$ 252,802.00	\$ 1,778,300.00

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

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

October 18, 1934.

Miss Ann Gibbons, daughter of Stephen B. Gibbons, Assistant Secretary of the Treasury, has accepted an invitation to act as sponsor of the Coast Guard cutter MOHAWK which is scheduled to be launched at the plant of the Pusey & Jones Company, Wilmington, Delaware, on October 23rd.

The MOHAWK is the last of three Coast Guard cutters built at the plant of the Pusey & Jones Company to be launched. She is 165-feet in length, displacement 1000 tons. Thirty-six foot beam, and draft 13 feet. Her turbine-gear engines develop about 1500 horsepower, and she will have a speed of about 15 knots. The hull of the MOHAWK is of unusually heavy plating, and her stem sheered so as to permit her to plow through the ice, thus permitting her to open up channels to ice-locked harbors and shipping during severe winter seasons.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, October 22, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 24, 1934, and will mature on April 24, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on October 22, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on October 24, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

October 22, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1934)

Week ended October 19, 1934:

San Francisco.....	705,425.62	fine ounces
Denver.....	6,780.00	" "
Total for week ended Oct. 19.....	712,205.62	" "
Total receipts through October 19, 1934.....	15,544,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended October 19, 1934:

Philadelphia.....	4,397.00	fine ounces
New York.....	941,152.00	" "
San Francisco.....	81,275.00	" "
Denver.....	16,403.00	" "
New Orleans.....	666.00	" "
Seattle.....	234.00	" "
Total for week ended Oct. 19.....	1,044,127.00	" "
Total receipts through October 19, 1934.....	97,322,468.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended October 19, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ -----	\$ 286,711.00	\$ 1,225.26
New York.....	843,600.00	959,900.00	-----
San Francisco.....	11,409.63	164,596.99	878,944.77
Denver.....	24,230.00	56,689.00	896,109.00
New Orleans.....	866.48	50,898.57	1,778.61
Seattle.....	-----	17,763.81	540,673.87
Total for week ended Oct. 19	\$880,106.11	\$1,536,559.37	\$2,318,731.51

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 Oct. 17.....	\$ 39,479.79	\$ 703,930.00
Received previously.....	29,186,247.80	72,920,660.00
Total to Oct. 17, 1934.....	\$29,225,727.59	\$73,624,590.00
Received by Treasurer's Office:		
Week ended Oct. 17.....	\$ -----	\$ 8,600.00
Received previously.....	252,802.00	1,778,300.00
Total to Oct. 17, 1934.....	\$ 252,802.00	\$ 1,786,900.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Monday, October 29, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated October 31, 1934, and will mature on May 1, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on October 29, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will

follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on October 31, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

October 29, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended October 26, 1934:

San Francisco.....	260,363.13	fine ounces	
Denver.....	8,537.00	" "	
Total for week ended Oct. 26.....	268,900.13	" "	
Total receipts through October 26, 1934.....	15,813,000.00	" "	

SILVER TRANSFERRED TO THE UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended October 26, 1934:

Philadelphia.....	21,254.00	fine ounces	
New York.....	637,945.00	" "	
San Francisco.....	84,695.00	" "	
Denver.....	1,359.00	" "	
New Orleans.....	694.00	" "	
Seattle.....	522.00	" "	
Total for week ended Oct. 26....	746,469.00	" "	
Total receipts through Oct. 26, 1934..	98,068,937.00	" "	

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended October 26, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ 14,357.42	\$ 326,171.14	\$ 1,353.56
New York.....	2,196,800.00	637,400.00	....
San Francisco.....	37,594.27	135,447.03	1,334,935.17
Denver.....	19,136.00	37,137.00	736,314.00
New Orleans.....	1,615.13	61,844.72	391.45
Seattle.....	....	21,880.98	368,556.69
Total for week ended Oct. 26	\$2,269,502.82	\$1,219,880.87	\$2,441,550.87

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 Oct. 24.....	\$ 51,404.91	\$ 979,130.00
Received previously.....	29,225,727.59	73,624,590.00
Total to October 24, 1934.....	\$29,277,132.50	\$74,603,720.00
Received by Treasurer's Office:		
Week ended Oct. 24.....	\$ 3,800.00	\$ 26,200.00
Received previously.....	252,802.00	1,786,900.00
Total to October 24, 1934.....	\$ 256,602.00	\$ 1,813,100.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Friday, November 2, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated November 7, 1934, and will mature on May 8, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on November 2, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on November 7, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

November 5, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Order of December 21, 1933)

Week ended November 2, 1934:

Philadelphia	547,884.67	fine	ounces
San Francisco	277,403.35	"	"
Denver	1,054.00	"	"
Total for week ended Nov. 2, 1934	826,342.02	"	"
Total receipts through Nov. 2, 1934	16,639,000.00	"	"

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended November 2, 1934:

Philadelphia	56,194.00	fine	ounces
New York	7,046,708.00	"	"
San Francisco	48,945.00	"	"
Denver	4,323.00	"	"
New Orleans	322.00	"	"
Seattle	781.00	"	"
Total for week ended Nov. 2, 1934	7,157,273.00	"	"
Total receipts through Nov. 2, 1934	105,226,210.00	"	"

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended November 2, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 19,240.13	\$ 284,322.33	\$ 809.55
New York	5,396,700.00	584,000.00	317,300.00
San Francisco	19,481.99	166,699.54	877,341.91
Denver	36,713.00	37,576.00	513,270.00
New Orleans	995.05	42,442.06	112.60
Seattle	- - - -	15,704.32	204,653.45
Total for week ended Nov. 2....	\$5,473,130.17	\$1,130,744.25	\$1,913,487.51

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 Oct. 31, 1934	\$ 50,397.12	\$ 840,720.00
Received previously	29,277,132.50	74,603,720.00
Total to Oct. 31, 1934	\$29,327,529.62	\$75,444,440.00
Received by Treasurer's Office:		
Week ended Oct. 31, 1934	\$ - - - -	\$ 16,500.00
Received previously	256,602.00	1,813,100.00
Total to Oct. 31, 1934	\$ 256,602.00	\$ 1,829,600.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p. m., Eastern Standard time, on Friday, November 9, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated November 14, 1934, and will mature on May 15, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on November 9, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on November 14, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

FOR RELEASE, UPON DELIVERY

Friday, November 9, 1934. 2:15 P.M. (CENTRAL TIME)

11-5-34

Address of J. F. T. O'Connor, Comptroller of the Currency, before the Nebraska Bankers' Association, Lincoln, Nebraska, November 9, 1934.

You will be interested in a review of the main problems confronting the Office of the Comptroller of the Currency, which is a Bureau of the Treasury Department, after the banking holiday in March, 1933, and the solutions of these problems. Two of the problems were entirely new, and it was therefore necessary to travel into unexplored territory without the guidance of experience or precedent. The first problem was the reopening of 1,417 unlicensed national banks, with deposits of \$1,971,960,000, which are under the jurisdiction of the Comptroller of the Currency. The second was the approval of the sale to the Reconstruction Finance Corporation and to local interests of preferred stock in national banks. The third problem was the distribution of dividends to depositors in closed banks. The distribution of dividends has been an activity of the Comptroller's Office since the first bank closed, but new methods have been employed during the past twenty months.

The work accomplished could not have been done without the cooperation of the Congress of the United States. At the request of the President, ample provision was made by Congress for reopening the closed institutions and giving much-needed relief to depositors.

At the close of the banking holiday, an entirely new division of the Comptroller's Office was put together, and several floors of an adjoining office building were taken over for this work. Examiners were called in from different parts of the country; clerks, auditors, stenographers, typists -- all worked early

and late, under great pressure. We received as many as 7,000 letters in one week. Each and every one of the 1,417 banks had to be carefully examined, the assets appraised, and a plan prepared for its reopening. On November 1, 1934, 1075 banks had been reorganized, representing \$1,792,899,000 in deposits, while 30 banks had voluntarily liquidated and paid their depositors in full \$11,204,000, and 297 banks had been placed in receivership, representing \$153,336,000 in deposits. The depositors in these particular receivership banks have received \$42,328,657. When a bank is placed in receivership, it does not mean that it has no chance to be reopened or reorganized, as we had on November 1st approved plans for reopening 10 of these receivership banks with deposits of \$4,754,000.

It is indeed a great pleasure to state to you today that there are only 15 banks in conservatorship, representing \$14,433,000 of deposits, and of these, 13 have plans approved for reorganization, with deposits of \$13,653,000 which will be released shortly. In other words, twenty months after the banking holiday, there remains undisposed of less than three-fourths of one per cent of the deposits in the 1,417 unlicensed banks as reported at the close of the banking holiday.

A careful survey of the banking situation of the nation showed that values on property of all kinds have been greatly depressed, and our banks contain numerous items which debtors could readily have paid under ordinary conditions but were not able to pay because of the financial collapse. The President appreciated this situation and realized the importance of the banking institutions to the country. To avoid further distress to depositors, he requested the Congress of the United States to permit the government to purchase preferred stock in these banks. Let me use his own words, "To accept the government's offer to purchase preferred stock does not mean that a bank is weak, but that it is eager to cooperate in the recovery effort to the fullest possible extent, and thus undertake to put this additional capital to work. We are not thinking of idle capital. We are thinking of working capital -- capital working for recovery."

It is unnecessary to call your attention to the tremendous amount of detailed work in connection with applications for preferred stock -- waivers, consent of stockholders, resolutions of the Board of Directors and of the Reconstruction Finance Corporation, as well as a careful check in the Comptroller's Office and approval by the Secretary of the Treasury. If you will keep in mind these various complicated steps, you will have some idea of the task involved in the sale by 1,835 national banks of \$473,353,550 in preferred stock to local interests and to the Reconstruction Finance Corporation by November 1, 1934.

The third important problem referred to was the relief given to depositors in closed banks. Since March 16, 1933, there has been distributed through the Office of the Comptroller of the Currency to depositors in closed national banks over half a billion dollars, or to be exact \$555,160,062.

In Nebraska at the end of the banking holiday, there were 21 national banks unlicensed, with deposits of \$6,503,000. It will interest you to know that every one of these has been disposed of. Fourteen were reopened, representing deposits of \$5,462,000; one bank with deposits of \$99,000 has gone into voluntary liquidation; and six banks, representing deposits of \$942,000, have been placed in receivership.

The combined deposits of these 14 reopened institutions and the one now being voluntarily liquidated amounted to \$6,128,000, or 85.5 per cent of all the deposits tied up in unlicensed Nebraska national banks on March 16, 1933.

In most respects, recent bank "calls" by the Comptroller of the Currency have indicated that national banks in your state are making steady progress. The one exception is the matter of loans and discounts, which declined 6.8 per cent during the first half of the current year.

However, with an increase of only 7 per cent in the number of licensed national banks, investments of Nebraska national banks rose 31.8 per cent between the end of 1933 and the middle of 1934; total deposits increased 30.9 per cent, and total assets gained 26.7 per cent.

Results of the last three "calls" -- December 30, 1933, March 5, 1934, and June 30, 1934 -- for Nebraska national banks are given in the following tabulation:

	<u>Dec. 30</u> <u>1933</u>	<u>Mar. 5</u> <u>1934</u>	<u>June 30</u> <u>1934</u>
No. of National Banks	128	132	137
Loans & Discounts	\$ 62,416,000	\$ 60,848,000	\$ 58,119,000
Investments	71,439,000	91,441,000	94,174,000
Total Assets	192,580,000	232,147,000	244,096,000
Total Deposits	162,092,000	201,442,000	212,338,000

The remarkable record which has been made in rehabilitating the banking structure of the Nation would have been impossible without Government assistance. That this aid has been given in gigantic proportions, in the interests of the people of the United States, is indicated by the following figures.

Through October 31, 1934, the Reconstruction Finance Corporation had authorized loans to banks and trust companies -- open or closed -- in the sum of \$2,222,815,803. Of this amount, \$1,698,906,340 had actually been disbursed to those institutions by that date. Moreover, in an effort to rehabilitate the capital structure and to make possible a greater extension of credit, the Reconstruction Finance Corporation had authorized the expenditures of \$1,128,794,295 through October 31, 1934, in loans on preferred stock of banks and trust companies, subscriptions for the preferred stock of such institutions, purchases of capital notes and purchases of debentures. Of this amount, \$906,764,407 had then actually been disbursed.

Without these huge disbursements by this Governmental agency, it is certain that hundreds of banks which have been reopened since March of last year would

still be closed, and depositors would be clamoring in vain for their funds.

The banks of your state have not been overlooked in this rebuilding movement.

Through October 31, 1934, the Reconstruction Finance Corporation had authorized loans to Nebraska banks and trust companies -- open or closed -- in an aggregate of \$6,926,349. Of this amount, \$5,586,651 had actually been disbursed up to that time.

However, your Government did not stop there. So as to rebuild the capital structures of your banking institutions, the Reconstruction Finance Corporation had authorized the expenditure of \$8,675,000 in subscriptions to preferred stock and loans on preferred stock of Nebraska banks -- state or national -- through the close of business October 31, 1934. Of this total, \$7,594,450 had them actually been disbursed.

We hear a great deal of talk these days about the "heavy cost of receiverships," and there is considerable attempt to make the public believe that receivers, their attorneys and assistants charge such large fees that nothing is left for the poor depositor. The picture commonly portrayed is a pitiful one, but it has one drawback -- it isn't true.

Receiverships -- at least national bank receiverships -- are conducted with a maximum of efficiency and a minimum of expense. From the date of the first failure of a national bank in 1865 to October 31, 1933, national banks placed in receivership numbered 2,514. Of these, 1,155 have been entirely liquidated and their affairs closed. Expenses incident to the administration of these 1,155 closed trusts, such as receivers' salaries, legal and other expenses -- amounted to 3.90 per cent of the book value of the assets and stock assessments administered, or 6.66 per cent of collections from assets and stock assessments.

In other words, about 94 cents out of every dollar collected by receivers went to depositors.

There are, today, 32 national banks in receivership in your state, including 6 placed in receivership since the banking holiday of last year. At the time of

suspensions, these institutions owed their depositors \$10,383,543. Today, depositors in these 32 defunct banks have coming to them, according to the books, \$5,420,797. In other words, depositors in closed national banks in Nebraska have received on the average 50 per cent of their funds, with more to come.

Much has been said about the opposition of the Administration to bankers generally. It is not necessary to point out the fact that this is not true. From time to time suggestions have been made as to how this or that particular group in the Nation could assist in the recovery program, and these constructive suggestions can hardly be construed as an opposition policy. Probably the most generally circulated report is that the bankers cannot make loans because the national bank examiners are too critical and harsh in their examinations. This problem has been a matter of serious concern to the Comptroller's Office. It was the opinion of all fair-minded men that assets should not be appraised at a figure which could be realized in a distressed market, but that assets had an intrinsic value or, if you please, a recovery value. It was agreed, therefore, to have bank examiners appraise assets on this basis. The Comptroller of the Currency sent, on October 26, 1933, to each of the twelve Chief National Bank Examiners in the United States instructions to this effect:

"After the 'Bank Holiday', National Bank Examiners were largely engaged in the examination of banks which did not receive a license for the purpose of reorganization. It appears that some examiners in making examinations of licensed national banks have become what might be termed 'Reorganization Minded' and have lost sight of the President's recovery program and its relation to licensed banks. It is the Administration's desire that credit channels be opened through licensed banks and this policy cannot be accomplished if examiners follow a deflation policy in examinations. We are all concerned in having solvent banks, but there is a wide distinction between the potential and intrinsic value of assets of a going institution, and liquidating values. Examiners in appraising and classifying assets of licensed banks will not apply liquidating values but will appraise on

the basis of fair values on a recovery basis. An example - in dealing with bank buildings, the examiner must realize that a bank building of a going bank has an intrinsic value, as distinguished from present depressed values, which, combined with the element of recovery, may fully substantiate the carrying value given to it by the bank. The same is true of mortgages, and in this connection the examiners should familiarize themselves with the instructions given with respect to real estate mortgages by the Federal Deposit Insurance Corporation to its examiners.

"You will advise examiners who are examining licensed banks of this policy and see that it is carried out. Any examination now in process, or any future examination, will be governed by these instructions and where an examination has been completed, the examiner making the report will review the report on the above basis and rewrite such report if found necessary. If the examiner is not now available, it may be necessary to make a new examination on the proper basis."

Again on March 13, 1934, the following instruction was sent to all Chief National Bank Examiners:

"Reports of examinations received by this office recently clearly indicate that some few of the examiners throughout the country have not fully grasped the meaning of instructions communicated to the Chief Examiners under date of October 26, 1933, and are making more drastic classifications of assets of the banks examined by them than is necessary under the circumstances and more severe than is contemplated by the instructions contained in office letter referred to above.

"If there are in your Federal Reserve District any examiners who, in your opinion, are making unnecessarily drastic classifications of assets, please confer with them promptly, looking towards having their classifications as lenient as circumstances in each case will permit and in order that they will be in accord with the policies of this office."

"While you are familiar with the character of examinations made by your examiners, it is suggested that in determining whether or not any of them are too

severe in their classifications, you give particular attention to their appraisals of banking houses, furniture and fixtures and loans secured by real estate."

No system is perfect because men are not perfect. Here and there isolated cases appear where examiners have been too harsh. These instances are sometimes called to the attention of the proper officials; but where examiners are too lenient, that fact seldom appears. The instructions which I have cited have never before been made public. However, I believe the time has come to clarify a criticism which is unfair. The question naturally arises -- what were the results obtained under the instructions? Again, for the first time, I will give you a complete picture of the examinations made by the national bank examiners as shown by 1934 reports of examination. As is well known to bankers, examiners classify loans under three headings, slow, doubtful and loss. There is little room for argument when assets are placed in the loss column and very little question arises in the doubtful column. The slow column attracts the most attention and controversy. An examination of the reports filed in the Office of the Comptroller of the Currency in each of 5,275 banks reveals the following interesting figures: The total amount of loans was \$7,740,596,000. The examiners placed 2.88 per cent of these loans in the loss column and 4.19 per cent in the doubtful column and 27.05 per cent in the slow column. The country has been advised of the definition of slow paper as follows:

"The examiners when classifying loans as slow should state briefly the reasons for such classifications, but should bear in mind that the responsibility for determining and taking such action as may be necessary to place such slow loans in proper bankable shape rests entirely with the bankers. The examiners, therefore, should refrain from instructing the bankers as to what course they should pursue with their customers whose paper is classified as slow."

This conclusively proves the understanding and sympathetic attitude on the part of your government toward the banks of the country.

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE
November 12, 1934

Press Service

Secretary Morgenthau today made public the following regulations, which have been approved by the President and are effective as of today (Nov. 12, 1934)

TREASURY DEPARTMENT,
Office of the Secretary,
November 12, 1934.

REGULATIONS

Relating to Transactions in Foreign Exchange,
Transfers of Credit, and the Export of
Coin and Currency

Article 1. These regulations are prescribed and issued under authority of Section 5 (b) of the Act of October 6, 1917, (40 Stat. L., 411) as amended by Section 2 of the Act of March 9, 1933, and the Executive Order of January 15, 1934, Regulating Transactions in Foreign Exchange, Transfers of Credit, and the Export of Coin and Currency.

Article 2. Licenses may be granted, and a general license is hereby granted, to all individuals, partnerships, associations, and corporations, authorizing any and all transactions in foreign exchange, transfers of credit, and exports of currency (other than gold certificates) and silver coin. The general license herein granted authorizes transactions to be carried out which are permitted by the Executive Order of January 15, 1934 under license therefor issued pursuant to such Executive Order; but does not authorize any transaction to be carried out which, at the time, is prohibited by any other order or by any law, ruling, or regulation.

Article 3. In order that Federal reserve banks may keep themselves currently informed as to foreign exchange transactions and transfers of

credit, as required in Section 4 of the Executive Order of January 15, 1934, every person engaging in any transaction, transfer, export, or withdrawal referred to in Section 1 of such Executive Order shall furnish to the Federal Reserve Bank of the district in which such person has his principal place of business in the United States complete information relative thereto upon report forms prescribed by the Secretary of the Treasury, except that reports are not required to be furnished by (1) persons not carrying during any part of the reporting period, accounts abroad or accounts in the United States for non-residents thereof, or (2) persons whose aggregate transactions, transfers, exports, or withdrawals for their own account and the account of others do not exceed \$5,000 during any seven-day period. Such information shall be furnished on a weekly basis except as the respective Federal Reserve banks permit the information in certain cases or classes of cases to be furnished on the basis of longer intervals.

These regulations and the general license herein granted may be modified or revoked at any time.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

APPROVED:

FRANKLIN D. ROOSEVELT,
The White House.

TREASURY DEPARTMENT

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Washington

MEMORANDUM FOR THE PRESS:

November 12, 1934.

RECEIPTS OF SILVER BY THE MINTS.

(Under Executive Order of December 21, 1933)

Week ended November 9, 1934:

Philadelphia.....	350,899.61	fine ounces
San Francisco.....	633.44	" "
Denver.....	7,895.00	" "
Total for week ended Nov. 9, 1934.....	359,428.05	" "
Total receipts through Nov. 9, 1934.....	16,998,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Order of August 9, 1934)

Week ended November 9, 1934:

Philadelphia.....	99,297.00	fine ounces
New York.....	3,533,877.00	" "
San Francisco.....	7,568.00	" "
Denver.....	20,121.00	" "
New Orleans.....	663.00	" "
Seattle.....	3,713.00	" "
Total for week ended Nov. 9, 1934.....	3,665,239.00	" "
Total receipts through Nov. 9, 1934.....	108,891,449.00	" "

RECEIPTS OF GOLD BY THE MINES AND ASSAY OFFICES:

Week ended November 9, 1934:	Imports	Secondary	New Domestic
Philadelphia.....	\$ -----	\$ 294,008.06	\$ 592.51
New York.....	5,528,100.00	963,100.00	38,600.00
San Francisco.....	56,617.02	105,311.29	1,452,925.85
Denver.....	43,099.00	52,302.00	870,396.00
New Orleans.....	61,624.82	73,677.79	473.45
Seattle.....	-----	41,603.01	265,582.07
Total for week ended Nov. 9, 1934.	\$5,689,440.84	\$1,530,002.15	\$2,628,569.88

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 November 7.....	\$ 31,915.26	\$ 480,610.00
Received previously.....	29,327,529.62	75,444,440.00
Total to November 7.....	\$29,359,444.88	\$75,925,050.00
Received by Treasurer's Office:		
Week ended November 7.....	\$ -----	\$ 7,600.00
Received previously.....	256,602.00	1,829,600.00
Total to November 7.....	\$ 256,602.00	\$ 1,837,200.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, November 19, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated November 21, 1934, and will mature on May 22, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g. 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on November 19, 1934, all tenders received at the Federal Reserve Banks or

branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on November 21, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
MONDAY, NOVEMBER 19, 1934.
11-13-34.

Press Service

J. F. T. O'Connor, Comptroller of the Currency, has issued a summary reflecting the status of all national banks in the State of Michigan which failed to reopen at the termination of the banking holiday, March 15, 1933. There were fifty-three (53) banks involving frozen deposits of \$561,520,000 which failed to receive licenses following the holiday and one bank with frozen deposits of \$7,911,000 had its license revoked, bringing the total unlicensed national banks to fifty-four (54) with frozen deposits of \$569,431,000.

By October 11, 1934, all of the unlicensed national banks had been disposed of as follows: ten (10) with frozen deposits of \$8,604,000 were reopened under old charters; thirty-four (34) with frozen deposits of \$557,723,000 were opened under new charters or absorbed by going banks, and ten (10) with deposits of \$3,104,000 were declared insolvent and placed in charge of Receivers.

The following is a list of those unlicensed national banks which have been reorganized along the lines stated above, showing the percentage of the unsecured deposits released when reorganization was effected as well as the percentage released subsequently by Receivers in cases where a portion of the assets of the old banks was placed in active liquidation. Secured deposits were released 100% in all cases of reorganization.

CITY	NAME OF BANK	FROZEN DEPOSITS INVOLVED	DATE OF REORGANIZATION	% UNSECURED DEPOSITS PAID THROUGH REORGANIZATION	DIVIDENDS SUBSEQUENTLY PAID BY RECEIVERS
Adrian	Nat'l Bk. of Commerce	\$ 647,000	11/1/33	40%	---
Battle Creek	Old Merchants N. B. & Tr. Co.	7,911,000	6/9/34	65%	---
Benton Harbor	Farmers & Merchants N. B. & Tr. Co.	2,461,000	11/14/33	50%	---
Birmingham	First N. B.	2,301,000	6/15/33	20%	5%
Caspian	Caspian N. B.	299,000	4/12/34	50%	---
Coldwater	Coldwater N. B.	569,000	4/21/34	50%	---
Crystal Falls	Crystal Falls N. B.	452,000	9/24/34	50%	---
Crystal Falls	Iron County N. B.	738,000	9/24/34	50%	---
Detroit	First N. B.	373,360,000	4/8/33	40%	10%
Detroit	Guardian N.B. of Commerce	108,103,000	4/8/33	40%	28%
Eaton Rapids	First N. B.	411,000	2/8/34	40%	---
Ewart	First N. B.	227,000	4/6/33	100%	---
Flint	First N.B. & Tr. Co.	6,367,000	1/30/34	50%	---
Gladstone	First N. B.	347,000	4/19/34	70%	---
Grand Rapids	Grand Rapids N.B.	11,080,000	8/23/33	50%	10%
Hancock	Superior N. B.	952,000	9/1/33	70%	---
Hastings	Hastings N. B.	798,000	12/2/33	60%	---
Hermansville	First N. B.	468,000	3/17/33	100%	---
Hillsdale	First N. B.	760,000	3/12/34	15%	---
Howell	First N. B.	405,000	5/12/34	50%	---
Hubbell	First N. B.	583,000	11/6/33	70%	---
Ionia	Nat'l Bank of	1,135,000	6/12/34	45%	---
Iron Mountain	First N. B.	1,856,000	9/11/33	60%	---
Iron River	First N. B.	846,000	4/12/34	50%	---
Ishpeming	Miners N. B.	2,067,000	1/6/34	60%	---
Jackson	Union & Peoples N.B.	7,450,000	7/31/33	35%	---
Lake Linden	First N. B.	556,000	10/23/33	60%	---
Lansing	Capital N. B. of	12,552,000	2/26/34	40%	---
Lawton	First N. B.	73,000	5/12/33	100%	---
Ludington	First N. B. & Tr. Co.	898,000	2/19/34	35%	---
Manistique	First N. B. in	315,000	10/11/34	60%	---
Marshall	First N. B.	847,000	2/17/34	50%	---
Monroe	First N. B.	2,277,000	11/18/33	50%	---
Niles	The City N.B. & Tr.Co.	1,221,000	8/18/33	55%	---
Nerway	First N. B.	1,057,000	1/27/34	64%	---
Ontonagon	First N. B.	271,000	1/6/34	50%	---
Pontiac	First N. B. at	6,154,000	7/18/33	40%	---
Richmond	First N. B.	766,000	10/4/33	60%	---
Rechester	First N. B.	1,474,000	11/27/33	25%	---
St. Ignace	First N. B.	601,000	10/7/33	55%	---
Utica	First N. B.	648,000	2/23/34	50%	---
Wakefield	First N. B.	537,000	6/7/33	80%	---
Wyandotte	First N. B.	667,000	12/14/33	30%	5%
Ypsilanti	First N. B.	2,320,000	10/17/33	30%	---

TOTALS --- 44 Banks ----- \$566,327,000

The following is a list of the unlicensed national banks in the State of Michigan which have been declared insolvent and placed in the hands of Receivers, showing the percentage of unsecured deposits subsequently released:

CITY	NAME OF BANK	TOTAL DEPOSITS	DATE OF RECEIVER'S APPOINTMENT	DIVIDENDS SUBSEQUENTLY PAID BY RECEIVERS
Almont	First N. B.	\$ 165,000	10/9/33	45%
Avoca	First N. B.	227,000	10/24/33	24%
Brighton	First N. B.	138,000	10/9/33	80%
Bronson	Peoples N. B.	238,000	5/9/34	---
Hart	First N. B.	337,000	9/14/33	40%
Hartford	Olney N. B.	368,000	9/26/33	28%
Manistee	First N. B.	554,000	12/12/33	---
Millington	Millington N. B.	81,000	10/25/33	25%
Paw Paw	First N. B.	478,000	12/28/33	50%
Romeo	Citizens N. B.	518,000	10/12/33	32%
TOTALS --- 10 Banks ----		\$ 3,104,000		

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

November 19, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended November 16, 1934:

Philadelphia	206,621.78	fine ounces
San Francisco.....	809,229.73	" "
Denver.....	<u>10,103.00</u>	" "
Total for week ended Nov. 16.....	1,025,954.51	" "
Total receipts through Nov. 16, 1934.....	18,024,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended November 16, 1934:

Philadelphia	21,690.00	fine ounces
New York	106,911.00	" "
San Francisco.....	2,269.00	" "
Denver.....	205,022.00	" "
New Orleans.....	299.00	" "
Seattle.....	- - -	" "
Total for week ended Nov. 16.....	<u>336,191.00</u>	" "
Total receipts through Nov. 16, 1934.....	109,227,640.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended November 16, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ 22,582.28	\$ 253,249.41	\$ 805.42
New York.....	23,623,300.00	1,028,500.00	49,700.00
San Francisco.....	187,587.63	99,333.96	970,983.91
Denver.....	33,804.00	30,883.00	849,704.00
New Orleans.....	- - - - -	34,358.24	797.66
Seattle.....	- - - - -	- - - - -	<u>775,973.74</u>
Total for week ended Nov. 16, 1934...	\$23,867,273.91	\$1,456,324.61	\$2,647,964.73

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 Nov. 14	\$ 29,044.92	\$ 632,750.00
Received previously	<u>29,359,444.88</u>	<u>75,925,050.00</u>
Total to November 14, 1934	\$29,388,489.80	\$76,557,800.00
Received by Treasurer's Office:		
Week ended Nov. 14	\$ 700.00	\$ 23,600.00
Received previously	<u>256,602.00</u>	<u>1,837,200.00</u>
Total to November 14, 1934.	\$ 257,302.00	\$ 1,860,800.00

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

November 20, 1934.

INDEBTEDNESS OF FOREIGN GOVERNMENTS TO THE UNITED STATES

Amounts payable December 15, 1934

(Exclusive of amounts previously due and unpaid.)

Country	Principal	Interest	Under Original Funding Agreements	Under Moratorium Agreements	Total
Belgium	--	\$ 2,625,000.00	\$ 484,453.88	\$ 3,109,453.88	
Czechoslovakia	\$ 1,500,000.00	--	182,812.78	1,682,812.78	
Estonia	208,500.00	286,265.00	36,585.29	531,350.29	
Finland	62,000.00	147,507.50	19,030.50	228,538.00	
France	--	19,261,432.50	3,046,879.72	22,308,312.22	
Great Britain	32,000,000.00	75,950,000.00	9,720,765.05	117,670,765.05	
Hungary	12,800.00	33,185.07	4,225.58	50,210.65	
Italy	--	1,245,437.50	896,155.88	2,141,593.38	
Latvia	85,800.00	119,609.00	15,274.26	220,683.26	
Lithuania	--	107,783.67	13,683.26	121,466.93	
Poland	2,577,000.00	3,582,810.00	456,229.71	6,616,039.71	
Rumania	--	--	48,750.08	48,750.08	
Yugoslavia	--	--	--	--	
TOTAL	\$36,446,100.00	\$103,359,030.24	\$14,924,845.99	\$154,729,976.23	

STATEMENT BY ACTING SECRETARY OF THE TREASURY COOLIDGE

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, November 26, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated November 28, 1934, and will mature on May 29, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on November 26, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following

morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on November 28, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of this circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

November 26, 1934.

MEMORANDUM FOR THE PRESS

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended November 23, 1934:

Philadelphia	148,252.25	fine ounces
San Francisco.....	293,469.20	" "
Denver	<u>1,810.00</u>	" "
Total for week ended Nov. 23.....	443,531.45	" "
Total receipts through Nov. 23, 1934.....	18,468,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended November 23, 1934:

Philadelphia	7,335.00	fine ounces
New York	252,027.00	" "
San Francisco.....	-----	" "
Denver.....	2,100.00	" "
New Orleans	408.00	" "
Seattle.....	-----	" "
Total for week ended Nov. 23.....	<u>261,870.00</u>	" "
Total receipts through Nov. 23, 1934....	109,489,510.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended November 23, 1934:			
Philadelphia	\$ -----	\$ 365,223.48	764.40
New York	33,420,000.00	1,500,000.00	-----
San Francisco.....	452,096.23	104,459.05	1,399,427.88
Denver	33,737.00	35,544.00	71,689.00
New Orleans	16,480.33	45,180.88	746.83
Seattle.....	-----	39,881.56	167,305.72
Total for week ended Nov. 23, 1934 ...	\$33,922,313.56	\$1,590,288.97	\$1,639,933.83

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 Nov. 21.....	\$ 63,733.00	\$ 753,970.00
Received previously.....	<u>29,388,489.80</u>	<u>76,557,800.00</u>
Total to November 21, 1934.....	\$29,452,222.80	\$77,311,770.00
Received by Treasurer's Office;		
Week ended Nov. 21.....	\$ -----	\$ 20,700.00
Received previously.....	<u>257,302.00</u>	<u>1,860,800.00</u>
Total to November 21, 1934.....	\$ 257,302.00	\$ 1,881,500.00

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

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

November 30, 1934.

The following telegram has been sent to all acting supervisors of the Alcohol Tax Unit of the Bureau of Internal Revenue:

November 30, 1934.

Acting District Supervisor:

ALL INSTRUCTIONS ADVISING YOU THAT CERTAIN NAMED EMPLOYEES OF THE ALCOHOL TAX UNIT HAVE BEEN DROPPED FROM THE ROLLS EFFECTIVE AT THE CLOSE OF BUSINESS NOVEMBER THIRTY AND REQUESTING YOU TO GIVE THEM NOTICE ACCORDINGLY ARE RESCINDED STOP YOU ARE DIRECTED IMMEDIATELY TO ADVISE ALL EMPLOYEES AFFECTED BY THE SO CALLED MCKELLAR PROVISION THAT THEIR NAMES WILL NOT BE DROPPED FROM THE ROLLS OF THE ALCOHOL TAX UNIT AND THAT THEY MAY ELECT TO REMAIN IN ACTIVE DUTY STATUS STOP ANY SUCH EMPLOYEES ELECTING TO REMAIN IN ACTIVE DUTY STATUS HOWEVER SHOULD BE ADVISED THAT THE DEPARTMENT IS WITHOUT FUNDS TO PAY THEIR COMPENSATION FOR SERVICES RENDERED FROM AND AFTER DECEMBER ONE AND THAT THE PAYMENT OF COMPENSATION FOR SERVICES RENDERED FROM AND AFTER THAT DATE WILL BE DEPENDENT UPON SUCH ACTION AS MAY BE TAKEN BY CONGRESS STOP IT SHOULD BE MADE CLEAR TO ALL EMPLOYEES AFFECTED BY THE MCKELLAR PROVISION THAT THEY ARE AT LIBERTY TO APPLY FOR LEAVE WITHOUT PAY FROM AND AFTER DECEMBER ONE IF UNDER THE CONDITIONS STATED THEY DO NOT DESIRE TO REMAIN IN ACTIVE DUTY STATUS STOP ACKNOWLEDGE RECEIPT BY WIRE

Approved: By direction of the Secretary,
(Signed) W. H. McReynolds.

Guy T. Helvering,
Commissioner.

Administrative Assistant to the Secretary.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, December 3, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated December 5, 1934, and will mature on June 5, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on December 3, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following

morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on December 5, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of this circular may be obtained from any Federal Reserve Bank or branch thereof.

TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS

November 30, 1934.

Following is text of opinion of the Attorney General received by the Secretary of the Treasury today:

"November 30, 1934.

The Honorable,

The Secretary of the Treasury.

Sir:

I have the honor to refer to the letter of Acting Secretary of the Treasury Oliphant, dated November 28, 1934, wherein my opinion is requested upon certain questions arising in connection with the Treasury Department's administration of the so-called McKellar proviso, contained in the Emergency Appropriation Act, fiscal year 1935 (ch. 648, 48 Stat. 1061), under the heading "Bureau of Internal Revenue".

The questions submitted for my consideration by the Acting Secretary are as follows:

1. Does the McKellar Proviso require the Secretary of the Treasury to remove the class of employees included within its scope from the service, either by outright separation or by a partial dismissal in the form of a furlough?
2. If your answer to the first question is in the negative, is the Secretary of the Treasury authorized by law to continue the employees in question in a duty status without pay?

The McKellar Proviso is in these words:

'Provided, That after December 1, 1934, no part of the appropriation made herein or heretofore made for the fiscal year 1935 shall be used 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, storckeeper 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.'

"This proviso does not in express terms direct or require removal from the service of the employees included within its scope. Nor does it, in my opinion, do so by implication. The positions occupied by these employees and the salaries appertaining thereto were created and established under general statutes theretofore enacted by the Congress.

The proviso does not purport to abolish these positions. On the contrary, its language clearly indicates that the Congress did not intend to abolish them. It provides only that after December 1, 1934, no part of the appropriation made under the Act or theretofore made for the fiscal year 1935, shall be used to pay the salary of any employee falling within its provisions unless and until such employee shall have been appointed to the position occupied by him as a result of an open competitive examination thereafter to be held by the Civil Service Commission.

In view of the foregoing, and since it appears that the employees involved had been appointed to their positions in the Treasury Department pursuant to statutory authority at the time of the enactment of the proviso, it is clear that the proviso does not change or affect their status as employees in the Treasury Department, except with respect to the payment of their salaries.

Since this is so, it is my opinion that the proviso does not require the Secretary of the Treasury to remove these employees from the service, either by outright separation or by a partial dismissal in the form of a furlough. For the same reasons, and as a necessary corollary, it is my further opinion that they may be continued in the service in a duty status without pay.

The questions submitted by the Acting Secretary are answered accordingly, the first question being answered in the negative and the second in the affirmative.

Respectfully,

(Signed) Homer Cummings

Attorney General."

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS:

December 3, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended November 30, 1934:

San Francisco.....	350,144.96	fine ounces
Denver.....	9,151.00	" "
Total for week ended Nov. 30, 1934..	359,295.96	" "
Total receipts through November 30, 1934..	18,827,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended November 30, 1934:

Philadelphia.....	14,467.00	fine ounces
New York	59,301.00	" "
Denver.....	5,945.00	" "
New Orleans.....	271.00	" "
Seattle.....	678.00	" "
Total for week ended Nov. 30, 1934...	80,662.00	" "
Total receipts through November 30, 1934...	109,570,000.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended November 30, 1934:			
Philadelphia	\$ -----	\$ 204,930.92	\$ 259.21
New York	46,525,000.00	651,400.00	150,100.00
San Francisco	12,075.28	141,016.55	959,591.15
Denver.....	70,272.00	54,858.00	717,563.00
New Orleans.....	-----	29,373.86	66.54
Seattle.....	-----	13,855.52	84,375.24
Total for week ended Nov. 30, 1934.	\$46,607,347.28	\$1,095,434.85	\$1,911,955.14

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 Nov. 28	\$ 35,358.04	\$ 700,010.00
Received previously	29,452,222.80	77,311,770.00
Total to Nov. 28, 1934.....	\$29,487,580.84	\$78,011,780.00
Received by Treasurer's Office:		
Week ended Nov. 28	\$ -----	\$ 10,700.00
Received previously.....	257,302.00	1,881,500.00
Total to November 28, 1934.....	\$ 257,302.00	\$ 1,892,200.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, December 10, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated December 12, 1934, and will mature on June 12, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on December 10, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject

any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on December 12, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of this circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

December 10, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended December 7, 1934:

Philadelphia	149,945.05	fine ounces
San Francisco	223,667.14	" "
Denver	114,081.00	" "
Total for week ended Dec. 7, 1934.....	487,693.19	" "
Total receipts through December 7, 1934.....	19,315,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended December 7, 1934:

Philadelphia	4,881	fine ounces
New York	211,088	" "
San Francisco	73,966	" "
Denver	1,154	" "
New Orleans.....	402	" "
Seattle.....	867	" "
Total for week ended Dec. 7, 1934.....	292,358	" "
Total receipts through December 7, 1934.....	109,862,532	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended December 7, 1934:			
Philadelphia.....	\$ ---	\$ 398,319.02	\$ 327.00
New York.....	29,900,000.00	755,500.00	37,200.00
San Francisco.....	260,889.63	124,716.24	1,079,542.60
Denver.....	7,398.00	19,146.00	796,632.00
New Orleans.....	2,173.26	44,722.91	728.01
Seattle.....	---	33,441.76	317,612.03
Total for week ended Dec. 7, 1934.	\$30,170,460.89	\$1,375,845.93	\$2,232,041.64

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 Dec. 5.....	\$ 40,979.08	\$ 556,280.00
Received previously.....	29,487,580.84	78,011,780.00
Total to Dec. 5, 1934.....	\$29,528,559.92	\$78,568,060.00
Received by Treasurer's Office:		
Week ended Dec. 5.....	\$ 604.00	\$ 14,400.00
Received previously.....	257,302.00	1,892,200.00
Total to Dec. 5, 1934.....	\$ 257,906.00	\$ 1,906,600.00

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

TREASURY DEPARTMENT

Washington

RELEASE MORNING NEWSPAPERS,
Thursday, December 13, 1934.
12-12-34.

Press Service

EXTRACTS FROM ADDRESS of J.F.T. O'Connor, Comptroller of the Currency, at dinner tendered Congressman-Elect Richard M. Russell at Boston, Massachusetts on December 12, 1934.

I have rather a bright picture of the national banking situation in Massachusetts to present to you -- At the conclusion of the banking holiday in March, 1933, there were 24 unlicensed national banks, with deposits of \$45,323,000, and all of these have been reopened under old or new charters, or absorbed by other banks. Where what we call the Spokane Plan has been used, and where it was necessary to collect stock assessments, receivers have been appointed. The total number of receiverships of national banks in Massachusetts is 11, with a deposit liability of \$46,732,000, and up to December 11, 1934, \$20,677,000 had been repaid to depositors. There are at the present time 133 active national banks in Massachusetts, with deposits of \$1,202,656,000.

One of the stabilizing influences was the institution of Federal Deposit Insurance. Preliminary figures as of October 1, 1934 show 210 financial institutions insured in Massachusetts and these institutions had insured deposits in the sum of \$611,000,000, out of a total deposit liability of \$1,582,000,000. There are 1,474,000 insured accounts in the State of Massachusetts. Since the inauguration of deposit insurance on January 1, 1934, nine banks which were members of the Fund have failed, with a total deposit liability of approximately \$1,900,000. Only one of these was a national bank with a deposit liability of \$40,000, \$38,000 of which was insured. From January 1, 1934 to December 1, 1934, 46 banks which were not members of the Insurance Fund have failed throughout the country. It is interesting to compare this record with that of the twelve years from 1921 through 1932 when 8,317 banks, with aggregate deposits of

\$3,518,040,000, failed in the United States during the first ten months only of such years. In other words, the average number of failures throughout the first ten months of the twelve years was 693, with average deposits of \$293,170,000, as contrasted with 55 banks which have failed thus far this year, nine of which were members of the Insurance Fund.

A great deal has been said about the duplication of examinations of banks by various agencies in Washington. There is no duplication of examinations in Washington. Only two departments of the government examine banks -- the Treasury Department and the Federal Reserve Board. The Comptroller of the Currency's Office supervises the examination of all national banks and no examiner except one designated by the Comptroller of the Currency enters a national bank. These examinations are made twice a year. There has been no complaint from the national banks about the frequency or duplicity of examinations, because there is none. It is true that a national bank may invite, or by agreement stipulate that a representative of the Reconstruction Finance Corporation may secure information from its records, but this is entirely a matter between the bank and the Reconstruction Finance Corporation. The Federal Reserve Board examines state member banks and this is a part of the agreement between the bank and the Federal Reserve Board at the time of its admission to membership. No other Federal agency examines a Federal Reserve State Member Bank.

The Reconstruction Finance Corporation may make audits where a bank requests its participation in its capital structure or loans. These representatives are, more properly speaking, auditors and no one doubts the propriety of audits being made in contemplation of investments or loans. The Federal Deposit Insurance Corporation has appraisers rather than examiners. Under the law the representatives of this Corporation appraise the assets of a state institution which applies for membership in the fund. It is the duty of these appraisers to determine whether the assets of the institution are sufficient to pay its deposit liability and this fact affirmatively found, the application for admission to the Fund is granted. The work of an examiner is quite different. The examiner

investigates not only the loans, bond account and other investments but also examines the minutes of the Directors, and it is a part of his duty to determine whether or not there have been any violations of the National Banking Act.

Honorable Henry Morgenthau, Jr., at a press conference during the present week, silenced the rumors of numerous and sweeping changes of the present organizations in Washington. The Secretary stated that the Treasury Department would make minimum recommendations to Congress and this is the position also stated in the public press by Senator Duncan U. Fletcher, Chairman of the Banking and Currency Committee of the Senate and of Congressman Henry B. Steagall, Chairman of this Committee in the House of Representatives.

Complete details of the October 17 Bank Call for national banks are not available. However, some of the schedules have been completed. The total deposits of licensed banks were \$20,821,392,000 and showed an increase of \$888,732,000, or 4.46 per cent, since June 30, and an increase of \$3,766,184,000, or 22.08 per cent since October 25 last year. Postal Savings in national banks on October 17, 1934, showed a decrease of \$80,399,000, or 18.24 per cent, since June 30, and a decrease of \$218,434,000, or 37.74 per cent, in the year.

The President and the Secretary of the Treasury sometime ago called from your city one of your outstanding financial leaders, Honorable Thomas Jefferson Coolidge. As Under Secretary of the Treasury, he occupies the second highest position in the Treasury Department and in the absence of the Secretary, he is the Acting Secretary of the Treasury. He is rendering a fine service to this nation and has justified in a high degree the confidence reposed in him by the Administration.

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, December 17, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated December 19, 1934, and will mature on June 19, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on December 17, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject

any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on December 19, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of this circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

MEMORANDUM FOR THE PRESS.

December 17, 1934.

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended December 14, 1934:

San Francisco	542,278.44	fine ounces
Denver	106,451.00	" "
Total for week ended Dec. 14, 1934	648,729.44	" "
Total receipts through December 14, 1934	19,964,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended December 14, 1934:

Philadelphia	50,719.00	fine ounces
New York	377,895.00	" "
San Francisco	13,229.00	" "
Denver	1,294.00	" "
New Orleans	244.00	" "
Seattle	927.00	" "
Total for week ended Dec. 14, 1934	444,308.00	" "
Total receipts through December 14, 1934	110,306,840.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

Week ended December 14, 1934:	Imports	Secondary	New Domestic
Philadelphia	\$ -----	\$ 285,312.08	\$ 170.10
New York	23,142,200.00	542,000.00	27,800.00
San Francisco	292,260.53	139,871.69	964,987.99
Denver	47,002.00	27,065.00	736,042.00
New Orleans	4,071.44	30,981.48	683.22
Seattle	-----	24,687.33	255,310.08
Total for week ended Dec. 14, 1934	\$23,485,533.97	\$1,049,917.58	\$1,984,993.39

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 Dec. 12	\$ 50,634.40	\$ 451,890.00
Received previously	29,528,559.92	78,568,060.00
Total to December 12, 1934	\$29,579,194.32	\$79,019,950.00
Received by Treasurer's Office:		
Week ended Dec. 12	\$ -----	\$ 18,700.00
Received previously	257,906.00	1,906,600.00
Total to December 12, 1934	\$ 257,906.00	\$ 1,925,300.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or therabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Friday, December 21, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated December 26, 1934, and will mature on June 26, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on December 21, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied

for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on December 26, 1934.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

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TREASURY DEPARTMENT

Washington

December 24, 1934.

MEMORANDUM FOR THE PRESS

RECEIPTS OF SILVER BY THE MINTS:

(Under Executive Proclamation of December 21, 1933)

Week ended December 21, 1934:

Philadelphia.....	247,779.47	fine ounces
San Francisco.....	460,518.84	" "
Denver.....	88,908.00	" "
Total for week ended Dec. 21, 1934.....	797,206.31	" "
Total receipts through December 21, 1934.....	20,759,000.00	" "

SILVER TRANSFERRED TO UNITED STATES:

(Under Executive Proclamation of August 9, 1934)

Week ended December 21, 1934:

Philadelphia.....	4,233.00	fine ounces
New York.....	685,957.00	" "
Denver.....	1,447.00	" "
New Orleans.....	486.00	" "
Seattle.....	672.00	" "
Total for week ended Dec. 21, 1934.....	692,795.00	" "
Total receipts through December 21, 1934.....	110,999,635.00	" "

RECEIPTS OF GOLD BY THE MINTS AND ASSAY OFFICES:

	Imports	Secondary	New Domestic
Week ended December 21, 1934.			
Philadelphia.....	\$ -----	\$ 308,422.51	997.57
New York.....	22,089,400.00	555,800.00	24,800.00
San Francisco.....	209,500.28	97,126.87	1,517,784.89
Denver.....	20,197.00	35,334.00	749,014.00
New Orleans.....	-----	38,393.70	259.64
Seattle.....	-----	22,752.28	171,962.51
Total for week ended Dec. 14, 1934.....	\$22,319,097.28	\$1,057,829.36	\$2,464,818.61

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 Dec. 19.....	\$ 32,340.44	\$ 616,270.00
Received previously.....	29,579,194.32	79,019,950.00
Total to December 19, 1934.....	\$29,611,534.76	\$79,636,220.00
Received by Treasurer's Office:		
Week ended Dec. 19.....	\$ 500.00	\$ 7,300.00
Received previously.....	257,906.00	1,932,600.00
Total to December 19, 1934.....	\$ 258,506.00	\$ 1,932,600.00

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

STATEMENT BY SECRETARY MORGENTHAU

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$75,000,000, or thereabouts. They will be 182-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Friday, December 28, 1934. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated January 2, 1935, and will mature on July 3, 1935, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on December 28, 1934, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject

any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on January 2, 1935.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

Release Folder

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	<u>122,993.00</u>	" "
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	<u>29,780.00</u>	" "
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	\$ 233.80
New York	13,605,900.00	311,700.00	---
San Francisco	361,623.59	124,846.83	1,203,581.13
Denver	32,344.00	40,351.00	790,237.00
New Orleans	----	62,014.46	349.65
Seattle	----	<u>20,997.73</u>	<u>210,839.39</u>
Total for week ended Dec. 28, 1934 .	\$13,999,867.59	\$718,726.12	\$2,205,240.97

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	<u>29,611,534.76</u>	<u>79,636,220.00</u>
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	<u>258,506.00</u>	<u>1,932,600.00</u>
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.